REAL ESTATE TRANSFER DISCLOSURE STATEMENT
(CALIFORNIA CIVIL CODE §1102, ET SEQ.)
(C.A.R. Form TDS, Revised 6/24)

☐ This property is a duplex, triplex or fourplex. A TDS is required for all units. This TDS is for ALL units (or ☐ only unit(s) ___).

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Santee, **COUNTY OF** San Diego, **STATE OF CALIFORNIA, DESCRIBED AS** 148 Via Montisi, Santee, CA, 92071.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 1102 OF THE CIVIL CODE AS OF (DATE) 08/10/2026**. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.**

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to § 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

☒ Inspection reports completed pursuant to the contract of sale or receipt for deposit.

☒ Additional inspection reports or disclosures: Seller may have obtained a limited number of third-party inspections that will be supplied to Buyer at buyers request if available.

☒ *No substituted disclosures for this transfer.*

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller ☐ is ☒ is not occupying the property.

A. The subject property has the items checked below:*

☒ Range
☒ Oven
☒ Microwave
☒ Dishwasher
☐ Trash Compactor
☐ Garbage Disposal
☒ Washer/Dryer Hookups
☒ Rain Gutters
☐ Burglar Alarms
☐ Carbon Monoxide Device(s)
☒ Smoke Detector(s)
☐ Fire Alarm
☐ TV Antenna
☐ Satellite Dish
☐ Intercom
☒ Central Heating
☒ Central Air Conditioning
☐ Evaporator Cooler(s)

☐ Wall/Window Air Conditioning
☐ Sprinklers
☒ Public Sewer System
☐ Septic Tank
☐ Sump Pump
☐ Water Softener
☒ Patio/Decking
☐ Built-in Barbecue
☐ Gazebo
☐ Security Gate(s)
☒ Garage:
  ☒ Attached ☐ Not Attached
  ☐ Carport
  ☐ Automatic Garage Door Opener(s)
  ☒ Number Remote Controls ____
☐ Sauna
☐ Hot Tub/Spa:
  ☐ Locking Safety Cover

☐ Pool:
  ☐ Child Resistant Barrier
☐ Pool/Spa Heater:
  ☐ Gas ☐ Solar ☐ Electric
☒ Water Heater:
  ☒ Gas ☐ Solar ☐ Electric
☒ Water Supply:
  ☒ City ☐ Well
  ☐ Private Utility or
  Other homeowners association
☒ Gas Supply:
  ☒ Utility ☐ Bottled (Tank)
☐ Window Screens
☐ Window Security Bars
  ☐ Quick Release Mechanism on Bedroom Windows
☐ Water-Conserving Plumbing Fixtures

Exhaust Fan(s) in ____ 220 Volt Wiring in ____ Fireplace(s) in ____
☐ Gas Starter ____ ☒ Roof(s): Type: Tile Age: ____ (approx.)
☐ Other: List of items in the home may not be complete. Any items remaining in home at time of sale will be left.

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes/☒ No. If yes, then describe. (Attach additional sheets if necessary): Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.

(*see note on page 2)

Property Address: 148 Via Montisi, Santee, CA, 92071 Date: 08/10/2026

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? [X] Yes/[ ] No. If yes, check appropriate space(s) below.

[ ] Interior Walls [ ] Ceilings [ ] Floors [ ] Exterior Walls [ ] Insulation [ ] Roof(s) [ ] Windows [ ] Doors [ ] Foundation [ ] Slab(s) [ ] Driveways [ ] Sidewalks [ ] Walls/Fences [ ] Electrical Systems [X] Plumbing/Sewers/Septics [ ] Other Structural Components (Describe:)

If any of the above is checked, explain. (Attach additional sheets if necessary.):

Plumbing work completed during prior ownership. Per work order, garage door motor and track system repaired. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with § 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with § 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with § 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. § 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with § 1101.4 of the Civil Code.

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property . . . . . [ ] Yes [X] No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property . . . . . [ ] Yes [X] No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property . . . . . [ ] Yes [X] No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. . . . . . [ ] Yes [X] No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes . . [ ] Yes [X] No

   (**Note to C4 and C5:** If transferor acquired the property within 18 months of accepting an offer to sell it, transferor shall make additional disclosures regarding the room additions, structural modifications, or other alterations or repairs on a Seller Property Questionnaire (C.A.R. Form SPQ).)
6. Fill (compacted or otherwise) on the property or any portion thereof . . . . . [ ] Yes [X] No
7. Any settling from any cause, or slippage, sliding, or other soil problems . . . . . [ ] Yes [X] No
8. Flooding, drainage or grading problems . . . . . [ ] Yes [X] No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides . . . . . [ ] Yes [X] No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements . . . . . [ ] Yes [X] No
11. Neighborhood noise problems or other nuisances . . . . . [ ] Yes [X] No
12. CC&R's or other deed restrictions or obligations . . . . . [X] Yes [ ] No
13. Homeowners' Association which has any authority over the subject property . . . . . [X] Yes [ ] No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . [X] Yes [ ] No
15. Any notices of abatement or citations against the property . . . . . [ ] Yes [X] No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to § 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to § 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to § 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . [ ] Yes [X] No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.):

12-16. HOA Name: Treviso Homeowners Association, Phone Number: 858-514-8820, Main Fee: $388.00 paid monthly. HOA Demand and CC&Rs attached. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.

D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 13113.8 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.

2. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller *Brad Bonney* Authorized Signer on Behalf of Opendoor Property Trust I Date 08/10/2026

Seller ______ Date ______

III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- [X] See attached Agent Visual Inspection Disclosure (AVID Form)
- [ ] Agent notes no items for disclosure.
- [ ] Agent notes the following items: ______

Agent (Broker Representing Seller) Opendoor Brokerage Inc. (Please Print) By Lisa Soltez (Associate Licensee or Broker Signature) Date 08/10/2026

IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- [ ] See attached Agent Visual Inspection Disclosure (AVID Form)
- [ ] Agent notes no items for disclosure.
- [ ] Agent notes the following items: ______

Agent (Broker Obtaining the Offer) ______ (Please Print) By ______ (Associate Licensee or Broker Signature) Date ______

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller Brad Bonney Date 08/10/2026 Buyer ______ Date ______

Authorized Signer on Behalf of Opendoor Property Trust I

Seller ______ Date ______ Buyer ______ Date ______

Agent (Broker Representing Seller) Opendoor Brokerage Inc. (Please Print) By Lisa Soltez (Associate Licensee or Broker Signature) Date 08/10/2026

Agent (Broker Obtaining the Offer) ______ (Please Print) By ______ (Associate Licensee or Broker Signature) Date ______

§ 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. *a subsidiary of the California Association of REALTORS®*

SELLER PROPERTY QUESTIONNAIRE

(C.A.R. Form SPQ, Revised 6/26)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed. If Seller is exempt from completing a TDS, Seller should either complete an Exempt Seller Disclosure (C.A.R. Form ESD) or use this SPQ form instead:

NOTE TO SELLER: YOU ARE STRONGLY ADVISED TO CAREFULLY REVIEW THE DISCLOSURE INFORMATION ADVISORY (C.A.R. Form DIA) BEFORE YOU COMPLETE THIS SELLER PROPERTY QUESTIONNAIRE. ALL SELLERS OF CALIFORNIA REAL PROPERTY ARE REQUIRED TO PROVIDE VARIOUS DISCLOSURES, WHETHER BY CONTRACT, STATUTE, OR CASE LAW. MANY DISCLOSURES MUST BE MADE WITHIN CERTAIN TIME LIMITS. TIMELY AND THOROUGH DISCLOSURES HELP TO REDUCE DISPUTES AND FACILITATE A SMOOTH SALES TRANSACTION.

Seller makes the following disclosures with regard to the real property or manufactured home described as 148 Via Montisi, Santee, CA, 92071, Assessor's Parcel No. 383-061-07-10, situated in Santee, County of San Diego California ("Property").

☐ This property is a duplex, triplex, fourplex, or otherwise has additional dwelling units. A SPQ is required for all units. This SPQ is for ALL units (or ☐ only unit(s) ________________).

1. **Disclosure Limitation: The following are representations made by the Seller and are not the representations of the Agent(s), if any. This disclosure statement is not a warranty of any kind by the Seller or any agents(s) and is not a substitute for any inspections or warranties the principal(s) may wish to obtain. This disclosure is not intended to be part of the contract between Buyer and Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker, has not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desires legal advice, they should consult an attorney.**
2. **Note to Seller, PURPOSE:** To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
   - Answer based on actual knowledge and recollection at this time.
   - Something that you do not consider material or significant may be perceived differently by a Buyer.
   - Think about what you would want to know if you were buying the Property today.
   - Read the questions carefully and take your time.
   - If you do not understand how to answer a question, or what to disclose or how to make a disclosure in response to a question, whether on this form or a TDS, you should consult a real estate attorney in California of your choosing. A broker cannot answer the questions for you or advise you on the legal sufficiency of any answers or disclosures you provide.
3. **Note to Buyer, PURPOSE:** To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
   - Something that may be material or significant to you may not be perceived the same way by the Seller.
   - If something is important to you, be sure to put your concerns and questions in writing (C.A.R. Form BMI).
   - Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
   - Seller's disclosures are not a substitute for your own investigations, personal judgments, or common sense.
4. **SELLER AWARENESS:** For each statement below, answer the question "Are you (Seller) aware..." by checking either "Yes" or "No."
   - **A "Yes" answer is appropriate no matter how long ago the item being asked about happened or was documented unless otherwise specified.**
   - **Explain any "Yes" answers** in the space provided or attach additional comments and check **paragraph 19B** is checked and attach additional comments.
5. **DOCUMENTS:** Documents include any reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys, or other documents that pertain to:
   (i) the condition or repair of the Property;
   (ii) any improvement on this Property;
   (iii) easements, encroachments, or boundary disputes affecting the Property.
   These documents include, but are not limited to, any document:
   (i) prepared in the past or present;
   (ii) provided during any previous transaction or from a previous owner;
   (iii) indicating the condition or proposing recommendations, whether or not Seller acted upon them; and
   (iv) whether or not it was provided to the Seller.
   A. Are you (Seller) aware of any Documents regarding the Property that were prepared before your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
   B. Are you (Seller) aware of any Documents regarding the Property that were prepared for you during your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
   C. Are you (Seller) aware of any Documents regarding the Property that were provided by others during your ownership (such as Documents obtained by potential buyers)? ☒ Yes ☐ No
   Note: If yes to any, provide any such documents in your possession to Buyer. Receipt for Reports (C.A.R. Form RFR) may be used to list such documents and explanation can be given to provide context.
   If Yes to any, provide explanation: Seller is a corporate entity. Documents in Seller's possession during ownership include work orders, inspection reports, renovation scopes, and third-party assessments. Seller will provide available details upon request.
6. **STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED:** **ARE YOU (SELLER) AWARE OF...**
   A. Within the last 3 years, the death of an occupant of the Property upon the Property ☐ Yes ☒ No
   (Note to Seller: The manner of death may be a material fact to the Buyer, and should be disclosed, except for a death by HIV/AIDS.)
   B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ☐ Yes ☒ No

C. The release of an illegal controlled substance on or beneath the Property ☐ Yes ☒ No
D. Whether the Property is located in, or adjacent to, an "industrial use" zone ☐ Yes ☒ No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
E. Whether the Property is affected by a nuisance created by an "industrial use" zone ☐ Yes ☒ No
F. Whether the Property is located within 1 mile of a former federal or state ordnance location (In general, an area once used for military training purposes that may contain potentially explosive munitions.) ☐ Yes ☒ No
G. Whether the Property is **(i)** a condominium or **(ii)** located in a planned unit development or **(iii)** other common interest subdivision (see **paragraph 14** for more disclosures) ☒ Yes ☐ No
H. Insurance claims affecting the Property within the past 5 years ☒ Yes ☐ No
I. Matters affecting title of the Property ☐ Yes ☒ No
J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 ☐ Yes ☒ No
K. Any inspection reports on any exterior balconies, stairways, or other "Elevated Elements" on buildings with 3 or more units on the Property prepared within the last 6 years, or 9 years for condominiums ☐ Yes ☒ No
(See C.A.R. Form WBSA for more information)
L. Material facts or defects affecting the Property not otherwise disclosed to Buyer ☐ Yes ☒ No

If Yes to any, provide explanation:
G. The property is part of a mandatory homeowner's association. H. Seller inputs indicate an insurance claim was filed for water damage due to bursting fire sprinklers during water heater installation.
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

7. REPAIRS AND ALTERATIONS: **ARE YOU (SELLER) AWARE OF...**

A. Any alterations, modifications, replacements, improvements, remodeling, or material repairs on the Property (including those resulting from Home Warranty claims) ☒ Yes ☐ No
B. Any alterations, modifications, replacements, improvements, remodeling, or material repairs to the Property done for the purpose of energy or water efficiency improvement or renewable energy? ☐ Yes ☒ No
C. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) ☐ Yes ☒ No
D. Any part of the Property being painted within the past 12 months ☒ Yes ☐ No
E. Whether the Property was built before 1978 (if No, leave (1) and (2) blank) ☐ Yes ☒ No
(1) If yes, whether any renovations (i.e., sanding, cutting, demolition) of lead-based paint surfaces started or completed (if No, leave (2) blank) ☐ Yes ☐ No
(2) If yes to (1), whether such renovations were done in compliance with the Environmental Protection Agency Lead-Based Paint Renovation Rule ☐ Yes ☐ No
F. Whether you acquired the property within 18 months of accepting an offer to sell it ☒ Yes ☐ No
If yes, have any room additions, structural modifications, or other alterations or repairs (collectively "Improvements") been performed by a contractor while you have owned the Property? ☒ Yes ☐ No
Note 1: If yes to F(1), Seller shall provide in the Explanation below: **(i)** a list of such Improvements and (ii) the name and contact information for each contractor who performed services of $1,000 or more.
Note 2: If yes to F(1), Seller shall provide in the Explanation below **(i)** a list of those Improvements for which Seller has obtained permits, and Seller shall attach copies of those permits to this SPQ, and **(ii)** for those Improvements for which Seller does not have a permit, Seller shall include a statement identifying those Improvements stating that Seller was not provided permits by the third party making the Improvement, and providing the contact information for such third parties from whom the Buyer may obtain those permits.

If Yes to any, provide explanation:
A/F. Water heater installed. Plumbing repairs performed. D. Painting od exterior door and jamb, and wall painting upstairs. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

8. STRUCTURAL, SYSTEMS AND APPLIANCES: **ARE YOU (SELLER) AWARE OF...**

A. Defects in any of the following (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors, or appliances ☒ Yes ☐ No
B. The existence of a solar power system (if yes, Seller to provide C.A.R. Form SOLAR) ☐ Yes ☒ No
C. The existence of a septic system, well, or propane tank (if yes, Seller to provide C.A.R. Form SWPI-Q) ☐ Yes ☒ No
D. The leasing of any of the following on or serving the Property: water softener system, water purifier system, or alarm system ☐ Yes ☒ No
E. Whether any structure on the Property other than the main improvement is used as a dwelling ☐ Yes ☒ No
(1) If Yes to E, whether there are separate utilities and meters for the dwelling ☐ Yes ☒ No
(2) If Yes to E, whether the dwelling received a permit or other government approval as an Accessory Dwelling Unit (ADU) ☐ Yes ☒ No

If Yes to any, provide explanation:
Per pervious owner, fire sprinklers burst causing water damage during water heater instillation, plumbing repairs completed due to clogged pipes.

9. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT: **ARE YOU (SELLER) AWARE OF...**

A. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs ☒ Yes ☐ No
If yes, was federal flood disaster assistance conditioned upon obtaining and maintaining flood insurance on the Property ☐ Yes ☒ No
(NOTE: If the assistance was conditioned upon maintaining flood insurance, Buyer is informed that federal law, 42 USC 5154a requires Buyer to maintain such insurance on the Property, and if such insurance is not maintained, and the Property is damaged by a flood disaster, Buyer may be required to reimburse the federal government for the disaster relief provided.)

Property Address: 148 Via Montisi, Santee, CA, 92071

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # ______________.

B. Receiving domestic water storage tank assistance pursuant to § 13194 of the Water Code or whether the real property ever received such assistance and the real property currently still has the domestic storage tank.............. [ ] Yes [X] No
If yes, the following disclosure is made: (1) This property has a domestic water storage tank provided by a county, community water system, local public agency, or nonprofit organization, pursuant to § 13194 of the Water Code. (2) The domestic water storage tank was made available to households that had a private water well that had gone dry, or had been destroyed due to drought, wildfire, other natural disasters, or was otherwise nonfunctioning. (3) The domestic water storage tank provided pursuant to § 13194 of the Water Code might not convey with the real property. (4) Due to the water well issues that led to this property obtaining assistance pursuant to § 13194 of the Water Code, the buyer is advised to have an inspection of the water well and to have a professional evaluate the availability of water to the property to ensure it suits the purposes for which the buyer is purchasing the property.

If Yes to any, provide explanation:
A)Previous owner indicated an insurance claim was filed for water damage due to bursting fire sprinklers during water heater installation. Water damage remediation performed. Insurance claim filed.
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

10. WATER-RELATED AND MOLD ISSUES: **ARE YOU (SELLER) AWARE OF...**

A. Water intrusion, whether past or present, into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property .... [X] Yes [ ] No

B. Any problem with or infestation of mold, mildew, fungus, or spores, past or present, on or affecting the Property.. [ ] Yes [X] No

C. Rivers, streams, flood channels, underground springs, high watertable, floods, or tides, on or affecting the Property or neighborhood .... [ ] Yes [X] No

If Yes to any, provide explanation:
Prior Ownership: clogged pipes repaired and water damage due to bursting fire sprinklers during water heater installation. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

11. PETS, ANIMALS, AND PESTS: **ARE YOU (SELLER) AWARE OF...**

A. Past or present pets on or in the Property .... [ ] Yes [X] No

B. Past or present problems with livestock, wildlife, insects, or pests on or in the Property .... [ ] Yes [X] No

C. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above .... [ ] Yes [X] No

D. Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above .... [ ] Yes [X] No
If so, when and by whom ______________

If Yes to any, provide explanation: ______________

12. BOUNDARIES, ACCESS, AND PROPERTY USE BY OTHERS: **ARE YOU (SELLER) AWARE OF...**

A. Surveys, easements, encroachments or boundary disputes .... [ ] Yes [X] No

B. Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways, or other forms of ingress or egress or other travel or drainage.............. [ ] Yes [X] No

C. Use of any neighboring property by you .... [ ] Yes [X] No

If Yes to any, provide explanation: ______________

13. LANDSCAPING, POOL AND SPA: **ARE YOU (SELLER) AWARE OF...**

A. Diseases or infestations affecting trees, plants, or vegetation on or near the Property .... [ ] Yes [X] No

B. Operational sprinklers on the Property .... [ ] Yes [X] No
(1) If yes, are they [ ] automatic or [ ] manually operated.
(2) If yes, are there any areas with trees, plants, or vegetation not covered by the sprinkler system. [ ] Yes [X] No

C. A pool heater on the Property .... [ ] Yes [X] No
If yes, is it operational? .... [ ] Yes [X] No

D. A spa heater on the Property .... [ ] Yes [X] No
If yes, is it operational? .... [ ] Yes [X] No

E. Past or present defects, leaks, cracks, repairs, or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage, or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired .... [ ] Yes [X] No

If Yes to any, provide explanation: ______________

14. CONDOMINIUMS, COMMON INTEREST DEVELOPMENTS AND OTHER SUBDIVISIONS (AND ANY OTHER PROPERTIES FOR WHICH ANY PARAGRAPH A-F APPLIES): (IF APPLICABLE) **ARE YOU (SELLER) AWARE OF...**

A. Property being: **(i)** a condominium; **(ii)** being located in a planned unit development or; **(iii)** being located in a common interest subdivision.............. [X] Yes [ ] No

B. Any Homeowners' Association (HOA) which has any authority over the subject property.............. [X] Yes [ ] No

C. Any "common area" (facilities such as pools, fitness centers, walkways, conference rooms, or other areas co-owned in undivided interest with others) .... [X] Yes [ ] No

D. CC&R's or other deed restrictions or obligations .... [X] Yes [ ] No

E. Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues, or litigation by or against or fines or violations issued by a Homeowner Association or Architectural Committee affecting the Property .... [ ] Yes [X] No

F. CC&R's or other deed restrictions or obligations or any HOA Committee that has authority over improvements made on or to the Property .... [X] Yes [ ] No

Property Address: 148 Via Montisi, Santee, CA, 92071

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # ______________.

(1) If Yes to F, any improvements made on or to the Property inconsistent with any declaration of restrictions or HOA Committee requirement .... ☐ Yes ☒ No

(2) If Yes to F, any improvements made on or to the Property without the required approval of an HOA Committee .... ☐ Yes ☒ No

If Yes to any, provide explanation: B) HOA Name: Treviso Homeowners Association, Main Fee: $388 paid monthly. Please see attached for HOA-related expenses provided to the Seller at the time the Seller purchased this property. Buyer is encouraged to contact the HOA for current information. F) Contact HOA for specific guidelines and requirements. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property where applicable as noted.

15. TITLE, OWNERSHIP, LIENS, AND LEGAL CLAIMS: **ARE YOU (SELLER) AWARE OF...**

A. Other than the Seller signing this form, any other person or entity with an ownership interest .... ☐ Yes ☒ No

B. Leases, options, or claims affecting or relating to title or use of the Property .... ☐ Yes ☒ No

C. Past, present, pending or threatened lawsuits, settlements, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association, or neighborhood .... ☐ Yes ☒ No

D. Features of the property shared in common with adjoining landowners, such as walls, fences and driveways, whose use or responsibility for maintenance may have an effect on the subject property.......... ☐ Yes ☒ No

E. Any encroachments, easements, boundary disputes, or similar matters that may affect your interest in the subject property, whether in writing or not .... ☐ Yes ☒ No

F. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest-based groups, or any other person or entity. .... ☐ Yes ☒ No

G. Any PACE lien (such as HERO or SCEIP) or other lien on your Property securing a loan to pay for an alteration, modification, replacement, improvement, remodel, or material repair of the Property .... ☐ Yes ☒ No

H. The cost of any alteration, modification, replacement, improvement, remodel, or material repair of the Property being paid by an assessment on the Property tax bill .... ☐ Yes ☒ No

If Yes to any, provide explanation: ______________

16. NEIGHBORS/NEIGHBORHOOD: **ARE YOU (SELLER) AWARE OF...**

A. Neighborhood noise, nuisance, or other problems from sources such as, but not limited to, the following: Neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, underground gas pipelines, cell phone towers, high voltage transmission lines, or wildlife .... ☐ Yes ☒ No

B. Any past or present disputes or issues with a neighbor which might impact the use, development and enjoyment of the Property .... ☐ Yes ☒ No

If Yes to any, provide explanation: A) The property is part of the Treviso Homeowners Association, with a monthly fee of $388.00. The association's address is 8400 N Magnolia Ave #F, Santee, CA 92071 and the phone number is 858-514-8820. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and to verify all information relating to this property where applicable as noted.

17. GOVERNMENTAL: **ARE YOU (SELLER) AWARE OF...**

A. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property .... ☐ Yes ☒ No

B. Existence or pendency of any rent control, occupancy restrictions, improvement restrictions, or retrofit requirements that apply to or could affect the Property .... ☐ Yes ☒ No

C. Existing or contemplated building or use moratoria that apply to or could affect the Property .... ☐ Yes ☒ No

D. Any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property. Gas-powered appliances include, but are not limited to, appliances fueled by natural gas or liquid propane .... ☐ Yes ☒ No

E. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property .... ☐ Yes ☒ No

F. Proposed construction, reconfiguration, or closure of nearby Government facilities or amenities such as schools, parks, roadways, and traffic signals .... ☐ Yes ☒ No

G. Existing or proposed Government requirements affecting the Property **(i)** that tall grass, brush or other vegetation be cleared; **(ii)** that restrict tree (or other landscaping) planting, removal, or cutting or **(iii)** that flammable materials be removed .... ☐ Yes ☒ No

H. Any protected habitat for plants, trees, animals, or insects that apply to or could affect the Property.......... ☐ Yes ☒ No

I. Whether the Property is historically designated or falls within an existing or proposed Historic District .... ☐ Yes ☒ No

J. Any water surcharges or penalties being imposed by a public or private water supplier, agency or utility; or restrictions or prohibitions on wells or other ground water supplies .... ☐ Yes ☒ No

K. Any differences between the name of the city in the postal/mailing address and the city which has jurisdiction over the property .... ☐ Yes ☒ No

If Yes to any, provide explanation: ______________

18. OTHER: **ARE YOU (SELLER) AWARE OF...**

A. Any occupant of the Property smoking or vaping any substance on or in the Property, whether past or present .... ☐ Yes ☒ No

B. Any residue, which may be indicated by smell or test results, from smoking tobacco or nicotine products, which includes the use of an electronic cigarette or vape device.......... ☐ Yes ☒ No

C. Any use of the Property for, or any alterations, modifications, improvements, remodeling or material change to the Property due to, cannabis cultivation or growth .... ☐ Yes ☒ No

D. Whether the Property was originally constructed as a Manufactured or Mobile home .... ☐ Yes ☒ No

Buyer's Initials ________ / ________ Seller's Initials BB / ________

Property Address: 148 Via Montisi, Santee, CA, 92071

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # ________________.

E. Whether the Property is tenant occupied .... ☐ Yes ☒ No
If Yes, do you have photographs from the beginning of the tenancy (if in your possession, provide along with any other move-in reports created at the beginning of the tenancy).. ☐ Yes ☒ No

F. Whether the Property was previously tenant occupied even if vacant now .... ☐ Yes ☒ No
If yes, disclose if you know the method or manner of how the tenancy ended.

If Yes to any, provide explanation: ______________________________

19. MATERIAL FACTS:

A. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer .... ☐ Yes ☒ No

B. ☐ **(IF CHECKED) ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

If Yes to any, provide explanation: ______________________________

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from Seller's own duty of disclosure.

Seller *Brad Bonney* Authorized Signer on Behalf of Opendoor Property Trust I Date 08/10/2026
Seller ______________________________ Date ____________

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer ______________________________ Date ____________
Buyer ______________________________ Date ____________

Published and Distributed by: REAL ESTATE BUSINESS SERVICES, LLC. *a subsidiary of the California Association of REALTORS®*

Additional Property Information

PROPERTY ADDRESS

148 Via Montisi, Santee, CA, 92071

1. G 3 Equity-SAN — General Renovation
WO ID: b3c9ca67-4497-4678-9788-758c4b5bd8d9 · Ref 1424W39TTZ6S6-b3c9ca674
State: work_approved — Approved, pending account closure
Dates: Started August 5, 2026 · Finished August 7, 2026
Contact: Jonathan Zadok — g3equity@gmail.com · (310) 867-1045 (AP: edc.thr@gmail.com)
Scope of work (6 approved line items):
Plumbing / Paint
Removed upstairs toilet, paint-matched the affected area to the rest of the room ensuring paint and texture align with the home, then reseated and resealed the toilet and verified proper function
Prepped, masked and painted the exterior door and jamb, masking hardware and finishing to a smooth, consistent surface
Doors & Hardware
Repaired the garage door motor and track, verifying all parts operate properly
Removed existing interior door handle; installed new interior passage set with latch and strike aligned
Cabinets
Installed protective tile liner under the kitchen sink cabinet base
Prelims / General
Prelim package: replaced missing/damaged door stops and strike plates; removed damaged blinds; stacked non-damaged window screens in garage; replaced missing/broken switch and receptacle cover plates; replaced burnt-out light bulbs; replaced batteries and tested all smoke detectors; capped unused water and gas lines; installed new pleated HVAC air filters

2. Grit & Bristle-SAN-C — Final Clean
WO ID: c84aa1fe-b40b-4535-bfda-e48734e42d8f · Ref 1424W39TTZ6S6-c84aa1feb
State: work_approved — Approved, pending account closure
Dates: August 7, 2026
Contact: Stephanie Sommovigo — stephanie@gritandbristle.com · (760) 309-6900 (Alt: ssommovigo@me.com)
Name note: Vendor master lists the legal name as "Grit & Bristle, Domestic Referral Agency" (NetSuite: "DBA grit & bristle, domestic referral agency"). Phone matches — confirmed.
Scope:
Full completion clean — wiped exterior doors and trim; cleaned exterior light fixtures; broom-cleaned entry, porch, patio and garage; vacuumed and mopped all flooring; cleaned first-floor exterior windows inside and out plus interior of all above-grade windows, tracks and frames; cleaned air vent grills, window sills and trim, switch and outlet plates, light fixtures and ceiling fans, doors and frames; cleaned kitchen and laundry appliances inside, outside and underneath; cleaned cabinetry inside and out; cleaned counters, sinks, plumbing fixtures and toilets; cleaned showers, tubs, surrounds and wall tile; cleaned baseboards and tops of furnace and water heater; removed cobwebs and all debris; swept exterior perimeter

3. Oxi Fresh Carlsbad-SAN-S — Floor Cleaning
WO ID: e9696cf5-fa7d-4539-bb67-5488b278980a · Ref 1424W39TTZ6S6-e9696cf5f
State: work_approved — Approved, pending account closure
Dates: Finished August 7, 2026 (no start date recorded)
Contact: Brooke Eastman — oxifreshnorthernsandiego@gmail.com · (619) 302-8388
Scope:
Steam cleaned floors

4. VRX Photography-SAN-S — Listing Media
WO ID: edb1aaaf-8509-4f81-a6cc-839e4b422909 · Ref 1424W39TTZ6S6-edb1aaaf8
State: vendor_accepted (WO type listed) — accepted by vendor, not yet started or completed
Dates: No start or finish date recorded
Contact: Nathan Strom — nate@vrxmediagroup.com · (262) 880-5727 (AP: accounting@showingtimeplus.com)
Confidence note: WO data shows "VRX Photography"; vendor master shows "VRX Media Group LLC." Phone matches across both sources — treated as a confirmed match.
Scope:
Capture 3D tour of home

Disclosure-Relevant Flags
No work_completed items pending QC. All three renovation work orders are work_approved — past QC, awaiting account closure only. No repair scope is at risk of being kicked back.
Very light renovation scope. Nine line items total across four work orders — cosmetic touch-up, cleaning, and one mechanical repair. No paint-out, no flooring replacement, no kitchen or bath remodel.
One mechanical item: the garage door motor and track were repaired. This is the only system/operating-component repair on the property and is the item most likely to warrant disclosure attention.
One plumbing fixture touch: the upstairs toilet was pulled and reseated with a new seal, with paint and texture repair to the surrounding area. Worth noting that a toilet pull plus adjacent wall/floor paint-and-texture repair can indicate a prior seal leak — no water-damage or biological-growth line item appears in any work order, but the pairing is worth confirming against the property condition report before completing water-intrusion fields.
No roof, foundation, HVAC, electrical, sewer or structural work appears in any work order. HVAC contact is limited to filter replacement under the prelim package.
VRX 3D tour work order is open (vendor_accepted, no dates). Listing media only — no disclosure impact.

x Brad Bonney

Authorized Signer on behalf of Opendoor Property Trust I

Date: 08/10/2026

The seller has made this page available in an effort to make the contents of this disclosure easier to read, as the current format of the seller disclosure itself does not leave adequate space to explain answers provided. The seller never occupied the property. The information being provided is context gleaned from previous seller inputs, visual assessment, work orders, and publicly available information. Some information from the sources noted could be conflicting and the seller encourages the buyer to obtain their own inspection to verify the details noted here.

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Treviso Homeowners Association
Hudson Management Services

Property Information:
148 Via Montisi
Santee, CA 92071-6411
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 08-03-2026

General Information

This information is good through	06-12-2026
Is this account in collections?	No
What is the current regular assessment against the unit?	388.00
What is the frequency of the assessment charge?	Monthly
The regular assessment is paid through:	06-30-2026
The regular assessment is next due:	07-01-2026
What day of the month are regular assessments due?	1st
How many days after the due date is the regular assessment considered delinquent?	15
The penalty for delinquent assessments is:	10.00

Specific Fees Due To Treviso Homeowners Association

Closing agent is required to collect the following number of additional regular assessments at closing:	
Are there any current special assessments or governing body approved special assessments, against units within the association? If yes, a comment is provided.	Yes
Comments: March and April Fire insurance 410.95 each month totaling 821.90	
Is there any change in the association's current regular and special assessments and fees which have been approved by the board, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision? If yes, please comment	No
Owner's current balance due (you may total the owners balance due using the breakdown below):	$1,487.52

Comments: This balance owed is not for regular dues, but for the insurance special assessments
2025 and 2026

please ck with me on the balance since we are a ways out

General Association Information

Are there any violations against this unit?	No
Is the association or the developer (if the project has not been turned over to the homeowners association) involved in any current or pending litigation? If yes, a comment is required. (Do not include neighbor disputes or rights of quiet enjoyment, litigation where the claim amount is known and the insurance carrier will provide defense and coverage, or where the HOA is named as a plaintiff in a foreclosure action or to collect past due assessments).	No

Please return check with barcode for faster processing

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)
Treviso Homeowners Association
Hudson Management Services

Property Information:
148 Via Montisi
Santee, CA 92071-6411
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 08-03-2026

Is there a restriction in the governing documents limiting the occupancy, residency, or use of a separate interest on the basis of age in a manner different from that provided in California Civil Code Section 51.3? If yes, please comment.	No
Is there a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee or tenant? If yes, please comment	No
Does a preliminary list of defects exist pursuant to Section 6000 of the Davis Stirling Act? If yes, please comment and provide the list.	No
Does a Settlement Notice regarding common area defects exist pursuant to Section 6100 of the Davis Stirling Act? If yes, please comment and provide the list.	No

Insurance Information

Insurance broker's or agent's company name:	LaBarre/Oksnee Insurance
Identify the insurance agent's name:	Kathy Brown
Insurance agent's phone number:	800-698-0711
Insurance agent's fax number:	949-588-1275
Insurance agent's email address:	info@hoa-insurance.com

Chris Blattler

Chris Blattler, Accounting **Date: 06-12-2026**

Hudson Management Services

Phone: 858-514-8820

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Treviso Homeowners Association

Hudson Management Services

Property Information:
148 Via Montisi
Santee, CA 92071-6411
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 08-03-2026

Fee Summary

Amounts Prepaid

Convenience Fee	$9.95
Closing Statement of Fees, Association Documents and Minutes (Required Civil Code Sec. 4525)	$482.00
Special Assessment (Required Civil Code Sec. 4525)	$0.00
Total	**$491.95**

Fees Due to Hudson Management Services

Transfer Fee	$300.00
Total	**$300.00**

Fees Due to Treviso Homeowners Association

Owner Current Balance	$1,487.52
Total	**$1,487.52**

This balance owed is not for regular dues, but for the insurance special assessments 2025 and 2026

please ck with me on the balance since we are a ways out

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Treviso Homeowners Association

Hudson Management Services

Property Information:
148 Via Montisi
Santee, CA 92071-6411
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 08-03-2026

PLEASE RETURN THIS FORM WITH YOUR CHECK AND CERTIFIED COPIES OF THE CLOSING DISCLOSURE FORM (FORMERLY THE HUD-1 FORM) AND THE GRANT OR WARRANTY DEED. PLEASE INDICATE CONFIRMATION NUMBER 54WWRWDF7 ON THE CHECK TO ENSURE PAYMENT IS CREDITED PROPERLY.

Fees Due to Hudson Management Services

	Transfer Fee	$300.00
	Total	**$300.00**

Fees Due to Treviso Homeowners Association

	Owner Current Balance	$1,487.52
	Total	**$1,487.52**

This balance owed is not for regular dues, but for the insurance special assessments 2025 and 2026

please ck with me on the balance since we are a ways out

Include this confirmation number 54WWRWDF7 on the check for $300.00 payable to and send to the address below.

Hudson Management Services

8400 N Magnolia Ave #F

Santee, CA 92071

Include this confirmation number 54WWRWDF7 on the check for $1,487.52 payable to and send to the address below.

Treviso Homeowners Association

8400 N Magnolia Ave #F

Santee, CA 92071

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Treviso Homeowners Association

Hudson Management Services

Property Information:
148 Via Montisi
Santee, CA 92071-6411
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
3097 Satellite Blvd, Suite 500
Duluth , GA 30096
678-282-2342
souprocessing@osnational.com

Closing Information

File/Escrow Number:
Estimated Close Date: 08-03-2026
HomeWiseDocs Confirmation #: 54WWRWDF7

Sales Price:
Closing Date:
Is buyer occupant? No

Status Information

Date of Order: 06-11-2026
Board Approval Date:
Order Completion Date: 06-12-2026
Date Paid: 06-12-2026

Order Retrieved Date:
Inspection Date:

Community Manager Information

Company: Hudson Management Services
Completed By: Chris Blattler
Primary Contact: Chris Blattler
Address:
8400 N Magnolia Ave #F
Santee, CA 92071
Phone: 858-514-8820
Fax: 858-514-8843
Email: chris@hudsonmgmt.com

Litigation (Non Required Civil Code Sec. 4525)

Treviso Homeowners Association

This document is currently either not available or not applicable for this association.

****REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.****

Welcome Documents (Non Required Civil Code Sec. 4525)

Treviso Homeowners Association

CALIFORNIA SubMeters

Request for Escrow Demand

California Sub-Meters contracts with the HOA to do the reading & billing for the community's individual water sub-meters. The homeowner's individual water bills are similar to the HOA dues. All monies collected are reimbursed to the HOA.

Complete this form and email to: EscrowDemands@CalSubMeter.com

This section is to be completed by the Escrow Company **EST. Closing Date:** ____________

HOA Name: ____________

Escrow Company Name: ____________ **Phone #:** ____________

Escrow Officer Name: ____________ **Fax #:** ____________

Escrow #: ____________ **APN/Parcel #:** ____________

Property Address: ____________

Seller Information

Name(s): ____________

Mailing Address: ____________

Buyer Information

Name(s): ____________

Phone #(s): ____________ **Email Address(es):** ____________

Preferred Mailing Address: ____________

This section is to be completed by California Sub-Meters Resident ID#: ____________

Calculated Estimated Charges

Average of Past Bills

Statement 1: ____________

Statement 2: ____________

Statement 3: ____________

Per Diem Rate

Average of Past Bills: $ 0.00

Billing Cycle (days): ____________

Est. Days to Bill

Start Date of Billing Cycle: ____________

COE Date: ____________

Est. Final Bill Amount

Est. Days to Bill: 0

Per Diem Rate: $ 0.00

Past Due Bal.: ____________

Average of Past Bills: $ 0.00

Per Diem Rate: $ nan

Est. Days to Bill: ____________

Est. Final Bill Amount: $ 0.00

How to Remit Escrow Demand Payment

1 Make Check Payable To:

California Sub-Meters
10095 Scripps Ranch Ct. Ste. A
San Diego, CA 92131

2 Include on Escrow Check:

1. Exact Close of Escrow Date
2. Resident ID#: 0
3. Total Est. Due: $ 0.00

3 Mail to Our Office

Send Request

Clear Form

To request an updated demand, email our team at EscrowDemands@calsubmeter.com

HUDSON MANAGEMENT SERVICES INC.
8400 N. Magnolia Ave., Suite F, Santee, CA 92071 858-514-8820

**REQUEST FOR ANNUAL NOTICE OF ADDRESS,
REPRESENTATIVE AND RENTAL STATUS**
(Civil Code section 4041)

Civil Code, §4041 requires each homeowner to provide the Association with the following information on an annual basis. This request for information is also required to be sent by associations to their members at least 30 days prior to making the Association's own Annual Budget Report disclosures under Civil Code §5300.

Please complete this form and return it to management within 30 days:

Name: ____ Phone #: ______________________________________

Property Address: __________________________________ Email: ____

1. The address or addresses to which notices from the Association are to be delivered:

____

____

2. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence. If none, please just write "N/A":

____

____

3. Is this property that you own (check one):

- ☐ Owner-occupied?
- ☐ Rented out?
- ☐ Developed, but vacant?
- ☐ Undeveloped?

4. If rented out, please list the names and contact information for your tenants:

____

____

NOTE: If an owner fails to provide the notices set forth in paragraphs 1 and 2, above the property address of the Owner's Separate Interest within the development shall be deemed to be the address to which notices are to be delivered.

PLEASE RETURN THIS INFORMATION TO THE ASSOCIATION AT THE FOLLOWING ADDRESS:

Hudson Management Services, Inc.
8400 N.Magnolia Ave., Suite F
Santee, CA 92071

Insurance Dec Page (Non Required Civil Code Sec. 4525)
Treviso Homeowners Association

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/1/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
LaBarre/Oksnee Insurance
30 Enterprise, Suite 180
Aliso Viejo CA 92656

CONTACT NAME:
PHONE (A/C, No, Ext): 800-698-0711 FAX (A/C, No): 949-588-1275
E-MAIL ADDRESS: proof@hoa-insurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : United States Liability	25895
INSURER B : Federal Insurance	20281
INSURER C : PMA Insurance Group	12262
INSURER D : California FAIR Plan Associati	
INSURER E :	
INSURER F :	

INSURED TREVHOM-01
Treviso Homeowners Association
c/o Hudson Mgmt Services Inc.
8400 N Magnolia Ave Suite F
Santee CA 92071

COVERAGES **CERTIFICATE NUMBER:** 450159547 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC OTHER:	Y		NPP1614522B	10/1/2025	10/1/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000 $
A	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY			NPP1614522B	10/1/2025	10/1/2026	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ 1,000,000 $ $ $ $
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 0			TBD	10/1/2025	10/1/2026	EACH OCCURRENCE AGGREGATE	$ 5,000,000 $ 5,000,000 $
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		2025010674234Y	10/1/2025	10/1/2026	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
D C A	Property Crime/Fidelity Bond Directors & Officers	 Y Y		CHV 0402250990 00 4125010674234Y NPP1614522B	9/4/2025 10/1/2025 10/1/2025	9/4/2026 10/1/2026 10/1/2026	10% Deductible $10,000 Deductible $5,000 Deductible	$70,463,689 $1,300,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

HOA consists of 186 units. Located in Santee, CA.

Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

See 2nd page of certificate of insurance for further coverage information.

See Attached...

CERTIFICATE HOLDER

Hudson Mgmt Services Inc.
8400 N Magnolia Ave
Suite F
Santee CA 92071

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

AGENCY CUSTOMER ID: TREVHOM-01

LOC #:

ACORD®

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
LaBarre/Oksnee Insurance		Treviso Homeowners Association c/o Hudson Mgmt Services Inc. 8400 N Magnolia Ave Suite F Santee CA 92071
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Coverage is provided with the following insuring agreement:

Single Entity Coverage (Walls In, excluding Improvements and Betterments)

Coverage Includes:
100% Replacement Cost
Fair Plan Covers Fire, Lightning and Explosion
Business Personal Property: $150,000
Business Income with Extra Expense: $500,000
Equipment Breakdown
Building Ordinance or Law A+B+C
Inflation Guard OR Inflation Guard NOT available (limits reviewed annually to ensure 100% Replacement Cost)
Severability of Interest / Separation of Insureds
Computer Fraud & Funds Transfer Fraud
Waiver of Rights of Recovery
No Co-Insurance
D&O is a Claims-Made Policy
Hired and Non-Owned Auto Liability

Excess Crime/Fidelity Bond: $300,000
Excess Fidelity Bond Carrier: Chubb Insurance Company
Excess Fidelity Bond Policy Number: G47367141 005

Wrap Coverage:
Policy #IMP4004038
Insurance Carrier: Acceptance Casualty Insurance Company
Effective 9/2/2025 - 9/2/2026
Limit: Real Property as per states of values, $71,113,689
$75,000 Deductible
Coverage: All risks of direct physical loss specifically excluded by the California Fair Plan Policy

The following notice is pursuant to California Government Code Section 12956.1(b)(1))

Notice

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Restrictive Covenant Modification

Under current state law, including AB1466 effective January 1, 2022, homeowners can request to modify property documents that contain unlawful discriminatory covenants. Government Code Section 12956.2 allows a person who holds an ownership interest of record in property that the person believes is the subject of an unlawfully restrictive covenant to record a Restrictive Covenant Modification document to have the illegal language stricken. Unlawful restrictions include those restrictions based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, national origin, source of income as defined in Government Code Section 12955subdivision (p), ancestry, or genetic information.

To Record a Restrictive Covenant Modification, you must:

- Complete a Restrictive Covenant Modification Form; this must be signed in front of a notary public.
- Attach a copy of the original document containing the unlawful restrictive language with the unlawful language stricken.
- Submit the completed document to the County Recorder.

This document requires the following:

1. Name(s) of current owner(s)
2. Identification of document page number and language in violation
3. Recording reference of document with unlawful restrictive covenant
4. Copy of referenced document attached complete with unlawful restrictive language stricken out
5. Signature(s) of owner(s)
6. Signature(s) acknowledged
7. Approval by County Counsel provided to County Recorder

Upon receipt, the Recorder's office will submit the document to County Counsel who will determine whether the original document contains any unlawful restrictions, as defined in Government Code Section 12956.2 subdivision (b). Only those determined to be in violation of the law will be recorded and those that are not, will be returned to the submitter unrecorded.

Please note that the County Recorder is not liable for modification not authorized by law. This is the sole responsibility of the holder of ownership interest who caused the modified recordation per Government Code Section 12956.2 subdivision (f).

Pursuant to the requirements of AB1466, and no later than July 1, 2022, the Assessor-County Clerk-Recorder will post an implementation plan outlining our strategy to identify records with discriminatory restrictions.

Recording Requested By

When recorded mail document to

____

____

____

Above Space for Recorder's Use Only

RESTRICTIVE COVENANT MODIFICATION

I (We) ____have an ownership interest of record in the property located at ____ that is covered by the document described below.

The following referenced document contains a restrictive covenant based on race, color, religion, sex, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry that violates state and federal fair housing laws and that restriction is void. Pursuant to Section 12956.2 of the Government Code, this document is being recorded solely for the purpose of eliminating that restrictive covenant as shown on page(s)_______________ of the document recorded on ________________ (date) In book _____________ and page___________ , or Document No. ____________________________ of the Official records of the County of____ , State of California.

The document referenced above was originally indexed in the following manner__________________________ __________________________ and this document shall be indexed in like manner pursuant to Section 12956.2 (e).

The effective date of the terms and conditions of this modification document shall be the same as the effective date of the original document referenced above.

Dated_______________________

____

____

____

Printed Name(s)

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 ______________________________}

On _________________________________ before me, _______________________________, a Notary Public, personally appeared ____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/their/her authorized capacity(ies), and that by his/her/their signatures(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*____

RECORDED AT THE REQUEST OF
CHICAGO TITLE COMPANY
SUBDIVISION DEPT.

DOC # 2004-1037307

NOV 02, 2004 12:33 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 194.00
PAGES: 63

2004-1037307

Recording Requested By
and
When Recorded Mail To:

11979

HECHT, SOLBERG, ROBINSON, GOLDBERG & BAGLEY LLP
Mr. John Hecht
600 West Broadway, Eighth Floor
San Diego, California 92101

F8
63P
1CON

43040077-SU

DECLARATION OF RESTRICTIONS

FOR

TREVISO

(A CONDOMINIUM COMMON INTEREST DEVELOPMENT)

TABLE OF CONTENTS

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS is made this 29 day of OCTOBER, 2004, by LYON TREVISO, LLC, a Delaware limited liability company (hereinafter called "Declarant"), with reference to the following

RECITALS:

A. **THE REAL PROPERTY.** Declarant is the owner of that certain real property located in the City of Santee, County of San Diego, California, more particularly described as:

> Lots 1 and A of SANTEE TRACT NO. 2003-01, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 14886, filed in the Office of the County Recorder of San Diego County, California, on September 29, 2004

(the **"Covered Property"**).

B. **THE PROJECT.** Declarant plans to construct a phased residential condominium project called **"Treviso"** on the Covered Property, with more than one home in each building.

C. **PHASING OF TREVISO.** It is currently intended that Treviso will be marketed in the six (6) Phases described on the Condominium Plan. **Exhibit "A"** attached to this Declaration states the number of Condominiums in each Phase. However, there is no guarantee that all Phases will be constructed or completed or that the phasing will occur in the exact order set forth on the Condominium Plan. If all Phases of Treviso are completed as planned, there will be a total of one hundred eighty-six (186) Condominiums in the Project. Each Condominium shall have appurtenant to it a membership in Treviso Homeowners Association, a California nonprofit mutual benefit corporation (**"Association"**), which will be the management body for the Project and the owner of the Association Property.

D. **CONDOMINIUMS.** Declarant intends to establish a condominium project under the provisions of the California CIVIL CODE. Each home in the Covered Property will be located within space shown as a Residential Unit on a Condominium Plan. Each Residential Unit will consist of a separate interest in space within a building. Declarant currently intends to construct buildings that each contain multiple homes.

E. **CONDOMINIUM PLANS.** It is intended that there shall be a separate Condominium Plan covering each Phase. For purposes of convenience, one or more of the Condominium Plans may be combined in the same recorded instrument.

F. **THE COMMON AREA, ASSOCIATION PROPERTY AND ASSOCIATION MAINTENANCE AREA.** The **Common Area** will consist of those portions of Treviso which are owned in undivided interests amongst certain Owners, with the Owners of the Residential Units in a Phase sharing an equal undivided interest in the Common Area portions of the applicable Phase; the Common Area portions of a Phase will be the entire Phase excepting the Residential Units in the Phase. The **Association Property** refers to all real property owned the Association from time to time. **Association Maintenance Area** refers to maintenance easements or maintenance licenses which may be transferred to the Association from time to time. It is presently intended that the Association Maintenance Area will include off-site maintenance licenses whereby the Association is responsible to maintain certain parkways within the public right of way (along Mission Gorge Road) pursuant to license or easement from the City.

G. **NO REPRESENTATION OF COMPLETION.** Declarant makes no representation that all the Condominiums, Association Property or Common Area planned for the Project will in fact be completed.

H. **CONDOMINIUM ELEMENTS.** Generally, the Owners of a Condominium will receive those property interests which are described below in the definition of "Condominium".

I. **Notice of Statutory Procedures for Certain Claims. Pursuant to California CIVIL CODE Section 912(f).** Declarant notifies each Owner and the Association that Chapter 4 (commencing with Section 910) of Title 7 of Part 2 of Division 2 of the California CIVIL CODE sets forth non-adversarial procedures and remedies that may apply to claims for construction defect which may arise in connection with the Project. The non-adversarial procedures impact the legal rights of Owners and the Association. The statute allows Declarant to elect not to use its procedures. The statute also allows Declarant, by contract with Owners or the Association, to provide alternative non-adversarial procedures and remedies in lieu of the procedures and remedies contained in CIVIL CODE Section 910, et seq.

J. **INTERPRETATION OF DECLARATION.** In preparing this Declaration the law firm of Hecht, Solberg, Robinson, Goldberg & Bagley LLP represented Declarant and not any Owner or the Association. For interpretation of this Declaration or for advice concerning it, an Owner and the Association should contact their own legal advisor.

K. **COMMON PLAN OF RESTRICTIONS; BINDING ON FUTURE OWNERS.** Before selling or conveying any interests in the Covered Property, Declarant desires to subject the Covered Property to certain covenants and restrictions, in accordance with a common plan, for the benefit of Declarant and any and all present and future owners of the Covered Property.

L. **Home Builder's Limited Warranty. As stated in ARTICLE XVIII below, a Home Builder's Limited Warranty applies to each Condominium sold by Declarant to Owners and to the Association Property which Declarant transfers to the Association.**

NOTICE: ANY DISPUTES (I) BETWEEN DECLARANT AND AN OWNER WHO ACQUIRES A CONDOMINIUM FROM DECLARANT OR THE SUCCESSIVE OWNER OF SUCH CONDOMINIUM, OR (II) BETWEEN DECLARANT AND THE ASSOCIATION WILL BE RESOLVED BY BINDING DISPUTE RESOLUTION PROCEDURES AS PROVIDED IN **ARTICLE XVIII** BELOW. DECLARANT, EACH SUCH OWNER AND THE ASSOCIATION ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE RESOLVED BY A JURY TRIAL.

NOW, THEREFORE, Declarant hereby declares that all the Covered Property (including, upon annexation, additional real property which is added to the Covered Property), shall be held, sold and conveyed subject to the following easements, restrictions and covenants, which are enforceable equitable servitudes as described in California CIVIL CODE Section 1354 and which are for the purpose of establishing a general plan for protecting the value and desirability of, and which shall run with the Covered Property and be binding on all parties having any right, title or interest in the Covered Property, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. **"Architectural Committee"** shall mean and refer to the person or persons which may be from time to time appointed by the Board to serve as the Architectural Committee. The members of the Architectural Committee need not be members of the Board or the Association. Each member of the Architectural Committee shall serve until he or she resigns or is removed by the Board. The Board shall act as the Architectural Committee in the event the Board does not appoint an Architectural Committee.

Section 1.2. **"Articles"** shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

Section 1.3. **"Association"** shall mean and refer to Treviso Homeowners Association, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

Section 1.4. **"Association Maintenance Area"** refers to maintenance easements or maintenance licenses which may be transferred to the Association from time to time. It is presently intended that the Association Maintenance Area will include off-site maintenance licenses whereby the Association is responsible to maintain certain parkways within the public right of way (along Mission Gorge Road) pursuant to license or easement from the City. **Exhibit "B"** shows the approximate locations of the Association Maintenance Area.

Section 1.5. **"Association Property"** shall mean all real property owned by or transferred to the Association from time to time. Presently it is intended that the Association Property will include lot A of Santee Tract 2003-01 (lot A is an environmentally sensitive area and not a usable area) and a **Recreational Area**.

Section 1.6. **"Board"** shall mean and refer to the Board of Directors of the Association.

Section 1.7. **"Bylaws"** shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 1.8. **"City"** shall mean and refer to The City of Santee, California.

Section 1.9. **"Common Area"** shall consist of all portions of a Phase except the Residential Units located in such Phase. The boundaries of the Common Area shall be the boundaries of the applicable Phase as shown on the applicable Condominium Plan. The Owners of the Residential Units within a Phase shall receive an equal undivided ownership interest in the Common Area of that Phase only, with the undivided interest of each such Owner being equal to the reciprocal of the number of Residential Units within the Phase. It is intended that the Common Area include all portions of the Phase but not limited to, building roofs, any chimneys, vents, balconies, foundations, overhangs, columns and other appurtenances regardless of whether any such items lie outside the boundary lines shown on the applicable Condominium Plan. Any pipes, wires or other utility installations which connect to and are utilized by more than one Residential Unit but which are not owned and maintained by the City or a public utility will also be Common Area *(e.g.,* private sub-meter water system, if it is installed and, private sewer system, private sewer lift system, and private storm drain system within the Project). Television cable and related CATV equipment and other communication equipment may be owned by the cable supplier or another third party.

In interpreting deeds and plans, the then existing physical boundaries of a building whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed and those of the building.

Section 1.10. **"Common Expenses"** means and includes the actual and estimated expenses of operating the Project and any reasonable reserve for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the condominium documents.

Section 1.11. **"Condominium"** shall mean and refer to a fee simple estate in the Project and shall consist of:

(a) A Residential Unit airspace;

(b) The exclusive right to use and occupy any Exclusive Use Area which the applicable Condominium Plan shows as being appurtenant to the Residential Unit or which is otherwise conveyed to the Owner of the Residential Unit;

(c) An undivided interest as tenant in common to the Common Area portion of the Phase in which the Residential Unit is located; and

(d) An easement over the Association Property which has been conveyed to the Association, subject to the Association's rules, regulations and procedures.

Section 1.12. **"Condominium Plan"** shall mean and refer to each Condominium Plan recorded pursuant to California CIVIL CODE Section 1351(e) covering any portion of the Covered Property. It is intended that the Condominium Plan shall be deemed separate Condominium Plans for each Phase which, for purposes of convenience, have been combined as one recorded instrument.

Section 1.13. **"County"** shall mean and refer to the County of San Diego, California.

Section 1.14. **"Covered Property"** shall mean the following real property:

> Lots 1 and A of SANTEE TRACT NO. 2003-01, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 14886, filed in the Office of the County Recorder of San Diego County, California, on September 29, 2004.

Section 1.15. **"Declarant"** shall mean and refer to LYON TREVISO, LLC, a Delaware limited liability company. Declarant shall also refer to: (i) the assigns of Declarant who are expressly assigned the rights of Declarant, and (ii) successors of Declarant who become successors by operation of law or by exercise of the remedies under a mortgage, deed of trust or deed in lieu of foreclosure.

Section 1.16. **"Declaration"** shall mean and refer to this enabling Declaration of Restrictions, as it may from time to time be amended.

Section 1.17. **"Eligible Insurer or Guarantor"** shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the Bylaws of the Association and who has provided the Association with the address to which such notice is to be sent and the Condominium unit number which is encumbered by a Mortgage in which it has an interest.

Section 1.18. **"Eligible Mortgage Holder"** shall mean and refer to a holder of a first Mortgage on a Condominium who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or the Bylaws of the Association and who has provided the Association with the address to which such notice is to be sent and the Condominium unit number which is encumbered by a Mortgage in which it has an interest.

Section 1.19. **"Exclusive Use Area"** shall mean and refer to those portions of the Association Property or Common Area to which an exclusive right to use is granted to an Owner as shown and described on the applicable Condominium Plan. **Patio and Balcony Exclusive Use Areas** are currently planned for the Project. A Condominium Plan may show the minimum square footage area of one or more Exclusive Use Areas but not show the actual dimensions of the Exclusive Use Area except by reference to Project improvements (*e.g.*, fences, walls and railings which adjoin an Exclusive Use Area). Also, in the event one or more fences or walls installed by Declarant are in locations that do not coincide with the dimensions of the Exclusive Use Area shown on a Condominium Plan, the boundaries of the Exclusive Use Area shall be established by the locations of the adjacent fences and walls as installed by Declarant.

Section 1.20. **"Residential Unit"** shall mean and refer to a separate interest in space as defined in California CIVIL CODE Section 1351(f) and as shown and described as such on the applicable Condominium Plan. The following are Common Area and not a part of any Residential Unit: Bearing walls, columns, floors, roofs, foundations, central heating, central refrigeration and central air conditioning equipment, reservoir tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located in the Residential Unit and such items as are used exclusively by an Owner and not in common. Each Residential Unit shall include any door or window within a perimeter wall, the interior undecorated surfaces of bearing walls and perimeter walls, floors and ceilings, any photo cell sensor porch entry lighting, and the outlets of all utility installations in the Residential Unit, including the fire box of any fireplace located in 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 accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed and those of the building. "Residential Unit" includes any garage portion thereof as shown on the applicable Condominium Plan.

Section 1.21. **"Member"** shall mean and refer to a person entitled to membership in the Association as provided herein.

Section 1.22. **"Mortgage"** shall mean and refer to a mortgage or deed of trust which encumbers a Condominium.

Section 1.23. **"Mortgagee"** shall mean and refer to a beneficiary under a deed of trust which encumbers a Condominium as well as a mortgagee under a Mortgage.

Section 1.24. **"Owner"** shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Condominium, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.25. **"Phase"** shall mean and refer to a three dimensional portion of the Covered Property, established pursuant to GOVERNMENT CODE Section 66427 and shown as a Phase on the applicable Condominium Plan. However, Declarant shall have the right to revise the phasing of the Project from time to time as evidenced by recordation of a revised Condominium Plan(s) which cover(s) Phase(s) owned by Declarant. The obligation of Condominium Owners to pay dues to the Association and the right of such Condominium Owners to exercise voting rights in the Association shall not commence against the Condominiums within a Phase until the first day of the month following close of the first sale of a Condominium to a Retail Purchaser by Declarant in that particular Phase of development.

Section 1.26. **"Project"** shall mean and refer to the Covered Property.

Section 1.27. **"Recreational Area"** shall mean and refer to a three dimensional portion of the Covered Property, established pursuant to GOVERNMENT CODE Section 66427 and shown as the Recreational Area on the applicable Condominium Plan.

Section 1.28. **"Retail Purchaser"** shall mean and refer to anyone other than a successive Declarant who purchases a Condominium from Declarant through authority of a Final Subdivision Public Report issued by the California Department of Real Estate.

ARTICLE II

PROPERTY RIGHTS IN ASSOCIATION PROPERTY AND COMMON AREA

Section 2.1. **Title to the Association Property. Exhibit "A"** describes that portion of the Association Property which will be conveyed to the Association with the first conveyance of a Condominium in a particular Phase to a Retail Purchaser. Declarant covenants for itself, its successors and assigns, that Declarant will convey the Recreational Area to the Association no earlier than commencement of the Association's regular assessments against the Condominiums within the first three Phases; provided, however, the Recreational Area shall be conveyed to the Association nor later than December 31, 2008 regardless of whether the Association's regular assessments have commenced against the Condominiums within the first three Phases.

Declarant covenants for itself, its successors and assigns, that all Association Property so conveyed by Declarant to the Association shall be conveyed free and clear of all monetary liens except non-delinquent general and special taxes and assessments. Such conveyances shall be made subject to easements, dedications, covenants, conditions and reservations then of record, including those set forth in this Declaration.

Section 2.2. **Owners' Easements of Enjoyment.** Subject to the limitations set forth in this Declaration, (i) every Owner of a Condominium shall have a right and easement of enjoyment, use and ingress and egress to and from the Association Property from and after conveyance of the same to the Association and (ii) every Owner of a Condominium shall have the right and easement of enjoyment, use and ingress and egress over the Common Area within a Phase from and after the first conveyance of a Condominium within the Phase. These rights and an Owner's undivided interest in the Common Area shall be appurtenant to and shall pass with the title of each Condominium, subject to the following provisions:

(a) The right of the Board to make rules and regulations relating to the operation and use of the Association Property and Common Area, including the right of the Board to restrict use of the recreational facilities to those in possession of Residential Units and to those additional persons who are entitled to use. Except for areas where easement rights have been transferred or reserved to the contrary, the Board shall have the right to control the hours of such use and to determine whether such facilities may be used by guests of persons entitled to use. The Association shall have no right to restrict reasonable access to a Condominium by the persons who have the right to possession of the Condominium.

(b) The right of the Board to suspend the voting rights of an Owner and right to suspend use of recreational facilities by the Owner and occupants of a Condominium:

(i) During the period of time any Association assessment against the Condominium remains delinquent; and/or

(ii) For a period of not more than thirty (30) days for any infraction of the Board's published rules and regulations after reasonable written notice and an opportunity for a hearing before the Board which satisfies the minimum requirements of California CORPORATIONS CODE Section 7341 as set forth in the Bylaws.

(c) The right of the Board, subject to the limitations stated in the Section below entitled **"Approval of First Mortgagees"** of the Article entitled **"RIGHTS OF LENDERS"** and subject to the restrictions stated in California CORPORATIONS CODE Section 8724, to transfer less than substantially all of the Association Property. It is specifically intended that the Board have the right to cooperate with Declarant and any Owner in adjusting the boundaries of Exclusive Use Areas or between the Association Property and other portions of the Project.

(d) The sole and exclusive right of the Association, acting through its Board, to operate, maintain and control the Association Property and Common Area except as otherwise stated in this Declaration.

(e) The right of the Board to grant or dedicate to third parties permits, licenses (which may be irrevocable), and easements over the Association Property and Common Area for utilities, roads and other purposes necessary for the proper operation of the Project; and the right of the Board to convey portions of the Association Property to others in connection with a boundary adjustment requested by an adjacent property owner or public entity.

(f) The right of the Board to grant easements and licenses over the Association Property and the Common Area pursuant to this Declaration.

(g) The right of the Association, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Association Property and to hypothecate any or all real or personal property owned by the Association.

(h) The right of access, ingress and egress over the Association Property and Common Area and the right of installation and use of utilities on the Association Property and Common Area for the benefit of the Condominiums.

(i) Declarant's right to construct and market homes and other improvements within the Covered Property, including the following rights:

(i) Declarant and its sales agents, employees and independent contractors shall have the right to the non-exclusive use of the Association Property and Common Area for the purpose of maintaining sales offices, parking, signs and flags reasonably necessary to market the Condominiums in the Covered Property. Declarant shall have the right, during its marketing of the Covered Property, to control those hours in which Declarant, its agents, contractors and potential buyers to have access to the Covered Property. These rights of Declarant may be exercised only until close of escrow to Retail Purchasers of all one hundred eighty-six (186) Condominiums planned for the Covered Property.

(ii) Declarant shall also have a non-exclusive easement over the Association Property and Common Area to provide access and utilities thereto for the purpose of constructing, marketing and utilizing portions of the Covered Property owned by Declarant.

(iii) Declarant shall have the other rights of Declarant under this Declaration, including those set forth in the Article below entitled **"DEVELOPMENT BY DECLARANT"**.

The use of the Common Area and the Association Property by Declarant and its agents shall not unreasonably interfere with the use thereof by the Class A Members of the Association. Declarant shall repair any portion of the Association Property or Common Area which may be damaged by Declarant.

Section 2.3. **Delegation of Use.** Subject to the restrictions stated in this Declaration, any Owner may delegate, in accordance with the Bylaws and the rules and regulations of the Board, the Owner's right of enjoyment to the Association Property and Common Area and facilities to the members of the Owner's family, tenants, guests or contract purchasers who reside in the applicable Residential Unit. Each Owner shall be responsible to the Association for any damage to the Association Property and Common Area caused by such Owner or persons to whom Common Area or Association Property rights have been transferred.

Section 2.4. **Power of Attorney to Correct Errors.** The Association is hereby given a power of attorney to act on behalf of the Owners and their Mortgagees to correct errors in any Condominium Plan by executing on behalf of the affected Owners and Mortgagees an amendment to the applicable Condominium Plan and an instrument to effect any conveyances or partial reconveyances necessary to correct such errors. The power hereby given to the Association is limited as follows:

(a) The power may be exercised only to correct errors in a Condominium Plan as evidenced by a written statement which describes the error(s) and which is signed by the engineer who prepared the Condominium Plan or by Declarant. The power hereby given may not be utilized for any other purpose.

(b) The power may not be exercised on behalf of an Owner or his or her Mortgagee if the Owner's Residential Unit or Exclusive Use Area would be reduced in size by reason of the correction.

The power hereby given is coupled with an interest and may not be revoked by an Owner but may be revoked by a Mortgagee. Any such revocation by a Mortgagee shall be by means of its signed statement of revocation recorded with the County Recorder of the County.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 3.1. **Each Owner Is A Member.** Each Owner of a Condominium shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Condominium. Each Owner is obligated promptly, fully and faithfully to comply with and conform to this Declaration and the Bylaws and the rules and regulations adopted from time to time by the Board and officers of the Association. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of the Condominium to which it is appurtenant, and then only to the purchaser, in the case of a sale, or Mortgagee, in the case of an encumbrance of such Condominium. Any attempt to make a prohibited transfer is void. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in the Owner's name to the purchaser of his or her Condominium, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 3.2. **Voting Rights.** The Association shall have three (3) classes of voting membership:

(a) ***Class A.*** Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Condominium owned. When more than one (1) person holds an interest in any Condominium, all such persons shall be Members. The vote for the Condominium shall be exercised as the Owners among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium. The Class A Members shall be entitled to elect, by their sole votes, two (2) of the five (5) member Board of Directors at the first annual meeting of Members and therefor until expiration of three year terms of Class C Elected Directors; upon termination of the Class C Elected Directors' three year terms, Class A members will be entitled to vote for all nominees to the Board.

(b) ***Class B.*** Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Condominium owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:

(i) Two (2) years following the first conveyance of a Condominium pursuant to the most recent original Final Subdivision Public Report issued by the California Department of Real Estate for a Phase; or

(ii) Four (4) years following the date of the first conveyance of a Condominium pursuant to the original Final Subdivision Public Report issued by the California Department of Real Estate for Phase 1.

Class B Members shall have no right to vote in the election of directors until the expiration of the three-year terms of the Class C Elected Directors.

(c) ***Class C.*** In addition to other memberships it may hold, Declarant shall be the sole Class C Member of the Association. The Class C membership shall be considered a part of the Association's voting power for the sole purpose of the Class C Member electing or replacing three (3) of the five (5) directors of the Association, and reference to "each class of membership" in this Declaration or in the Bylaws or the Articles shall not refer to Class C membership for any purpose other than election of Association directors. The directors shall be elected as set forth in the Bylaws. The Class C membership shall forever cease for purposes of electing three directors immediately following the first annual meeting of directors; provided, however, the Class C membership shall continue for purposes of replacing directors elected by the Class C Member until expiration of three years following the first annual meeting of members. The Class C Member shall have the right to cause early termination of the Class C membership for purposes of replacing directors elected by the Class C Member so notifying the Secretary of the Association in writing.

Section 3.3. Commencement of Voting Rights. Except with respect to Class C, voting rights shall not commence with respect to a Condominium until the Association's regular assessments have commenced against the Condominium.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1. Covenant for Assessments. Declarant, for each Condominium owned, covenants, and each Owner of any Condominium by acceptance of a deed to the Condominium, whether or not so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (a) regular assessments, which shall include an adequate reserve fund for periodic maintenance, repair and replacement of the Association Property, Common Area and Association Maintenance Area, (b) special assessments, and (c) those other assessments provided for in this Article. The regular and special assessments, together with interest, costs, late charges and reasonable attorney's fees, shall, except as stated in **Section 4.4** and **Section 4.18**, be a charge and continuing lien upon the Condominium against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs, late charges and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Condominium at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them; however, the assessment shall remain a lien on the Condominium.

Section 4.2. Purpose of Assessments. The assessments levied by the Association shall be used for the improvement and maintenance of the Association Property, Common Area and Association Maintenance Area for the common good of the Project, to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Bylaws, this Declaration and the rules and regulations adopted by the Board, and for those other purposes described in this Declaration. The regular assessments shall be determined at least annually by the Board to meet the expenses of the Association, including the establishment of reserve accounts, based upon the annual budget adopted by the Board pursuant to the Bylaws. A special assessment is an assessment the Board, in its discretion, determines necessary if the Association's available funds are or will become inadequate to meet the estimated expenses of the Association for a fiscal year. The Board may levy the entire special assessment immediately or levy it in installments over a period the Board determines appropriate. In addition, a special assessment against a particular Owner only may be levied by the Board as set forth in **Section 4.4**.

Section 4.3. Limitation on Regular and Special Assessments. The Board shall levy regular and special assessments sufficient to perform the obligations of the Association as provided in the Declaration and Bylaws; provided, however, except for assessment increases necessary for emergency situations:

(a) The Board may not increase the regular assessments for any fiscal year unless (i) the Board has complied with the provisions of California CIVIL CODE Section 1365(a) with respect to the fiscal year or (ii) the increase is approved by Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the California CORPORATIONS CODE and Section 7613 of the California CORPORATIONS CODE at which a quorum was present or participated; and

(b) The Board may not impose a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the California CORPORATIONS CODE and Section 7613 of the California CORPORATIONS CODE at which a quorum was present or participated. An emergency situation is any one of the following:

(i) An extraordinary expense required by an order of a court.

(ii) An extraordinary expense necessary to repair or maintain the Project or any part of the Project for which the Association is responsible where a threat to personal safety in the Project is discovered.

(iii) An extraordinary expense necessary to repair or maintain the Project or any part of the Project for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget under CIVIL CODE Section 1365. However, prior to the imposition or collection of an assessment under this Subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

(c) For purposes of this **Section 4.3**, "quorum" means more than fifty percent (50%) of the Owners. The term "regular assessment for the Association's preceding fiscal year" as used in this **Section 4.3** is deemed to be the regular assessment which would have existed in the absence of any subsidy of assessments agreed to be paid by Declarant. Anything in this **Section 4.3** to the contrary notwithstanding, the limitation on regular and special assessments shall comply with the laws of the State of California at the time the regular or special assessment is levied by the Association.

(d) Notwithstanding the above stated limitation against increases in regular assessments:

(i) The Board may increase regular assessments more than twenty percent (20%) if such increase was shown on an Association budget approved by the California Department of Real Estate and if such increase is allowed by California law;

(ii) Sums assessed against Owners pursuant to the Section below entitled **"Non-Lien Assessments (Compliance)"** shall not be considered in calculating the increases in assessments;

(iii) The Board may levy special assessments pursuant to the Section in the Bylaws entitled "Limitation on Expenditure of Reserve Funds";

(iv) Sums assessed against Owners pursuant to the Section below entitled **"Sub-metering of Water"** shall not be considered in calculating the increases in assessments.

The due dates of assessments shall be as the Board establishes them. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

Section 4.4. **Non-Lien Assessments (Compliance).** The Association may also impose a special assessment against any Owner to reimburse the Association for costs incurred in bringing an Owner and the Owner's Condominium into compliance with the provisions of the Declaration, the Bylaws and Association rules and regulations, or as a penalty imposed as a disciplinary measure for failure of an Owner or occupants of the Owner's Condominium to comply with such provisions. Such special assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of Section 7341 of the California CORPORATIONS CODE, as set forth in the Bylaws, and the Board shall meet in executive session if requested by the Owner being disciplined and the Owner shall be entitled to attend the executive session. Except to the extent such special assessment is to reimburse the Association for the cost of collecting assessments, the special assessment shall not constitute a lien on the Owner's Condominium and shall be assessed only against the Owner who is or was in non-compliance. The Association shall have lien rights with respect to charges imposed against an Owner which are reasonable late payment fees for delinquent assessments, interest and other charges to reimburse the Association for costs reasonably incurred (including attorney's fees) in its efforts to collect delinquent assessments.

Section 4.5. **Schedule of Monetary Penalties.** If the Association adopts a policy of imposing any monetary penalty, including any fee, on any Owner for violation of this Declaration or the rules of the Association, including any monetary penalty relating to the activities of a guest or invitee of an Owner, the Board shall adopt and distribute to each Owner, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with the authorization for Owner discipline set forth in this Declaration and the Bylaws. The Board shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the Owners pursuant to this Section.

Section 4.6. **Rate of Regular Assessments.** Both regular and special assessments shall be levied upon each Condominium at a uniform rate. However, this Section does not apply to the sums payable by reason of **Section 4.4, 4.7, 4.10, 4.11** or **4.18.**

Section 4.7. **Rate of Special Assessments for Repairs**. Any special assessment to raise funds for the rebuilding or major repair of a portion of the structural Common Area or Association Property shall be levied against each Condominium in the Project against which the Association's regular assessments have commenced. Such special assessments shall be levied upon the basis of the ratio of the square footage of the floor area of the Residential Unit of the Condominium to be assessed to the total square footage of the aggregate floor area of the Residential Units in all Condominiums to be assessed.

Section 4.8. **Date of Commencement of Regular Assessments.** The regular assessments shall commence as to all Condominiums in a particular Phase of the Project on the first day of the month following the conveyance of the first Condominium to a Retail Purchaser in that Phase.

Section 4.9. **Adjustment of Assessments; Due Dates.** The Board shall fix the amount of the regular assessments against each Condominium at least thirty (30) days in advance of each fiscal year but may change the assessment amount on any subsequent occasion. Although the amount of regular assessments (other than special assessments) shall be determined at least annually, commencement of regular assessments against an additional Phase during the marketing period may cause the regular assessment amounts to change. Unless otherwise determined by the Board, regular assessments shall be due and payable in monthly installments on the first day of each calendar month. No notice of regular assessments shall be required except for notices of changes in assessment amount or changes in due dates. Written notice of changes in the regular assessments or of any special assessment shall be sent by first class mail to every Owner subject thereto not less than thirty (30) nor more than sixty (60) days prior to the change in assessments or the special assessment becoming due.

Section 4.10. **Limited Regular Assessments.** This Section shall apply only if not all the residential buildings within a Phase have been completed at the time the regular assessments commence against the Phase. Any Condominiums which will be located in a building which is uncompleted at the time regular assessments commence are referred to herein as "**Uncompleted Condominiums**" and shall be subject to limited regular assessments in lieu of regular assessments as hereinafter provided, unless the Board resolves and Declarant expressly agrees otherwise. For purposes hereof, a Condominium shall be deemed "**Uncompleted**" if the construction of the structural improvements to the building in which the Condominium is located has not progressed to the point which allows the Condominium to be legally occupied. Should any Phase of the Project include any Uncompleted Condominium at the time assessments commence against such Phase, then:

(a) In addition to preparing its usual budget, the Association shall prepare a budget which includes costs and reserves for operation, repair and replacement of all portions of the Association Property then under the jurisdiction of the Association, other than any portion of any building within the Project. Such budget is referred to herein as the "**Budget for Non-Building Association Property**".

(b) The regular assessments which commence against each Uncompleted Condominium ("**Limited Regular Assessments**") shall be based only upon the Budget for Non-Building Association Property until the first to occur of (i) completion of the structural improvements of the building in which the Uncompleted Condominium is located (as is evidenced by Declarant's filing a Notice of Completion for such building), or (ii) actual occupancy of such Uncompleted Condominium. An Uncompleted Condominium shall thereafter forever lose its status of being Uncompleted and shall be subject to the same regular assessment as all other completed Condominiums.

(c) The Limited Regular Assessments shall be uniform in amount. Limited Regular Assessments, if any, shall commence against each Uncompleted Condominium within a Phase at the same time as regular assessments commence for the Phase, and Limited Regular Assessment shall be in lieu of such regular assessments.

(d) The limitations on assessment increases set forth in **Section 4.3** shall not apply to increases in assessments against a previously Uncompleted Condominium which result from the conversion of Limited Regular Assessments to regular assessments.

(e) Limited Regular Assessments shall be deemed to be regular assessments, as such term is used in this Declaration, for all purposes, except as this Section specifically provides otherwise. The Board shall have the right to disregard this Section provided that Declarant has given its consent to Board's decision to do so. If Limited Regular Assessments are applicable, the non-limited regular assessments will exclude costs of maintenance and reserves for each building containing the Uncompleted Condominiums until non-limited regular assessments commence against such building.

Section 4.11. Model Homes. Conveyance of a Condominium which is being used by Declarant for model home, sales office, design center, construction office or similar purposes (any of which uses are referred to in this Section as "**Model Home**") shall not commence the regular assessments against such Condominiums or other Condominiums within the Phase until the first to occur of (i) discontinuance of use of such Condominium as a Model Home, or (ii) conveyance of any non-Model Home Condominium in the Phase. During the period of time commencing on the first day of the month after conveyance of a Condominium being used by Declarant as a Model Home and ending on the date regular assessments commence against such Condominium, Declarant shall be solely responsible to maintain all portions of the Phase in which a Condominium is being used as Model Home. The Board shall have the right to inspect the areas being maintained by Declarant pursuant to this Section to determine that such maintenance meets reasonable standards.

Section 4.12. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment made in accordance with this Declaration (including lien and non-lien assessments) shall be a debt of the Owner of a Condominium from the time the assessment is due. Any assessment not paid within fifteen (15) days after the due date shall be delinquent. If an assessment is delinquent, the Association may recover any of the following: (i) reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees, (ii) a late charge on unpaid assessments in an amount not exceeding the greater of Ten Dollars ($10.00) or ten percent (10%) of each assessment, and (iii) commencing thirty (30) days after the assessment becomes due until paid, interest at the rate of twelve percent (12%) per annum on the delinquent assessment and all sums imposed by this Section, including reasonable fees and costs of collection and reasonable attorney's fees. After any assessments levied by the Association affecting any Condominium have become delinquent, the Board may, after giving notice to the delinquent Owner pursuant to CIVIL CODE Section 1367.1(as more fully described below), file for recording in the Office of the County Recorder of the County a notice of delinquency as to such Condominium. The notice of delinquency shall state all amounts which have become delinquent with respect to such Condominium and the costs (including attorney's fees), interest and late charges which have accrued thereon, the amount of any assessments relating to such Condominium which is due and payable although not delinquent, a description of the Condominium with respect to which the delinquent assessments are owed, the name of the record or reputed record Owner of such Condominium, and the name and address of the trustee authorized by the Association to enforce the lien by sale. Such notice shall be signed by an officer of the Association or its authorized agent.

Pursuant to CIVIL CODE Section 1367.1, the Association shall provide the delinquent Owner with written notice by certified mail at least thirty (30) days prior to filing a notice of delinquency with the County Recorder. The precise form and content of the notice is set forth in CIVIL CODE Section 1367.1., but includes, without limitation, the following information: (i) a general description of the collection and lien enforcement procedures of the Association; (ii) a statement that the Owner has the right to inspect Association records pursuant to CORPORATIONS CODE Section 8333; (iii) the following statement in 14-point boldface type if printed, or in capital letters, if typed:

> "IMPORTANT NOTICE: IF YOUR RESIDENTIAL UNIT IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";

(iv) an itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, any late charges, and interest, if any; (v) a statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the Association; and (vi) a statement that the Owner has the right to request a meeting with the Board as provided in subdivision (c) of CIVIL CODE Section 1367.1.

Immediately upon recording of any notice of delinquency pursuant to the foregoing provisions of this Section, the amounts delinquent, as set forth in such notice, together with the costs (including attorney's fees), late charges and interest accruing thereon, shall (except as provided in Sections of this Article entitled **"Non-Lien Assessments (Compliance)"** and **"Sub-metering of Water"**) be and become a lien upon the Condominium described therein, which lien shall also secure all other payments and/or assessments which shall become due and payable with respect to said Condominium following such recording, and all costs (including attorney's fees), late charges and interest accruing thereon. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective Condominium prior and superior to all other liens, except (i) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (ii) the lien or charge of any first Mortgage of record.

Any payments toward sums due under this Article shall be first applied to the delinquent assessments owed, and only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it.

In the event the delinquent assessments and all other assessments which have become due and payable with respect to the same Condominium, together with all costs (including attorney's fees), late charges and interest which have accrued on such amounts, are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Board shall record a further notice, similarly signed, stating the satisfaction and releasing of such lien.

Each assessment lien may be foreclosed in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of California, or may be enforced by sale pursuant to Sections 2924, 2924(b), 2924(c) and 1367 the California CIVIL CODE, and all other applicable statutes, and to that end a power of sale is hereby conferred upon the Association. The Association, acting on behalf of the Condominium Owners, shall have the power to bid for the Condominium at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien.

Section 4.13. Subordination of the Lien to First Deeds of Trust and First Mortgages. The lien of the assessments, interest, costs, attorney's fees and late charges shall be subordinate to the lien of any first Mortgage upon any Condominium. Sale or transfer of any Condominium shall not affect the assessment lien. However, the sale or transfer of any Condominium pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. However, the Association may treat as Common Expenses, assessable against all the Condominiums, any unpaid assessments for which lien rights have terminated. No sale or transfer shall relieve such Condominium from lien rights for any assessments thereafter becoming due.

Section 4.14. Estoppel Certificate. The Association shall furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. A properly executed certificate of the Association as to the status of assessments on a Condominium is binding upon the Association as of the date of its issuance.

Section 4.15. Non-Use of Association Property or Common Area. No Owner shall be exempt from personal liability for assessments levied by the Association, nor shall any Condominium be released from the liens and charges of assessments because of the non-use of the Association Property or Common Area nor because of abandonment of the Condominium.

Section 4.16. Taxation of Association. In the event that any taxes are assessed against the Common Area, Association Property or the personal property of the Association, rather than against the individual Condominiums, the taxes shall be added to the regular assessments and, if necessary, a special assessment may be levied against the Condominiums in an amount equal to the taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

Section 4.17. Payment of Assessments By Declarant. Except as specifically stated otherwise in this Article, Declarant shall pay all assessments levied by the Association against any Condominium owned by Declarant at the same time, in the same manner and in the same amount as any other Owner.

Section 4.18. Sub-metering of Water. The domestic water may be supplied to the Residential Units through master water meters installed within the Project in which case the water and sewer services will be billed to the Association based on readings from the master meters. However, if a sub-meter system is utilized, each Owner will be obligated to reimburse the Association in the amounts reasonably billed by the Association, or its contracting company, for the cost of the water and sewer services supplied to the Owner's Residential Unit or Exclusive Use Area based on the reading from the sub-meter which monitors water consumption from the Owner's Residential Unit and Exclusive Use Area(s). In billing each Owner, the Association or its contractor shall utilize water consumption information from the sub-meters and the billing information which is provided by the supplier of water and sewer services. Should the supplier of such services charge penalties for excessive water consumption or should the supplier otherwise charge different rates for different levels of consumption, the Association may in any reasonable manner utilize such information in its allocation and determination of reimbursement amounts pursuant to this Section.

The Association shall have the right to enter into an agreement with a private water metering service to (a) read the sub-meters, (b) prepare and send the bills and (c) collect sums billed to each Owner on behalf of the Association. Alternatively, the Association may itself do any such billing activities for its reimbursement of amounts applicable to each Condominium. In no event shall the charge for reimbursement for water or sewer services be considered to be a part of the regular assessments. The reimbursement amounts so billed (whether billed by the Association or a private water metering service) shall be the personal obligation of the persons who owned the Condominium during the period of time the water being billed for was supplied to the Condominium. The charges for water or sewer services shall not constitute a lien on the Owner's Condominium. No Owner shall interfere with the reading of such sub-meters nor in any manner change or disconnect such sub-meters. The Association is hereby granted an easement for it or its agents and contractors to read, repair, realign or replace such sub-meters, wherever located.

The Association shall have the right to require each Owner to establish an impound account with the Association or with the private water meter reading service in order to provide a deposit from which the Owner's water bill can be paid. The amount of such impound account shall not exceed the Board's good faith estimate of the sums to be billed to the Owner for two (2) months' service; however, the Board shall have the right to require an Owner to increase the deposit up to a sum equal to the Board's good faith estimate of the sums to be billed to the Owner for six (6) month's service in the event Board reasonably determines the increased deposit would be prudent given the Owner's past payment history.

No Owner shall modify, repair or adjust a sub-meter. The Association shall be responsible to contract for appropriate re-certification of the sub-meters. The Association shall also contract for any needed repair of a sub-meter, but the Owner of the a sub-meter which is repaired shall reimburse the Association for its reasonably incurred costs of repair.

Section 4.19. **Uncompleted Facilities.** The Board may (but shall have no obligation to) exclude from Association regular assessments those portions of budgeted assessments which are for the purpose of defraying expenses and reserves directly attributable to the existence of improvements to be maintained by the Association but which are not complete at the time of the assessment. Any such exemption from assessments shall be in effect only until completion of the improvements, which may be evidenced by recordation of a notice of completion for the same.

Section 4.20. **Other Assessments or Special Taxes.** The assessments provided for in this Article shall be in addition to the assessments or special taxes of any applicable assessment district or community facilities district which may be in existence or may in the future come into existence.

Section 4.21. **Code Sections Subject To Change.** This Article relies on provisions of California statutory law which have been revised frequently. The Board is cautioned to have its legal consultant carefully review statutes in effect as of the date any notices or other actions are taken pursuant to this Article.

ARTICLE V

POWERS AND DUTIES OF ASSOCIATION

The Association shall have those powers and duties set forth in its Bylaws.

ARTICLE VI

USE OF CONDOMINIUMS

Section 6.1. **Residential Purposes.** Each Condominium shall be improved, used and occupied for private, single-family dwelling purposes only, and shall be not be used for any commercial purposes other than home businesses which are allowed by City zoning ordinances. However, Declarant may use any of the Condominiums owned by Declarant as model homes, design centers, construction offices and sales offices until all the Condominiums in all Phases of the Project are sold and conveyed by Declarant to Retail Purchasers.

Section 6.2. **Lease of Condominium.** Each Owner shall have the right to lease the Owner's Condominium provided that such lease is in writing. Each tenant shall be bound by and obligated to abide by the provisions of this Declaration, the Bylaws and the rules and regulations of the Board, and a tenant's failure to do so shall be deemed a default under the lease. No Owner shall lease a Condominium for transient or hotel purposes and no Condominium shall be leased for a term of less than twenty-six (26) days. Should the Board so request an Owner to do so, the Owner shall forward an executed copy of a lease to the Owner's Condominium to the Board together with the telephone number and street address of the residence of the Owner. Other than as provided in this Section, there shall be no restriction on the right of any Owner to lease a Condominium.

Section 6.3. **Use Not to Impair Insurance.** No Condominium shall be occupied, improved or used for any purpose or in any manner which shall cause such Condominium or any 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.

Section 6.4. **Animals.** No animals of any kind shall be raised, bred or kept on the Project except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in violation of any other provision of this Declaration. A "reasonable number" as used in this Section shall ordinarily include no more than an aggregate of two (2) dogs and cats per household; provided, however, a reasonable number in any instance may be more or less depending on whether the pets constitute a nuisance to other Owners. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Project must be either kept within an enclosed area or on a leash being held by an individual capable of controlling the animal. Each Owner shall be liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project by the Owner or by members of his or her family, his or her tenants or his or her guests; and it shall be the duty and responsibility of each Owner to immediately clean up any waste from his or her animals.

Section 6.5. **Nuisance.** No Condominium shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other such areas or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any portion of the Project. Ordinary and usual techniques of construction of Improvements permitted hereunder shall not be deemed a nuisance. Any violation of the Section above entitled **"Animals"** or ordinances or regulations of the City is hereby declared to be a nuisance.

Section 6.6. **Sign Control.** An Owner may place one (1) sign of reasonable and customary dimensions in the window of the Owner's Residential Unit to advertise the Condominium for sale or rent. No other signs may be placed anywhere in the Project without the prior written permission of the Architectural Committee. All signs must conform with applicable City ordinances. No signs shall be erected or displayed anywhere in the Project except signs placed by authority of the Board. Anything contained in this Declaration to the contrary notwithstanding, Declarant shall have the right to install and maintain in any Condominium owned or leased by it, on the Association Property and Common Area during the sales period set forth in **Section 6.1** above, such signs, poles, flags, banners and advertisements as it deems appropriate in connection with its sales program for the sale to the public of Condominiums.

Section 6.7. **Outside Antennae.** There shall be no outside television or radio antennae, masts, satellite dishes, transmitter tower or facility, poles or flag poles (other than poles or flag poles installed and maintained by Declarant in connection with its sales program for the period set forth in **Section 6.1** above) constructed, installed or maintained in the Project for any purpose whatsoever without approval of the Architectural Committee. However, in considering whether to approve an antenna or to impose requirements on such approval, the Architectural Committee shall not violate any applicable law or regulation, including, but not limited to, any law of the State of California or applicable regulations of the Federal Communications Commission.

Section 6.8. **No Owner Modification to Association Property or Common Area.** Except as otherwise specifically provided in this Declaration, no Owner shall have the right to alter, paint, decorate, remodel, landscape or adorn any part of the Association Property or Common Area or any other portion of the Project which is subject to Association maintenance, without the written consent of the Board.

Section 6.9. **No Offensive Activity.** No noxious or offensive activity shall be carried on in the Project, nor shall anything be done in the Project which may be or become an annoyance or nuisance to the others within the Project. However, construction or repair of improvements made at the Board's instruction or at Declarant's instruction shall be permitted. Nothing shall be done in any Condominium or elsewhere in the Project which will impair the structural integrity of any building. Except as otherwise provided in this Declaration, nothing shall be altered or constructed in or removed from the Association Property or Common Area, except upon the written consent of the Board. All equipment, garbage cans, wood piles or storage piles shall be kept screened and concealed from view of neighboring Condominiums, streets, Association Property and Common Area. All rubbish, trash or garbage shall be regularly removed from each Condominium and shall not be allowed to accumulate in the Project. No fences, hedges or walls shall be erected or maintained in the Project except such as are installed in accordance with the initial construction by Declarant or as provided by the Architectural Committee. No exterior clothes lines shall be erected or maintained, and there shall be no outside drying or laundering of clothes in an Exclusive Use Area or other portion of the Association Property or on the Common Area except in areas (if any) which may be approved by the Board.

Section 6.10. **Power Equipment.** No power equipment, hobby shops or car maintenance (other than emergency work) shall be permitted in the Project except with prior written approval of the Board. Approval shall not be unreasonably withheld and in deciding whether to grant approval the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections. Construction or repair of improvements at Declarant's request shall not require such approval.

Section 6.11. **Use of Association Property and Common Area.** Except as otherwise provided in this Declaration, the Association Property and Common Area shall be improved and used only for the following purposes:

(a) Affording vehicular passage and pedestrian movement within the Project, including access to the Condominiums;

(b) Recreational use by the Owners and occupants of Condominiums and their guests, subject to rules established by the Board;

(c) Beautification of the Project and providing privacy to the residents of the Project through landscaping and such other means as the Board shall deem appropriate;

(d) Parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board by such persons, upon such terms and conditions as may from time to time be determined by the Board; the rules and regulations of the Board may be enforced by the Board, which shall have the right and power to remove vehicles from the Project at the cost of the vehicle owner and to levy monetary penalties as provided in this Declaration; the Board shall not allow parking on any private street except in parking bay areas designed therefor. The Board shall assign certain parking spaces to certain owners without charge pursuant to **Section 6.23** below.

(e) As Exclusive Use Areas to be used in the manner described in this Declaration.

(f) By Declarant for marketing and construction activities; and

(g) Those additional purposes which may be allowed by the Board or as provided in this Declaration.

No Owner shall use or interfere with use of the Common Area or Association Property in any manner which shall increase the Association's cost of insurance or which shall result in cancellation of insurance or making insurance unavailable.

Section 6.12. **Owners Liable for Damage.** Each Owner shall be legally liable to the Association for all damages to the Project, including but not limited to, the buildings, recreational facilities 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 this Declaration, the Bylaws and rules and regulations of the Board by such Owner's licensees and occupants of such Owner's Condominium. An Owner shall be responsible to reimburse the Association should the Owner's actions or failure to perform his or her obligations hereunder cause any increase in the Association's insurance premiums.

Section 6.13. **Decorating by Owner.** Each Owner shall have the right, at the Owner's sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of the Owner's Residential Unit, and the surfaces of the bearing walls and partitions located within the Residential Unit. An Owner shall have the right to substitute new finished interior surfaces in place of those existing on the ceiling, floors, walls and doors of his or her Residential Unit. However, for installation of floor surfaces vertically separating Separate Interests (*i.e* for a Residential Unit located above another Residential Unit) a sound control underlayment which achieves a total floor assembly minimum STC rating of 50 or above must be installed, except for floor coverings which consist of (i) vinyl flooring materials or (ii) a minimum of thirty-two (32) ounce carpet over a minimum six (6) pound pad. Windows shall be covered only by drapes, curtains, shutters and shades, and shall not be painted or covered by aluminum foil, paper or similar materials. Each Owner shall have the obligation to keep in good repair all items mentioned in this Section.

Section 6.14. **No Impairment of Structures.** No Owner shall make any change to his or her Condominium which would adversely affect the structural integrity of the building.

Section 6.15. **Governmental Requirements.** The Project and its use are subject to the jurisdiction of the City and the ordinances, regulations and permits issued by the City, including the conditions to approval of the tentative map for the final map applicable to the Project. Each Owner shall at all times comply with each governmental ordinance, regulation or permit that is applicable to such Owner's Condominium, and the Association shall at all times comply with each governmental ordinance, regulation or permit that is applicable to the Common Area, Association Maintenance Area or Association Property.

The entitlements granted by the City for the approval of Treviso include, but are not limited to a Landscaping and Fencing Plan, approved by the City pursuant to DR03-03 and any revisions to that Plan shall require the approval of the City's Director of Development Services.

Section 6.16. **Fire Lanes**. Pursuant to City requirements, fire lanes within Treviso shall be posted and striped "No Parking" to the satisfaction of the City Fire Chief.

Section 6.17. **R-22 High Density**. Treviso is subject to the City's development standards of the R-22 ("High Density Residential) zone and the Association and each Owner shall comply with all applicable standards of that zone.

Section 6.18. **Garages.** Each Owner shall have the right to use any garage portion of the Owner's Residential Unit for parking of automotive vehicle(s) (including cars, passenger vans and trucks) and the storage of non-hazardous materials. Neither the Association nor any Owner shall convert any garage to any use which prevents its use for vehicular parking of the number of vehicles for which the garage was designed (two vehicles for two car garages and one vehicle for one car garages). Each Owner shall at all times keep and maintain in good working condition the automatic garage opener servicing the Owner's garage.

Section 6.19. **No Recreational Vehicle Parking Provided**. There is no provision for the parking of recreational vehicles in Treviso.

Section 6.20. **Light Fixtures To Reflect Downward**. All light fixtures shall be designed and adjusted to reflect light downward, away from any road or street, and away from any adjoining premises, and shall otherwise conform to the requirements of Title 17 of the Santee Municipal Code.

Section 6.21. **Exclusive Use Areas.** Each Exclusive Use Area shall be appurtenant to the Residential Unit it serves. Conveyance of a Residential Unit will automatically convey all appurtenant Exclusive Use Areas. No Owner shall make any improvements to an Exclusive Use Area unless such improvements have been approved or pre-approved by the Architectural Committee.

Section 6.22. **Use of Exclusive Use Areas.** Each Owner shall be entitled to use any Exclusive Use Area appurtenant to the Owner's Residential Unit for usual and ordinary residential purposes for which such area was designed.

(a) Each Owner shall have the right to place potted plants, patio furniture and otherwise use his or her Patio or Balcony Exclusive Use Area for usual and ordinary residential purposes.

(b) No Owner shall place any items on his or her Exclusive Use Area which are within the view of another Owner(s) and which the Architectural Committee deems to be unsightly or hazardous. For example, and not by way of limitation, the Architectural Committee shall have the right to adopt regulations which disallow bicycles from being stored on an Exclusive Use Area.

(c) No Owner shall make any improvements to his or her Exclusive Use Area unless and until the Architectural Committee has approved plans of such improvements showing such detail as the Architectural Committee or its consultant deems appropriate. The Architectural Committee shall have no obligation to approve any improvement to any Exclusive Use Area and generally improvements to Balcony surfaces are strongly discouraged because of the possibility of resulting water intrusion. Any such approval may be conditional. The Architectural Committee shall have sixty (60) days to approve or disapprove such plans from the date the plans, in form required by the Architectural Committee, are received by the Architectural Committee. Failure of the Architectural Committee to approve or disapprove the plans within such sixty (60) day period shall be deemed an approval. The Architectural Committee shall have the right to hire a civil engineer, landscape architect or other expert consultant as the Architectural Committee deems appropriate to evaluate plans and inspect the improvements. The Owner shall be required to pay the cost of such consultant. The Architectural Committee may require an Owner to deposit the estimated cost of such consultant at the time plans are submitted for Architectural Committee approval.

(d) Each Owner assumes all risks which may result from improvements he or she makes to his or her Exclusive Use Area(s) and each Owner indemnifies and holds harmless the Association, the Architectural Committee, Declarant and each other Owner from any claim, demands, liabilities, judgments, attorney's fees and other obligations which arise out of or are incurred in connection with the installation, existence or removal of improvements.

(e) The Board or Architectural Committee shall have the right to restrict those activities and improvements which it believes would have adverse structural, drainage or maintenance impacts or adverse visual or noise impacts on other Owners.

(f) No Owner shall interfere with the surface or subsurface drainage of his or her Exclusive Use Area as established by Declarant, nor shall any Owner install any improvements which would make it impractical to repair or replace drainage facilities installed by Declarant within such Owner's Exclusive Use Area. All improvements installed by an Owner in his or her Exclusive Use Area shall provide for proper and adequate drainage.

(g) The Board and the Architectural Committee shall have the right to allow Owners to exclusively use portions of the Association Property or Common Area above or below the vertical limits of any Exclusive Use Area.

Section 6.23. Outside Parking.

(a) The Board shall without any charge or additional assessment assign one (1) outside parking space within the Common Area or Association Property for the use of each Condominium which has only a single car garage as part of its Residential Unit. This Section shall not be amended without the written consent of the Owners and First Mortgagees of a Residential Unit which would be directly affected by the amendment.

(b) The Board shall have the right, but not the obligation, to assign the right to use of any parking spaces within the Association Property and Common Area which remain after the assignments covered by **Section 6.23** above, (and which are not within an Exclusive Use Area) to one or more Owners for such periods and on such terms as the Board deems appropriate. Should the Board decide to make such assignments, it shall generally do so on a first come, first served basis, but the Board may consider such factors as the Board deems relevant. The Association may charge a fee for assigning the right to use an outside parking space which is not an Exclusive Use Area.

(c) No dune buggy, boat, trailer, recreational vehicle, mobile home, motor home, van, camper shell which is detached from a vehicle or otherwise mounted on a vehicle, nor truck which (a) is larger than one ton capacity, or (b) has a mounted camper shell which protrudes from the truck from either side or from beyond the rear gate or above the cab ceiling, shall be parked within any parking space, Exclusive Use Area, private street or anywhere else in the Project where visible to other Owners unless the Board expressly allows otherwise. Commercial vehicles shall be permitted within the Project for purposes of making deliveries, repairs and similar purposes, provided the same conform to rules which may be established by the Board. No dismantled or wrecked vehicle or equipment shall be parked, stored or deposited within the Project and no vehicle shall be repaired within the Project.

Section 6.24. Right of Access. Each Owner shall have the right of reasonable access for egress and ingress to and from such Owner's Residential Unit (including, but not limited to the garage portion) and Exclusive Use Areas.

Section 6.25. Window Coverings. Unless Declarant has done so, each Owner shall, within one hundred twenty (120) days after close of escrow for his or her Condominium, install window coverings on all windows of his or her Residential Unit which are visible from any public or private street. The exterior appearance of such window coverings must be consistent with **Section 6.13** and any requirements promulgated by the Architectural Committee.

Section 6.26. Sight Distance Corridors. The Association and the Owner of each affected area shall at all times comply with any sight distance requirements established by the City.

Section 6.27. City Fire Requirements. The Association and each Owner shall at all times comply with the City fire requirements.

<u>Section 6.28.</u> **<u>Post-Tensioned Slabs</u>.** It is anticipated that some or all of the residences within the Project may be constructed with post-tensioned concrete slabs ("System") because of soils conditions. The System involves placing steel cables under high tension in the concrete slab located beneath the residence. Each Owner shall be responsible for determining whether his or her residence has been constructed with a System. Any attempt by an Owner or other person to alter or pierce the foundation (e.g., saw cutting or drilling to install a floor safe) could damage the integrity of the System and/or cause serious injury or damage to persons and property. No Owner shall cut into or otherwise disturb the System. Neither Declarant nor any contractor of Declarant shall be responsible for any damage or injury resulting from or arising in connection with any alteration or piercing of the slab or the foundation of any residence. Each Owner shall hold Declarant harmless from and indemnify Declarant against all claims, demands, losses, costs (including attorney's fees), obligations and liabilities arising out of or in connection with the failure of the Owner to comply with the provisions of this Section.

<u>Section 6.29.</u> **<u>No Over Irrigation</u>.** The Association shall not over irrigate the Association Property, Association Maintenance Area or the Common Area or allow irrigation or water delivery systems to fall into disrepair. No Owner shall carelessly use water, allow overflow of water or over irrigate any plants within his or her Exclusive Use Area or Residential Unit. The excess water may cause substantial damage to the Project.

<u>Section 6.30.</u> **<u>No Discharging of Toxic Chemicals</u>.** Toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives and other such fluids shall not be discharged into any street or drive, public or private, or into any storm drain or storm water conveyance systems. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers and other such chemical treatments must, as prescribed in their respective containers, meet Federal, State, County and City requirements.

<u>Section 6.31.</u> **<u>Construction and Sales Activities</u>.** The development, construction, marketing and sales activities of Declarant are exempt from the covenants, restrictions and limitations set forth in this Article. None of the covenants, restrictions and limitations set forth in this Article or elsewhere in this Declaration shall be applied to the development, construction, marketing or sales activities of Declarant or construed in such a manner as to prevent or limit development, construction, marketing or sales activities by Declarant.

<u>Section 6.32.</u> **<u>Water Quality Protection</u>.**

(a) To protect the quality of our nation's waters, a number of federal, state and local laws, ordinances, rules, regulations and orders prohibit the discharge of anything other than natural rain water into storm drain systems, including gutters and streets that drain into storm drains. These governmental requirements include the Clean Water Act, the National Pollution Discharge Elimination System, orders and permits of the State Water Resources Control Board and the Regional Water Quality Control Board, the ordinances and regulations of the City and County, and any Storm Water Pollution Prevention Plan covering the Project. Each Owner shall comply with all such governmental requirements.

(b) Most discharges of anything other than natural rain water into storm drain systems are unlawful and may result in significant penalties and fines. No Owner shall discharge or permit to be discharged (for example, by a contractor working for the Owner) any of the following into any street, gutter, storm drain or storm water conveyance system: toxic or hazardous chemicals, hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinner, wood preservatives, fertilizers, lawn clippings, yard waste, detergents, pet waste, or other similar materials or pollutants.

(c) Each Owner shall comply with and cause its contractors to comply with all federal, state and City requirements, and the requirements of any other applicable governmental agency regarding the use, storage and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers and other such chemicals. Owners should consult with the City, other governmental authorities, and their refuse hauler regarding the proper disposal of any toxic or hazardous materials.

(d) Each Owner shall ensure that any landscaping and construction materials brought into the Project by the Owner or the Owner's contractors shall be properly contained to prevent spillage into any street, gutter or storm drain system. Should a spillage occur, the Owner shall (or cause the contractor responsible for the spill to) sweep the spilled material and place it in a container; it shall not be washed into any storm water curb drain inlet. Each Owner shall prevent erosion and the runoff of soil and other sediment from the Owner's Lot into any street, gutter or storm drain system.

(e) Neither the Association nor any Owner shall remove any temporary devices installed by Declarant during construction of the Project to prevent the discharge of soil, sediment or other materials into any storm drain system.

(f) Each Owner shall indemnify, protect, defend and hold Declarant harmless from any and all claims, liability, actions, penalties or damages (including attorneys' fees, experts' fees and costs of suit) arising from or attributable to the Owner's failure to comply with the requirements of this **Section 6.32**.

(g) The Association and each Owner shall comply with all post-construction Best Management Practices, within the Project as provided in the maintenance guidelines described in the Project's Water Quality Technical Report. The Association shall assume all post construction obligations under the Storm Water Management and Discharge Control Agreement entered into between Declarant and the City of Santee for the Project (a copy of that agreement has been or will be recorded in the Official Records of San Diego County, California).

ARTICLE VII

RESPONSIBILITIES OF MAINTENANCE

Section 7.1. Maintenance by Owners. Each Owner of a Condominium shall be responsible for the maintenance and repair of:

(a) The windows and the interior surfaces of doors enclosing the Residential Unit, including the vinyl or metal frames, tracks and exterior screens of glass doors and windows.

(b) The interior of the Residential Unit and all appliances whether "built-in" or freestanding within the Residential Unit.

(c) Except as stated in **Section 4.18** or **Section 7.1(d)**, the plumbing, electrical, cable television, water heating systems, heating systems and air conditioning systems (if any), and other systems servicing the Owner's Residential Unit and located either within or without the outside perimeter of the exterior walls, floors and ceilings thereof, so long as those systems are used exclusively by such Owner and not in common. For example, each Owner shall be responsible to maintain any automatic garage door opener for his or her garage. Declarant hereby reserves an easement to allow such systems to be located within the Association Property and Common Area in those locations where installed by Declarant. No Owner may permanently remove any photo cell sensor porch entry lighting fixtures servicing his or her Residential Unit.

(d) The Project is serviced by private sanitary sewer, private sewer lift system and private water systems which deliver waste from each Residential Unit to private sewer laterals and water to each Residential Unit from a private water main. Each Owner shall be responsible for the proper operation and maintenance of any portion of the private sanitary sewer and water delivery systems which lie within such Owner's Residential Unit. Any portion of such systems which lie within the Project and do not lie within a Residential Unit will be the responsibility of the Association to operate and maintain.

(e) The routine maintenance (for example, sweeping and cleaning) of any Patio or Balcony Exclusive Use Area appurtenant to the Condominium. An Owner shall also be responsible to maintain, repair and replace when appropriate, any improvements which the Owner makes to his or her Exclusive Use Area.

(f) The interior of any solid fences and walls which separate the Owner's Exclusive Use Area from Common Area, Association Maintenance Area, Association Property, or another Exclusive Use Area.

(g) An Owner shall be solely responsible to maintain in good repair and appearance any improvements he or she makes to his or her Exclusive Use Area.

(h) Should Declarant have installed a drainage system between two or more Exclusive Use Areas with the intention of draining water from such areas and/or Common Area or Association Property, the Association and each Owner will have the right to use the drainage system for its intended purpose.

<u>Section 7.2</u>. **<u>Failure to Maintain</u>.** In the event an Owner defaults in his or her maintenance or repair obligations, the Board may give written notice of such default, stating with particularity the work of maintenance or repair the Board finds to be required and requesting the same be completed in a reasonable period of time as specified in the notice. In the event the Owner fails to complete such maintenance or repair within the period specified in the notice, the Board may cause such work to be completed and assess the Owner the cost thereof.

<u>Section 7.3</u>. **<u>Maintenance by Association</u>.** The Association shall maintain the Association Property and Association Maintenance Area which is transferred to the Association on the date of transfer unless the deed or other instrument of transfer states otherwise. The Association shall maintain the Common Area within a Phase (except for those items of maintenance which the Owner is required to perform pursuant to **Section 7.1** above) from and after the date of the first close of escrow for the sale of a Condominium in that Phase by Declarant to a Retail Purchaser. The Association's maintenance obligations include, but are not limited, to the following amenities and utilities: The exterior and structural components of the buildings, private streets, private sidewalks, private street lights, private storm drains, private sanitary sewer lines and lift system and any other private utilities or amenities. The Association shall also comply with any City fire protection requirements as they may pertain to Common Area or Association Property.

(a) The Association shall be responsible for the maintenance and repair of the structure and exterior of each wall or fence separating an Exclusive Use Area from Common Area, Association Maintenance Area, Association Property, or another Exclusive Use Area in a Phase in which the Association's maintenance obligations have commenced.

(b) The Association shall maintain any drainage improvements which are located within an Exclusive Use Area.

(c) The Association shall, when required, replace any photo cell sensor porch entry lighting fixtures located on buildings and the light bulbs for such fixtures.

(d) The Association shall maintain all concrete terrace drains and other drainage systems (if any) which are located on Association Property, Association Maintenance Area or Common Area.

(e) The Association shall maintain any private street or private drive, any established fire lanes and all landscaping within the Association Property, Association Maintenance Area or Common Area in good condition and well maintained; landscaping shall be maintained in a healthy and thriving condition free from weeds and shall be adequately irrigated. All such areas shall be keep free from trash and debris.

(f) The Association shall maintain any parkways or other public areas within or adjoining the Project which the City requires to be maintained by the Association.

(g) The Association shall maintain an ongoing program to remove dirt, litter and other debris from the surface of private streets and the recreational area by means of street sweeping and other suitable means which shall be established and enforced. The Association shall coordinate the programs which may be established by the City from time to time to assist Owners with the removal and proper disposal of toxic and hazardous waste products. As stated in **Section 6.32** above, toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, antifreeze, solvents, paints, paint thinners, wood preservatives and other such fluids shall not be discharged into any street or drive, public or private, or into any storm drain or storm water conveyance systems. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers and other such chemical treatments must, as prescribed in their respective containers, meet Federal, State, County and City requirements.

Section 7.4. **Right of City To Maintain; Equitable Lien Rights**. The City shall have the right, but not the obligation, to provide for the maintenance of all slope areas if the Association fails to perform its maintenance obligations under this Declaration as reasonably determined by the City. The Association shall be obligated to reimburse the City for any such expenses it reasonably incurs and the City shall have an equitable lien against the Association Property to secure the Association's obligation to so reimburse the City.

Section 7.5. **Reimbursement**. Each Owner shall reimburse the Association for those costs incurred which result from the Condominium occupants' excessive or neglectful use of the Exclusive Use Area or other portions of the Common Area or Association Property.

Section 7.6. **Wood-Destroying Pests.** The Association shall be responsible for the repair and maintenance of the Association Property and Common Area occasioned by the presence of wood-destroying pests or organisms; provided, however, it shall be the responsibility of each Owner to maintain and repair any improvements which may have been added by such Owner to the Owner's Residential Unit and/or Exclusive Use Area. The Association may cause the temporary, summary removal of any occupant of the Project for such periods and at such times as may be necessary for prompt, effective treatment of wood-destroying pests or organisms. The costs of temporary relocation during the repair and maintenance by the Association shall be borne by the affected Owners and not the Association.

The Association shall give notice of the need to temporarily vacate a residence to the occupants and to the Owner, not less than fifteen (15) days nor more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation. Notice by the Association shall be deemed complete upon either:

(a) Personal delivery of a copy of the notice to the occupants, and sending a copy of the notice to the Owner, if different than the occupants, by first-class mail, postage prepaid at the most current address shown on the books of the Association; or

(b) By sending a copy of the notice to the occupants at the residence address and a copy of the notice to the Owner, if different than the occupants, by first-class mail, postage prepaid at the most current address shown on the books of the Association.

Section 7.7. **Maintenance Manuals**. Declarant may provide its original purchasers and/or the Association with manuals ("**Maintenance Manuals**") which outline Declarant's or manufacturers' recommended homeowner and/or Association maintenance obligations and schedules.

(a) Each Owner who receives a Maintenance Manual shall provide the same to any purchaser or other transferee of his or her Condominium.

(b) The Association shall keep and make available to any Owner the Maintenance Manual(s) provided by Declarant (including any Maintenance Manual which pertains to Association or Owner maintenance). The Association shall have the right to require an Owner to reimburse the Association for its costs of copying any such Maintenance Manual which the Association provides to an Owner.

(c) The Association and each Owner, respectively, shall follow the recommendations set forth in the applicable Maintenance Manual provided by Declarant, as the same may be updated from time to time.

Section 7.8. **Mold**. The Association, with respect to Common Area and Association Property, and each Owner, with respect to his or her Condominium, shall take all reasonable and appropriate steps to prevent conditions that may cause mold or mildew to develop, including following any recommendations contained in the Maintenance Manual or in any applicable publications of the California Department of Health Services ("**DHS**") or the United States Environmental Protection Agency ("**EPA**"). As of the date of this Declaration, the EPA and DHS have Web sites which contain information and publications regarding mold and other biological pollutants. For example, see "Biological Pollutants in Your Home" and "Mold Resources" on the EPA Web site (http://www.epa.gov);

and "Indoor Air Quality Info Sheet: Mold in My Home: What Do I Do" on the DHS Web site (http://www.dhs.ca.gov). An Owner shall promptly report to the Association any evidence the Owner may discover of moisture accumulation or mold in the Project. Should an Owner fail promptly to report to the Association any evidence of moisture accumulation or mold in the Owner's Residential Unit that may affect the Common Area or Association Property or should an Owner fail promptly to report to another Owner any evidence of such moisture accumulation or mold that may affect or another Residential Unit, such Owner shall be obligated to reimburse the Association and the other Owner for all costs incurred by the Association or other Owner as a result of the unreasonable delay in reporting the condition to the Association or other Owner.

Section 7.9. **Information Required Before Excavation.** Prior to excavating any private street or sidewalk or other area in which gas, electric, water, sewer, CATV or other utilities might be located, the Association shall utilize the services of a company (such as USA Dig Alert Service) to investigate what utilities might be damaged by the excavation and what measures should be taken to avoid such damage.

Section 7.10. **Inspection of Fire Protection Systems.** The Association shall conduct such inspections and maintenance as are customary and reasonable to assure the proper operation of any fire protection systems, including any sprinkler systems, if applicable.

ARTICLE VIII

SEPARATION OF INTERESTS AND PARTITION PROHIBITED

Section 8.1. **No Separation of Interests.** No Owner may sell, assign, lease or convey any portion of his or her Condominium separate or apart from the entire Condominium. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of any portion of his or her Condominium separate or apart from the entire Condominium shall be void.

Section 8.2. **No Partition.** There shall be no termination of the Project and the Common Area of the Project shall remain undivided with no judicial partition thereof except:

(a) With the approval, after substantial destruction or condemnation of the Project occurs, of at least sixty-seven percent (67%) of the total voting power of the Association and approval by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the Condominiums that are subject to Mortgages held by Eligible Mortgage Holders; or

(b) With the approval, for reasons other than substantial destruction or condemnation of the Project, of at least sixty-seven percent (67%) of the total voting power of the Association and approval by Eligible Mortgage Holders who represent at least sixty-seven percent (67%) of the Condominiums that are subject to Mortgages held by Eligible Mortgage Holders; or

(c) As allowed by California law, including California CIVIL CODE Section 1359, as the same may be amended from time to time.

An Eligible Mortgage Holder who receives a written request to give such approvals who does not deliver or mail the requesting party a negative response within thirty (30) 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.

Nothing in this Section shall be deemed to prohibit partition of a cotenancy in a Condominium.

Section 8.3. **Power of Attorney.** The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all the Owners thereof when partition of the Owners' interests in the Project may be had pursuant to this Article. The power of attorney herein granted may be exercised upon the vote or written consent of Owners who own at least fifty percent (50%) of the Condominiums in the Project. Such power of attorney may be exercised by any two (2) Members of the Board who are hereby authorized to record a certificate of exercise in the Office of the County Recorder of the County, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION OF COMMON AREA OR ASSOCIATION PROPERTY

Section 9.1. **Damage or Destruction.** If any portion of the Common Area or Association Property is damaged or destroyed by fire or other casualty, then:

(a) If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association, the Board shall contract to repair or rebuild the damaged portions of the Common Area or Association Property. Such repair or rebuilding will be in substantial accordance with the original construction unless it is impractical to do so.

(b) If the cost of repairing or rebuilding exceeds the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association, then:

(i) The Board shall obtain at least two competitive bids for the repair or rebuilding not more than forty-five (45) days after such damage occurs;

(ii) The Board shall use its best efforts to cause a special meeting of the Members to occur no later than ninety (90) days after such damage occurs. The notice of such meeting shall state that the reason for the meeting is to consider repair or rebuilding the portion of the Project which was damaged and whether to impose a special assessment to repair or rebuild. Such notice shall be accompanied with a summary of the competitive bids for repair or replacement.

(iii) Unless a majority of the voting power of the Association votes against the Board doing so, the Board shall within one hundred and eighty (180) days after such damage enter into a contract for repair or replacement and impose special assessments therefor pursuant to its Resolution to do so in accordance with **Section 4.3(c)** above. For purposes hereof, a "majority of the voting power of the Association" means: (A) a majority of the voting power of each Class of Members if the two-class voting structure is in effect, or (B) a majority of the total voting power if only one-class voting is in effect.

(iv) All insurance proceeds and funds borrowed by the Association or funds from a settlement, if any, shall be paid to a bank, trust company or other entity designated by the Board (the **"insurance trustee"**) to be held for the benefit of the Owners and their Mortgagees, as their respective interests may appear. The funds shall be disbursed according to standard construction loan procedures. The Board, on behalf of the Association and of the Owners, hereby is authorized to enter into an insurance trust agreement with such insurance trustee, consistent with this Declaration, relating to its powers, duties and compensation.

(v) Nothing herein stated is intended to prevent the Board from repairing or replacing the Common Area, Association Property or Association Maintenance Property and imposing a special assessment therefor pursuant to its authority to do so in accordance with **Section 4.3(a)** or **4.3(b)** above.

(c) If the Owners vote to not repair or rebuild the Common Area or Association Property, then each Owner (and the Owner's Mortgagee(s) as their respective interests shall then appear) shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of the Owner's Condominium as compared to the aggregate decrease in fair market values of all the Condominiums in the Project caused by such damage or destruction. Fair market value shall be determined by an MAI (Member Appraisal Institute of the American Institute of Real Estate Appraisers) appraiser selected by the Board and hired by and at the expense of the Association. Should a dispute arise as to the distribution of insurance proceeds, the dispute shall be decided by arbitration by the American Arbitration Association pursuant to its Commercial Rules of Arbitration.

(d) If a bid to repair or rebuild is accepted, the Board shall levy a special assessment against each Condominium pursuant to **Section 4.7** above for purposes of raising funds for the rebuilding or repair and to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens of Mortgagees, shall be paid to the account of the Association to be used for such rebuilding.

(e) This Article shall not apply to any destruction of a Phase unless and until a Condominium has been conveyed in such Phase. Prior to any such conveyance within a Phase, the Association shall have no right or obligation to insure or repair the improvements of such Phase and no Owner but Declarant shall be entitled to the proceeds of any insurance carried by Declarant.

Section 9.2. **Condemnation.** If any portion of the Common Area in any Phase or Association Property is taken by condemnation, eminent domain or any proceeding in lieu thereof, then all the Owners in all Phases of the Project, and their Mortgagees as their respective interests then appear, shall be entitled to receive a distribution from the award for such taking in the same proportion as insurance proceeds would be distributed pursuant to **Subsection (c)** of the Section above entitled **"Damage or Destruction"**; provided, however, that should it be determined to repair or rebuild any portion of the Common Area or Association Property, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth above in this Article for repairing damaged or destroyed portions of the Common Area or Association Property. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided above in this Article for determining whether to rebuild or repair following damage or destruction.

__Section 9.3.__ __Insurance__. The Association shall obtain and continue in effect at least the following insurance:

(a) A master fire insurance policy with glass coverage and extended coverage endorsement for one hundred percent (100%) of the current replacement cost of all of the Common Area and Association Property improvements within the Project, excluding land, foundations, excavations and other items that are usually excluded from insurance coverage. The maximum deductible amount shall be the lesser of $10,000 or one percent (1%) of the policy face amount. The Association shall have no right or obligation to obtain such insurance for a Phase unless and until the first conveyance of a Condominium in such Phase. **"Improvements"** means and refers to the Association Property and Common Area together with those appliances and improvements located within the Residential Units provided by Declarant to the initial Owners of Condominiums and does not include items not provided by Declarant. The form and content of such policy must satisfy the requirements of the Federal National Mortgage Association ("**FNMA**") and the Federal Home Loan Mortgage Corporation ("**FHLMC**") and shall contain the following endorsements:

(i) An Inflation Guard Endorsement, when it can be obtained.

(ii) A construction code endorsement, if there is a construction code provision that would require changes to undamaged portions of the building(s) even when only part of a building is destroyed by an insured hazard (typical endorsements include Demolition Cost Endorsements, Contingent Liability From Operation of Building Laws Endorsement and Increased Cost of Construction Endorsement).

(iii) A Special Condominium Endorsement which states the policy shall provide that any insurance trust agreement will be recognized; the right of subrogation against Owners will be waived; the insurance will not be prejudiced by any acts or omissions of Owners that are not under the control of the Association; and the policy will be primary, even if an Owner has other insurance that covers the same loss.

(b) A comprehensive general liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any manager, the Declarant, and the Owners against liability incident to ownership or use of the Association Maintenance Area, Association Property and Common Area. The limits of such insurance shall not be less than **$3 Million** covering all claims for death, personal injury and property damage arising out of a single occurrence. The form and content of the comprehensive general liability policy must satisfy the requirements of FNMA and FHLMC.

(c) A policy insuring the Association's officers and directors against liability for their negligent acts or omissions while acting in their capacity as officers and directors. The limits of such insurance shall be not less than **$1 Million** for all claims arising out of a single occurrence.

(d) Section 1365.7 of the California CIVIL CODE provides for a partial limitation on the liability of volunteer officers and directors of the Association who reside in a Residential Unit, provided that certain requirements, as set forth in the Code section, are satisfied. The requirements include that general liability insurance and insurance covering individual liability of officers and directors for negligent acts or omissions be carried by the Association in specified amounts. The Association shall maintain general liability insurance and insurance covering individual liability of officers and directors for negligent acts or omissions in amounts which satisfy the requirements of the Code to limit the liability of volunteer officers and directors of the Association.

(e) A fidelity bond covering members of the Board, officers and employees of the Association and employees of any manager or managing agent, whether or not such persons are compensated for their services, naming the Association as obligee and written in an amount equal to at least three (3) months' aggregate regular assessments (including reserves) by the Association against all Condominiums then subject to assessment.

(f) Workers' compensation insurance covering any employees of the Association.

(g) A standard all risk of loss perils insurance policy under an extended coverage casualty policy for the full insurable value of all insurable improvements to the Association Property, a policy covering all loss to personalty owned by the Association insured with coverage in the maximum insurable fair market value of such personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Association Property and personalty owned by the Association shall be payable to the Association.

(h) Flood insurance shall be provided in the amount, if any, required by FNMA (it is anticipated that flood insurance will initially be required but that the requirement may be removed at a later date if and when a determination is made by the appropriate governmental agency of the Federal government that the Project is not within a certain flood zone; Declarant makes no representation if or when that determination will be made.

Insurance premiums for the master policy and other insurance obtained by the Association (other than the cost of indorsements which cover only particular Owners) shall be a Common Expense to be included in the regular assessments levied by the Association. Each Owner shall be responsible to pay any deductible amount for any loss to his or her Condominium. Each Owner may separately insure the improvements not covered by the master fire insurance policy and personal property within the Owner's Condominium. However, no Owner shall insure a Condominium in any manner which would cause any diminution in insurance proceeds from the master policy. Should any Owner violate this provision the Owner shall be responsible to the Association for any such diminution.

All insurance policies shall provide that they shall not be cancelable by the insurer without first giving at least ten (10) days prior notice in writing to the Association and the servicer of each first Mortgage which requests such notice, and shall contain a waiver of subrogation by the insurers against the Association, Board and Owners.

The Association shall maintain such insurance coverage as may be required by FNMA or FHLMC so long as either FNMA or FHLMC respectively holds a Mortgage on or owns any Condominium.

Nothing herein stated shall prevent the Association from obtaining additional amounts of insurance or from adding to the items covered by a master policy.

Section 9.4. **Mortgagee Approval.** Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved as provided in the Article below entitled **"RIGHTS OF LENDERS"**.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION OF SEPARATE INTERESTS

Section 10.1. **Damage or Destruction**. In the event of damage or destruction to any Residential Unit or Exclusive Use Area improvements which the Owner is obligated to maintain, the Owner shall reconstruct the same as soon as reasonably practicable (unless the Association is not required to repair surrounding damaged Association Property or Common Area pursuant to the terms of **Article IX** above). The Owner shall be entitled to the benefit from an equitable distribution of the master policy of casualty insurance referred to in **Article IX** above to the extent the distribution covers the damage or destruction of elements of the Condominium which are the obligation of the Owner to repair as provided in this Section.

Section 10.2. **Condemnation.** In the event of any taking of a Residential Unit or Exclusive Use Area, the Owner of the Condominium (and such Owner's Mortgagees as their interests may appear) 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 Project and membership in the Association if such Owner shall vacate the Condominium as a result of such taking of the Residential Unit. In such event the Owner shall grant the Owner's 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.

Section 10.3. **Mortgagee Approval.** Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved as provided in the Article below entitled **"RIGHTS OF LENDERS"**.

ARTICLE XI

CONDEMNATION OF ASSOCIATION PROPERTY

In the event the Association Property or any portion thereof shall be taken for public purposes of condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE XII

ASSOCIATION'S RIGHT OF ENTRY

For the purpose of performing the maintenance of the Association Property, Association Maintenance Areas and Common Area or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees shall have the right to enter any Residential Unit, Exclusive Use Area or upon any portion of the Association Property and Common Area to effect repairs, improvements, replacements or maintenance as necessary; provided, however, except in case of an emergency, there shall be no entry into a

Residential Unit or Exclusive Use Area without (a) a court order allowing such entry or (b) the Owner's consent, which consent shall not unreasonably be withheld and shall be presumed if the Owner makes no objection to such entry within three (3) days after the Board delivers notice of its intent to enter. When there is an entrance into any Residential Unit or Exclusive Use Area such entrance shall be made with as little inconvenience to the Owner as possible and any damage caused shall be repaired by the Association.

ARTICLE XIII

ADDITIONAL EXCLUSIVE EASEMENTS AND LICENSES

The Board shall have the right to grant the following additional easements and licenses:

Section 13.1. **Common Area Licenses.** The Board shall have the right to grant irrevocable licenses for Owners to exclusively use portions of the Common Area adjoining the Owners' Exclusive Use Area, provided that the granting of such licenses would not materially and adversely affect any Owner's use of the Common Area.

Section 13.2. **Association Property.** The Board shall have the right to grant easements for Owners to exclusively use portions of the Association Property adjoining the Owners' Exclusive Use Area, provided that the granting of such easements would not materially and adversely affect any Owner's use of the Association Property.

ARTICLE XIV

RIGHTS OF LENDERS

Section 14.1. **Payments of Taxes or Premiums by First Mortgagees.** First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Association Property, unless such taxes or charges are separately assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their deeds of trust. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Association Property, and first Mortgagees making such payments shall be owed immediate reimbursement thereof from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.

Section 14.2. **Mortgagee Protection.** A breach by an Owner of any of the covenants, conditions and restrictions contained herein shall not affect, impair, defeat or render invalid the lien, charges or encumbrance of any first Mortgage made for value which may then exist on any Condominium; provided, however, that in the event of a foreclosure of any such first Mortgage, or if the holder of the note secured by such first Mortgage acquires title to a Condominium in any manner whatsoever in satisfaction of the indebtedness, then the purchaser at the foreclosure sale shall, upon acquiring title, become subject to each and all of the covenants, conditions and restrictions contained herein, but free from the effects of any breach occurring prior thereto.

Section 14.3. **Mortgagee Curing Defaults.** A Mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is non-curable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is non-curable or not feasible to cure shall be final and binding on all Mortgagees.

Section 14.4. Approval of First Mortgagees.

(a) Except as provided by statute, unless at least sixty-seven percent (67%) of the first Mortgagees (based on one vote for each Condominium encumbered by the first Mortgage) have given their prior written approval and at least sixty-seven percent (67%) of Owners other than Declarant have given their prior written approval, the Association shall not be entitled to do either of the following:

(i) By act or omission seek to abandon or terminate the Project.

(ii) Use hazard insurance proceeds or proceeds from other third parties for losses to or claimed defects in any portion of the Association Property or Common Area for other than the repair, replacement or reconstruction of such Association Property or Common Area.

(b) Except as provided by the statute, in case of condemnation or substantial loss to the Residential Units, Association Property or Common Area, unless at least sixty-seven (67%) of the first Mortgagees (based on one vote for each Condominium encumbered by the first Mortgagee) have given their prior approval or unless at least sixty-seven percent (67%) of Owners other than Declarant have given their prior approval, the Association shall not be entitled to do any of the following:

(i) Change the pro rata interest or obligations of any Condominium in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Condominium in the Common Area.

(ii) Partition or subdivide any Condominium.

(iii) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property (this requirement does not apply to areas which are Association Property only for maintenance purposes). The granting of easements for public utilities or for other public purposes and other easements allowed by this Declaration shall not be deemed a transfer within the meaning of this Subsection, nor shall non-material boundary adjustments be deemed a transfer within the meaning of this Subsection.

Section 14.5. Restoration of Project. Any restoration or repair of the Project after partial condemnation or damage due to an insurable event shall be performed substantially in accordance with this Declaration and original plans and specifications unless other action is approved by (i) at least sixty-seven percent (67%) of the total voting power of the Association, and (ii) Eligible Mortgage Holders which represent at least fifty-one percent (51%) of the votes of Condominiums which are subject to Mortgages held by Eligible Mortgages Holders.

Section 14.6. Professional Management. Declarant shall have the right to require the Association to obtain the services of a professional property manager to assist in the discharge of the Association's duties. Furthermore, if the Project consists of fifty (50) or more Condominiums and if professional management has been previously required by either Declarant or any Eligible Mortgage Holder, whether such entity became an Eligible Mortgage Holder at that time or later, any decision to establish self-management by the Association shall require (i) the prior consent of at least sixty-seven percent (67%) of the total voting power of the Association, and (ii) the approval of Eligible Mortgage Holders which represent at least fifty-one percent (51%) of the votes of Condominiums which are subject to Mortgages held by Eligible Mortgages Holders. The term of any agreement for professional management shall not exceed one (1) year, and any agreement for professional management or any other contract providing for services by Declarant must provide for termination by either party without cause or payment of a termination fee upon ninety (90) days or fewer written notice.

Section 14.7. **Notice to Eligible Mortgagees.** Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder, Eligible Insurer or Guarantor and the Condominium number or address, any Eligible Mortgage Holder, Eligible Insurer or Guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is a Mortgage held, insured or guaranteed by such Eligible Mortgage Holder, Eligible Insurer or Guarantor.

(b) Any delinquency in the payment of assessments or other default by an Owner subject to a Mortgage held, insured or guaranteed by such Eligible Mortgage Holder, Eligible Insurer or Guarantor which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, Eligible Insurers or Guarantors as specified above.

Section 14.8. **Documents to be Available to Mortgagees.** The Association shall, within ten (10) days of delivery of a written request and for a fee which does not exceed its reasonable cost to prepare and reproduce the items, make available to Owners and Mortgagees, and holders, insurers or guarantors of any Mortgage, current copies of this Declaration, the Articles, the Bylaws, rules and regulations concerning the Project and the books, records and financial statements of the Association. The Association shall also make such items available to prospective purchasers. "**Available**" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any such financial statement so requested shall be furnished within one hundred twenty (120) days of the Association's fiscal year end provided the request was made within a reasonable time prior to such date. If the Project consists of fifty (50) or more Condominiums, the Association must provide an audited statement for the preceding fiscal year if a holder, insurer or guarantor of a first Mortgage submits a written request for it. If the Project consists of less than fifty (50) Condominiums and no audited statement is available, the holder or insurer or guarantor of a first Mortgage may have an audited statement prepared at its expense.

Section 14.9. **Conflicts.** In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

ARTICLE XV

ENFORCEMENT

Section 15.1. **Enforcement.** The Association, Declarant, and/or any Owner shall have the right to enforce against one another, by any proceeding at law or in equity, all restrictions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration.

Section 15.2. **City Enforcement.** The City shall have the right, but not the obligation, to enforce those provisions in this Declaration in which the City has an interest.

Section 15.3. **No Waiver.** Failure by the Association, Declarant, the City or any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XVI

ADDITIONAL PROVISIONS

Section 16.1. **Severability.** Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 16.2. **Amendments Prior to Escrow Closings.** Prior to the date escrow closes for any sale of a Condominium to a Retail Purchaser, this Declaration may be unilaterally amended by Declarant.

Section 16.3. **Amendments After Escrow Closings.** The following provisions shall apply after the close of the first escrow for a sale of a Condominium to a Retail Purchaser. During the period of time prior to conversion of the Class B membership to Class A membership, this Declaration may be amended by an instrument in writing signed by the President or Secretary of the Association certifying that at least sixty-seven percent (67%) of the voting power of each class of Members of the Association have approved the amendment. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended by an instrument in writing signed by the President or Secretary of the Association certifying that the following have approved the amendment: (a) at least sixty-seven percent (67%) of the total voting power of the Association, and (b) at least sixty-seven percent (67%) of the voting power of Members of the Association other than Declarant. The percentage of voting power necessary to amend a specific clause or provision of this Declaration shall not be less than any percentage of affirmative votes prescribed for action to be taken under that clause. An amendment shall become effective upon the recording thereof by the Office of the County Recorder of the County.

Section 16.4. **Mortgagee Approval of Amendment.** Anything contained herein to the contrary notwithstanding, no amendment material to a Mortgagee may be made to this Declaration without the prior written consent of Eligible Mortgage Holders whose Mortgages encumber fifty-one percent (51%) or more of the Condominiums within the Project which are subject to Eligible Mortgage Holder Mortgages. For purposes hereof, any amendments to provisions of this Declaration governing any of the following subjects shall normally be deemed "material to a Mortgagee":

(a) Voting rights.

(b) Assessment liens and the priority of assessment liens and the right of Eligible Mortgage Holders to approve increases in regular assessments of in aggregate more than twenty-five percent (25%) during any fiscal year from the regular assessments assessed during the previous fiscal year.

(c) The right of Eligible Mortgage Holders to approve reductions in reserves for maintenance, repair and replacement of the Association Property and the Common Area.

(d) Responsibility for maintenance and repairs.

(e) Reallocation of interests in the Common Area or Association Property (including Exclusive Use Area) or rights to its use.

(f) Redefinition of boundaries.

(g) Convertibility of Residential Units into Common Area or Association Property and vice versa.

(h) Annexation and deannexation.

(i) Hazard or fidelity insurance requirements.

(j) Imposition of any restrictions on the leasing of Condominiums.

(k) Imposition of any right of first refusal or similar restriction on the right of a Condominium Owner to sell, transfer or otherwise convey the Owner's Condominium.

(l) **Article XIV** of this Declaration.

(m) Restoration or repair of the Project (after a hazard or partial condemnation) in a manner other than specified herein.

(n) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.

(o) Any provision which, by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

An Eligible Mortgage Holder who receives a written request to approve amendments (including additions) who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request provided that such written request was delivered by certified mail or registered mail, with "return receipt" requested.

Section 16.5. **Extension of Declaration.** Each and all of these covenants, conditions and restrictions shall terminate sixty (60) years following the recordation of this Declaration of Restrictions with the Office of the County Recorder of the County, after which date they shall automatically be extended for successive periods of ten (10) years unless all the Owners have executed and recorded at any time within six (6) months prior to said sixty (60) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate at the end of said sixty (60) year period or at the end of any such ten (10) year period.

Section 16.6. Reservation of Rights and Easements.

(a) Declarant reserves the right to construct on the portions of the Covered Property, Condominiums of those sizes, price ranges, floor plans, architectural styles and designs as Declarant may, in its sole discretion, determine. Such sizes, price ranges, floor plans, architectural styles and/or designs need not be consistent with any previous or other Phase except as may be required by FNMA. Among other things, but not as a limitation, Declarant may construct lower or higher priced Condominiums, higher density or lower density residences, attached or detached residences. Moreover, Declarant shall not be obligated to complete the future Phases at all or in any particular order and has the right to change the Association Property and the numbers of Condominiums in a Phase.

(b) Declarant hereby reserves reciprocal cross-easements in and to the Association Property (other than Exclusive Use Areas) and Common Area in all Phases of the Project for the benefit of the Owners of Condominiums in all other Phases of the Project. These cross-easements shall not benefit or burden a Phase until (i) such Phase has become subject to this Declaration and (ii) a Condominium has been conveyed to a Retail Purchaser in such Phase; provided, however, each Owner of a Condominium shall at all times be provided with at least one means of ingress and egress to such Owner's Condominium.

(c) Pursuant to a two-thirds (2/3) majority of the voting power of its Members, or the written assent of such Members, excluding the voting power or written assent of Declarant, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Declaration of Annexation.

(d) Declarant hereby reserves in favor of each Condominium and the Association Property in each Phase which is subject to this Declaration an appurtenant non-exclusive easement to use any drainage systems and sewer systems installed anywhere within the Covered Property for the purposes of accepting drainage from such Association Property or Condominium regardless of whether the drainage system or sewer system is located within a Phase which is within the Covered Property.

(e) Declarant hereby reserves in favor of each Condominium and the Association Property in each Phase which is subject to this Declaration an appurtenant non-exclusive easement to use any utility system which was designed to serve such Condominium, installed anywhere within the Covered Property regardless of whether the utility system is located within a Phase which is within the Covered Property.

(f) Declarant hereby reserves in favor of each Condominium and the Association Property in each Phase which is subject to this Declaration an appurtenant non-exclusive easement for support for such Condominium.

Section 16.7. Enforcement Litigation. Except as provided in **Section 16.18** below, in the event the Association, Declarant or any Owner shall commence litigation to enforce any of the covenants or restrictions contained in this Declaration, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgment is entered.

Section 16.8. **Encroachment Easements.** Easements are hereby reserved in favor of the Owner of each Condominium and the Association over all adjoining Condominiums, the Association Property and Common Area for the purpose of accommodating any encroachments due to original construction of improvements, engineering errors, repair, settlement or shifting of any building. There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settlement or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner if the encroachment occurred due to the willful misconduct of any Owner. The easements hereby reserved shall continue to allow repair or reconstruction of improvements in their original locations in the event any portion of a structure in the Project is partially or totally destroyed; furthermore, easements shall exist for minor encroachments which result from any such reconstruction.

Section 16.9. **Provisions Apply to All Condominiums.** The provisions of this Declaration apply to all Condominiums which have been made subject to this Declaration, including any unsold Condominiums which may be owned by Declarant. Declarant shall have the same rights and assumes the same duties as any other Owner with respect to unsold Condominiums, except as expressly stated otherwise.

Section 16.10. **Special Responsibilities of Association.** In the event that the improvements to be installed by Declarant to the Association Property or Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering a 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 improvements, 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 not less than five percent (5%) of the total voting power of the Association, 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 the 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.

Section 16.11. **Limitation of Restrictions on Declarant.** Declarant is undertaking the work of construction of residential Condominium dwellings and incidental improvements within the Project. The completion of that work, and the sale, rental and other disposition of said Condominium dwellings is essential to the establishment and welfare of the Project as a residential community. In order that Declarant's work may be completed and the Project may be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its contractors or subcontractors from doing in the Project whatever is reasonably necessary or advisable in connection with the completion of such work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part of the Project such structures as may be reasonable and necessary for the conduct of its business of completing such work and establishing the Project as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

(c) Prevent Declarant from conducting on any part of the Project its business of completing such work, and of establishing a plan of Condominium ownership and of disposing of Condominiums in the Project by sale, lease or otherwise; or

(d) Prevent Declarant from maintaining such signs within the Project as may be necessary for the sale, lease or other disposition of Condominiums; provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of such Owner's Condominium.

The rights of Declarant provided in **Subsections (a)** through **(d)** above may be exercised during the period of time commencing when the Condominiums are first sold or offered for sale to the public and ending when all Condominiums have closed escrow.

Section 16.12. Owners' Compliance. Each Owner, tenant or occupant of a Condominium shall comply with the provisions of this Declaration, the Bylaws, decisions and resolutions of the Association or its duly authorized representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages or for injunctive relief.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Bylaws, shall be deemed to be binding on all Owners of Condominiums, their successors and assigns.

Section 16.13. Provisions of Civil Code Section 1360. Section 1360 of the California CIVIL CODE provides as follows:

"(a) Subject to the provisions of the governing documents and other applicable provisions of law, if the boundaries of [a Residential Unit] are contained within a building, the owner of [a Residential Unit] may do the following:

(1) Make any improvements or alterations within the boundaries of his or her [Residential Unit] that do not impair the structural integrity or mechanical systems or lessen the support of any portions of the common interest development.

(2) Modify a unit in a condominium project, at the owner's expense, to facilitate access for persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to these persons. These modifications may also include modifications of the route from the public way to the door of the unit for the purposes of this paragraph if the unit is on the ground floor or already accessible by an existing ramp or elevator. The right granted by this paragraph is subject to the following conditions:

(A) The modifications shall be consistent with applicable building code requirements.

(B) The modifications shall be consistent with the intent of otherwise applicable provisions of the governing documents pertaining to safety or aesthetics.

(C) Modifications external to the dwelling shall not prevent reasonable passage by other residents, and shall be removed by the owner when the unit is no longer occupied by persons requiring those modifications who are blind, visually handicapped, deaf, or physically disabled.

(D) Any owner who intends to modify a unit pursuant to this paragraph shall submit his or her plans and specifications to the association of the condominium project for review to determine whether the modifications will comply with the provisions of this paragraph. The association shall not deny approval of the proposed modifications under this paragraph without good cause.

(b) Any change in the exterior appearance of a [Residential Unit] shall be in accordance with the governing documents and applicable provisions of law."

Section 16.14. Documents to be Provided to Prospective Purchasers.

(a) ***By Owners.*** Each Owner shall, as soon as practicable before transfer of title to his or her Condominium or execution of a real property sales contract therefor (as defined in CIVIL CODE Section 2985), provide to the prospective purchaser those items which Civil Code Section 1368 requires be provided to the prospective purchaser. As of the date of this Declaration, Civil Code Section 1368 requires the following items be provided:

(i) A copy of this Declaration, the Association's Articles and Bylaws, and the Condominium Plan for the Phase which describes the Condominium offered for sale.

(ii) The statement required by CIVIL CODE Section 1368(a)(2), if applicable (*i.e.*, if an age restriction becomes applicable).

(iii) A copy of the Association's most recent financial statement distributed pursuant to CIVIL CODE Section 1365.

(iv) A true statement, in writing, from an authorized representative of the Association, as to the respective amounts levied upon the Owner's Condominium which are unpaid on the date of the statement, and any monetary fines or penalties levied upon the Owner's Condominium and unpaid as of the date of the statement. The statement shall also include true information on any late charges, interest and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's Condominium pursuant to CIVIL CODE Section 1367.

(v) A copy or a summary of any notice previously sent to the Owner pursuant to subdivision (h) of CIVIL CODE Section 1363 that sets forth any alleged violation of the Association's governing documents that remains unresolved at the time of the request. The notice shall not be deemed a waiver of the Association's right to enforce the governing documents against the Owner or the prospective purchaser of the separate interest with respect to any violation. This paragraph shall not be construed to require the Association to inspect an Owner's Condominium.

(vi) Should the Association have given Declarant notice of a claim pursuant to CIVIL CODE Section 1375, a copy of the preliminary list of defects provided to each member of the Association pursuant to CIVIL CODE Section 1375, unless the Association and the Declarant subsequently enter into a settlement agreement or otherwise resolve the matter and the Association complies with CIVIL CODE Section 1375.1. Disclosure of the preliminary list of defects pursuant to this paragraph shall not waive any privilege attached to the document. The preliminary list of defects shall also include a statement that a final determination as to whether the list of defects is accurate and complete has not been made.

(vii) A copy of the latest information provided for in CIVIL CODE Section 1375.1.

(viii) Any change in the Association's regular and special assessments and fees which have been approved by the Association's board of directors, but have not become due and payable as of the date disclosure is provided pursuant to this Section.

(b) ***By the Association.*** Upon written request to the Association it shall, within ten (10) days of mailing or delivery of the request, provide an Owner with a copy of the requested Association items specified in (i) through (viii) above. The Association may charge a fee for this service which may not exceed the cost to prepare and reproduce the requested items.

Section 16.15. Documents to be Provided by Owners to Subsequent Purchasers. In conjunction with the sale of each Separate Interest by a Declarant to a Retail Buyer, the Declarant provided the Retail Buyer certain documents ("**Homeowner Documents**"), which may include, without limitation, the following: (i) a Maintenance Manual and/or other maintenance or preventive maintenance information; (ii) manufactured products' maintenance and limited warranty information; and (iii) a fit and finish warranty or other contractual warranty. Each Owner shall maintain a full and complete copy of the Homeowner Documents and provide the Homeowner Documents to any subsequent purchaser of the Owner's Separate Interest.

Section 16.16. Easement to Inspect and Test. Declarant reserves easements to enter any portion of the Project, including the interior of any residence and Exclusive Use Area, to inspect those areas and to conduct destructive testing should a claim alleging a defect in design or construction be brought against Declarant. However, Declarant shall notify the Association, with respect to the Association Property which is to be inspected and the Owner of the Exclusive Use Area or Residential Unit to be inspected of at least three (3) alternative dates and times when such inspection can take place (the earliest of which shall not be less than ten (10) days after the notification is given) and Declarant shall give the Association and Owner, respectively, the opportunity to specify which date and time is acceptable to the Association and Owner. Should the Association or Owner not respond affirmatively with respect to one of the dates and times within five (5) days, then Declarant may decide which of the dates and times the inspection and testing shall take place and so notify the Association or Owner, respectively. Alternatively, Declarant may seek a judicial order allowing such inspection and testing to take place. Declarant shall be entitled to its reasonably incurred attorney's fees and be deemed the "Prevailing Party" should such court order be sought and obtained. Declarant shall be obligated to fully repair any damage caused by any such destructive testing. If the provisions of Section 1375 *et seq.* of the California CIVIL CODE apply to the claim alleging a defect in design or construction, the provisions of Section 1375 *et seq.*, and not this Section, shall govern destructive testing.

Section 16.17. Association Property and Common Area Inspection. In addition to its other inspection and testing rights set forth in this Declaration, Declarant may, at its election, notify the Board that (i) Association Property and Common Area landscaping and related improvements for a particular Phase, or some portion thereof, have been completed and (ii) Declarant is requesting the inspection provided for in this Section. Within fifteen (15) days after Declarant gives such notice, Declarant shall select an independent and qualified landscape architect to perform the inspection. Each person selected or appointed pursuant to this Section is referred to collectively as the "**Expert**". Declarant shall pay the reasonable compensation of the Expert.

Promptly upon the selection of the Expert as provided above, the Expert shall inspect the improvements as to which Declarant has given notice of completion and requested inspection. One representative of Declarant and one representative of the Board may accompany the Expert during the inspection. The inspection shall be limited to a visual inspection and improvements shall not be uncovered. The Expert shall not be responsible for identifying latent deficiencies. Promptly after the inspection is completed, the Expert shall submit a written report (the "**Report**") to Declarant and the Board specifying the respects, if any, in which the improvements do not substantially conform to the plans and specifications therefor and are defective, and if there are no such deficiencies, the Report shall state that the improvements conform to the plans and specifications therefor. The Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent deficiencies, if any, the improvements have been constructed in substantial accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any deficiencies specified in the Report and except with respect to latent deficiencies, if any, and the separate repair obligations of Declarant under express written warranty, if any.

Declarant shall correct any deficiencies specified in the Report, and the Expert shall reinspect such improvements within thirty (30) days after Declarant's request. Such reinspection shall be performed in the same manner as provided for the first inspection. Promptly after the reinspection is completed, the Expert shall submit another written report (the "**Reinspection Report**") to Declarant and the Board specifying the deficiencies specified in the Report which have not been corrected, if any, and if all such deficiencies have been corrected the Reinspection Report shall state that the improvements substantially conform to the plans and specifications therefor. The Reinspection Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent deficiencies, if any, the improvements have been constructed in substantial accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any deficiencies specified in the Reinspection Report, and except with respect to latent deficiencies, if any, and the separate repair obligations of Declarant under express written warranty, if any.

Additional inspections and Reinspection Reports shall be made, if necessary, all in accordance with and with the same effect as provided hereinabove.

Within ten (10) days after all deficiencies have been corrected, as evidenced by a Report or Reinspection Report, the Board shall be deemed to have accepted the improvements in writing and shall release in writing any and all rights under any and all payment and performance, labor and material, and completion bonds pertaining to the improvements.

No amendment may be made to this Section without the written consent of Declarant.

Section 16.18. Member Approval Required to Initiate Binding Arbitration or Litigation. Neither the Board nor any committee of the Board shall initiate binding arbitration or litigation with respect to portions of the Project owned or maintained by the Association for violation of the construction standards set forth in California CIVIL CODE Sections 896 and 897 and any successor statutes or laws ("**Construction Claim**") without first obtaining the approval of a majority of the voting power of Members of the Association, excluding the vote of Declarant. The Board and any committee so authorized by the Board shall have the right and authority, without Member approval, to engage in non-adversarial proceedings or mediation with respect to a Construction Claim (*e.g.* pursuant to California CIVIL CODE Section 1375).

Section 16.19. No Amendment Without Declarant's Consent. No amendment may be made to diminish any rights of Declarant under this Declaration without the written consent of Declarant.

ARTICLE XVII

DEVELOPMENT BY DECLARANT

Section 17.1. Planned Development. Declarant intends, but is not obligated, to complete the Project and Declarant shall have the right to construct the residences and to complete improvements allowed by the City to be completed within the Covered Property.

Section 17.2. Reservation of Rights to Complete Project. Until the first close of escrow for the sale by Declarant of a Condominium in a Phase, Declarant shall have the exclusive right to possession of the entire Phase and, if appropriate, related portions of the Common Area and Association Property reasonably related to the Phase, for purposes of completing the construction of the Condominiums and other Common Area and related Association Property; provided, however, that each Owner shall have the right of vehicular and pedestrian access, ingress and egress across the Association Property or Common Area if necessary for access to the Owner's Residential Unit. Declarant shall also have a non-exclusive right of access, ingress and egress across the Project as may be reasonably necessary or convenient for purposes of completing the construction and sale of the Covered Property.

Section 17.3. Failure to Complete Project. In the event all Phases of the Covered Property are not constructed as originally intended by Declarant and a building has not been constructed in one or more Phases ("Undeveloped Phases"), Declarant may convey by quitclaim deed to the Association, the Undeveloped Phases and other portions of an uncompleted Phase within the Covered Property then owned by Declarant. Upon such conveyance the Residential Units and Common Area which have not then been constructed shall thereafter be Association Property, and the applicable Condominium Plan(s) may be amended by Declarant in accordance with this Declaration. Within sixty (60) days following any such conveyance, Declarant shall at Declarant's expense clean-up any debris from the Undeveloped Phase and any other portions of an uncompleted Phase so conveyed and from and after such clean-up has occurred, the Association, and not Declarant, shall be obligated to maintain the Phase.

Section 17.4. **Right of Declarant to Redesign Project**. Declarant reserves the right in its sole discretion, but subject to any necessary City approvals, to redesign any portion of the Project other than Residential Units and Common Area which have been conveyed by Declarant to others. The redesign may alter the boundaries of any improvement, adjust the location of the Phases, Common Area and Association Property, change the elevation and appearance of improvements, and change the location of the amenities. However, in no event shall the redesign result in more than one hundred eighty-six (186) Residential Units being constructed within the Project.

Section 17.5. **Amendment to Condominium Plan(s)**. The Condominium Plan covering a Phase may be amended or revoked by a document signed and acknowledged by the then owners of the Phase and by their Mortgagees. For example, until the conveyance of a Condominium within a Phase, amendment of the applicable Condominium Plan covering just that Phase shall require the signature only of Declarant as the owner of the Phase and of the Mortgagees whose Mortgages encumbers the Phase.

Section 17.6. **Power of Attorney**. Each Mortgagee of a Mortgage and each Owner of a Condominium by accepting a Mortgage or deed to a Condominium, shall be deemed to have constituted and irrevocably appointed Declarant as his attorney-in-fact, for himself and each of his optionees, grantees, licensees, trustees, receivers, lessees, tenants, judgment creditors, heirs, legatees, devisees, administrators, executors, legal representatives, successors and assigns, whether voluntary or involuntary, and thereby to have conveyed a power of attorney coupled with an interest to Declarant as his attorney-in-fact to effect the redesign of all or any portion of the Project in accordance with the limitations and requirements set forth in this Article; and further:

(a) To prepare, execute, acknowledge and record any map or record of survey required or permitted by the provisions of the Subdivision Map Act of the State of California in effect on the date of the recording of this Declaration and as thereafter enacted or amended, and any ordinances, rules and regulations of applicable governmental entities and authorities having jurisdiction over the Project in effect on the date of the recording of this Declaration and as thereafter enacted or amended, or which may be required or permitted by any title insurer, and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute, acknowledge and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(b) To prepare, execute, acknowledge and record any amendment to a Condominium Plan for the Project, including, without limitation, any amendments necessary to cause the Condominium Plan to conform with the improvements as actually built, which may be required or permitted by the laws of the State of California in effect on the date of the recording of this Declaration as thereafter enacted or amended, and any ordinances, rules and regulations of any applicable governmental entities and authorities having jurisdiction over the Project in effect on the date of the recording of this Declaration and as thereafter enacted or amended, or which may be required or permitted by any title insurer, and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(c) To prepare, execute, acknowledge and file for approval any application for zoning or setback changes or variance or special use permits or any other permits or reports required or permitted by statutes, ordinances and regulations applicable to the Project in effect on the date of the recording of this Declaration as thereafter enacted or amended, and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(d) To make applications for any property reports or public reports or amendments thereto or exemption from the requirements therefor required or permitted by federal and state statutes, rules and regulations relating to the sale, lease, transfer or other disposition of subdivided land, and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any federal, state and local governmental entities and authorities; to appear before any such governmental entities and authorities; and to execute and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations.

(e) To deliver any public reports or property reports, or amendments thereto, obtain receipts, and offer and administer rescission rights required by law.

(f) To prepare, execute, acknowledge and file for approval any registration or application for any permit, approval, exemption, ruling or entitlement, which registration or application is required or permitted pursuant to any law or regulation in effect as of the date of the recording of this Declaration and as hereafter enacted or amended by any federal, state and local governmental entities and authorities, and in connection therewith, to perform all conditions, undertake any obligations and execute all agreements and documentation required or permitted by any such governmental body and by any such laws and regulations; to appear before any such governmental bodies and to execute and deliver any improvement agreements and bonds and post deposits securing the performance of any such conditions and obligations; and do all other things now or hereafter permitted or required by any such governmental body and any such laws and regulations.

(g) To prepare, execute, acknowledge and record any deeds, waivers, releases, reconveyances or other documentation which may be permitted or required to clear title to any Condominiums in the Project.

(h) To do any and all things necessary or desirable under the circumstances to effect and accomplish the purposes of this Article.

Section 17.7. Indemnification of Owners on Exercise of Power of Attorney. Declarant shall indemnify and hold each Owner free and harmless from all liabilities, including attorney's fees, which are incurred as a direct result of the execution by Declarant of any improvement agreements or bonds, or both, in connection with the exercise by Declarant of the power of attorney set forth in **Section 17.6**.

Section 17.8. **Limitation on Amendment**. This Article may not be amended without the written approval of Declarant attached to the instrument of amendment.

ARTICLE XVIII

WARRANTIES, DISCLAIMER OF WARRANTIES, RIGHT TO REPAIR, ACKNOWLEDGMENTS AND PROCEDURES, AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

Section 18.1. **Warranties**

(a) ***Limited Home Warranty***. Declarant presently intends, but shall not have any obligation whatsoever, to extend a Home Builder's Limited Warranty (the "Home Warranty") to the original purchaser from Declarant of a Condominium in the Project. If Declarant extends a Home Warranty to such original purchaser, a copy of the form of the Home Warranty for the particular Condominium will be available from Professional Warranty Service Corporation, P.O. Box 800, Annandale, VA 22003-0800. Every original purchaser and every successive Owner of such Condominium shall be bound by and a beneficiary of the Home Warranty during the "**Warranty Period**" as defined in the Home Warranty (and as generally summarized below). All disputes between any of the "Developer Parties" (as defined in **Section 18.3** below) and the original purchaser, and/or any successive Owner of such Condominium, shall be resolved as provided in **subsection (f)** below. Nothing in the Home Warranty or any other document provided by Declarant in conjunction with the original sale of a Condominium in the Project diminishes any rights or obligations the original purchaser (or any successive Owner) or the Declarant may have under California Civil Code Sections 895 through 945.5 (the "**Right to Repair Law**"). The Home Warranty does not constitute either an "enhanced protection agreement" under California Civil Code Section 901 or alternative nonadversarial contractual provisions under Civil Code Section 914.

(b) ***Warranty Period under the Home Warranty***. The Warranty Period of the Home Warranty for a particular Condominium is set forth in the Home Warranty. The subsequent resale of the Condominium will not extend the Warranty Period.

(c) ***Coverage Limits for Residences***. The coverage limits under the Home Warranty for the Residence (i.e., the detached single family residential dwelling), excluding the Association Property and Common Area are set forth in the Home Warranty.

(d) ***Association Property Limited Warranty***. Declarant presently intends, but shall not have any obligation whatsoever, to extend to the Association a Home Builder's Limited Warranty applicable to some or all of the Association Property transferred by the Declarant to the Association or Common Area (the "**Association Property Warranty**"). If Declarant extends an Association Property Warranty to the Association, a copy of the form of the Association Property Warranty for the respective portion of the Project will be available from Professional Warranty Service Corporation, P.O. Box 800, Annandale, VA 22003-0800. The provisions of the Association Property Warranty shall apply during the Warranty Period as defined in the Association Property Warranty and summarized below with respect to Association Property or Common Area which is subject to an Association Property Warranty. Nothing in the Association Property Warranty or any other document provided by Declarant in conjunction with the original transfer of any Association Property to the Association diminishes any rights or obligations the Association (or any successive transferee) or the

Declarant may have under the Right to Repair Law. The Association Property Warranty does not constitute either an "enhanced protection agreement" under California Civil Code Section 901 or alternative nonadversarial contractual provisions under Civil Code Section 914.

(e) ***Warranty Period under the Association Property Warranty.*** The Warranty Period under the Association Property Warranty for the Association Property is set forth in the warranty.

(f) ***Arbitration of Disputes Subject to a Home Warranty or Association Property Warranty.*** Notwithstanding any other dispute resolution provisions set forth in this Declaration, all disputes during the Warranty Period between any of the Developer Parties and the original purchaser of a Condominium in the Project, (or any successive Owner of such Condominium) relating to a Condominium that is subject to a Home Warranty shall be resolved by binding arbitration as provided in the Home Warranty (which is governed by the Federal Arbitration Act (9 U.S.C. §§ 1-16)), and shall be subject to the limitations on statutory and common law rights and remedies set forth in the Home Warranty. Should the binding arbitration provisions be ruled invalid, unenforceable or otherwise not applicable to a dispute between any of the Developer Parties and the original purchaser, or any successive Owner, the dispute shall be resolved in accordance with the alternative dispute resolution provisions set forth in **Section 18.3** below. Similarly, all disputes during the Warranty Period between any of the Developer Parties and the Association regarding any Association Property that is subject to an Association Property Warranty shall be resolved by binding arbitration as provided in the Association Property Warranty, and shall be subject to the limitations on statutory and common law rights and remedies set forth in the Association Property Warranty. Should the binding arbitration provisions be ruled invalid, unenforceable or otherwise not applicable to a dispute between any of the Developer Parties and the Association, the dispute shall be resolve in accordance with the alternative dispute resolution procedures set forth in **Section 18.3** below.

(g) ***DISCLAIMER AND WAIVER OF WARRANTIES AND OTHER RIGHTS.*** **ANY HOME WARRANTY ISSUED BY DECLARANT TO THE ORIGINAL PURCHASER OF A CONDOMINIUM IN THE PROJECT IS THE ONLY WARRANTY, EXPRESS OR IMPLIED, MADE BY DECLARANT WITH REGARD TO THE CONDOMINIUM. DECLARANT MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS REGARDING EITHER LATENT OR PATENT DEFECTS IN THE RESIDENCES OR ASSOCIATION PROPERTY, OR COMMON AREA OR ANY COMPONENTS THEREOF, OR FIXTURES OR PERSONAL PROPERTY INSTALLED THEREIN, OR AS TO THE MERCHANTABILITY, FITNESS, HABITABILITY, OR QUALITY THEREOF, AND TO THE FULLEST EXTENT ALLOWED BY LAW, EXPRESSLY DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS. SIMILARLY, ANY ASSOCIATION PROPERTY OR COMMON AREA WARRANTY ISSUED BY DECLARANT TO THE ASSOCIATION IS THE ONLY WARRANTY, EXPRESS OR IMPLIED, MADE BY DECLARANT WITH REGARD TO THE RESPECTIVE ASSOCIATION PROPERTY OR COMMON AREA. DECLARANT MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS REGARDING EITHER LATENT OR PATENT DEFECTS IN THE ASSOCIATION PROPERTY OR COMMON AREA OR ANY COMPONENTS THEREOF, OR FIXTURES OR PERSONAL PROPERTY INSTALLED THEREIN, OR AS TO THE MERCHANTABILITY, FITNESS, HABITABILITY, OR QUALITY THEREOF, AND TO THE FULLEST EXTENT ALLOWED BY LAW, EXPRESSLY DISCLAIMS ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS.**

<u>Section 18.2</u>. <u>Right to Repair Acknowledgments and Non-Adversarial Pre-Litigation Procedures</u>.

(a) ***Owner's Acknowledgment of Right to Repair Procedures.*** Declarant hereby notifies each Owner of a Condominium in the Project of the existence of the non-adversarial pre-litigation procedures set forth in California Civil Code Sections 910 through 938 (the "**Right to Repair Procedures**"), and further notifies each Owner that such procedures impact the legal rights of each Owner. Each Owner acknowledges that Declarant has notified such Owner of the name and address of the agent for notice of claims pursuant to Section 912(e) of the California Civil Code. Each Owner also acknowledges that Declarant has notified such Owner pursuant to California Civil Code Section 914(a) that Declarant intends to engage in the Right to Repair Procedures with respect to any formal claim initiated by an Owner under such procedures. Notwithstanding the foregoing, each Owner understands and agrees that pursuant to Section 915, Declarant's rights include the right not to go through the Right to Repair Procedures at any time. Each Owner covenants and agrees to comply with the provisions of the Right to Repair Procedures.

(b) ***Association's Acknowledgment of Right to Repair Procedures.*** Declarant hereby notifies the Association of the existence of the non-adversarial pre-litigation procedures set forth in the Right to Repair Procedures, and further notifies the Association that such procedures impact the legal rights of the Association. The Association acknowledges that Declarant has notified it of the name and address of the agent for notice of claims pursuant to Section 912 (e) of the California Civil Code. The Association also acknowledges that Declarant has notified it pursuant to California Civil Code Section 914 (a) that Declarant intends to engage in the Right to Repair Procedures with respect to any formal claim initiated by the Association under such procedures. Notwithstanding the foregoing, the Association understands and agrees that pursuant to Section 915, Declarant's rights include the right not to go through the Right to Repair Procedures at any time.

(c) ***Application of Right to Repair Law.*** If a claim has been made by an Owner or the Association in compliance with California Civil Code Section 910 (a "**Right to Repair Claim**"), the dispute resolution procedures set forth in **Section 18.1(f)**, above, shall apply after application of the Right to Repair Procedures.

The Association acknowledges that in the event of a dispute between the Association and Declarant regarding a claim for defects in the design and/or construction of any improvements in the Project, the Association shall, prior to commencing any arbitration, judicial reference or other adversarial dispute resolution procedure, comply with the provisions of California Civil Code Section 1375 ("**Calderon**") and, with respect to Right to Repair Law Claims, the right to Repair Law Procedures; provided, however, that in no event shall the Association or the Declarant be required to duplicate any obligations or requirements under said laws. If the parties to such dispute are unable to resolve such dispute in accordance with such pre-litigation procedures, the dispute shall be resolved in accordance with the provisions of **Section 18.1(f)** above and **Section 18.3** below. In all cases, each party shall be solely responsible for its own attorney's fees.

Nothing herein diminishes the rights and obligations of Owner, Association and Declarant under the non-adversarial Right to Repair Law procedures with respect to any Right to Repair Law Claim.

(d) ***Delivery of Documents***. Each original Owner of a Condominium in the Project acknowledges that Declarant has instructed such Owner to provide any documents provided to such Owner in conjunction with the original purchase of such Condominium to any subsequent purchaser, and each Owner hereby covenants to provide all of such documents to any subsequent purchaser of such Owner's Condominium. Similarly, the Association acknowledges that Declarant has instructed the Association to provide any documents provided to the Association in conjunction with the original transfer of any Association Property to any subsequent transferee, and the Association hereby covenants to provide all of such documents to any subsequent transferee of the Association Property.

(e) ***Maintenance and Preventative Maintenance Schedules and Obligations***. Each Owner, as to his respective Condominium, and the Association, as to the Association Property, Common Area and any other areas maintained by the Association, acknowledges that Declarant has provided such Owner and the Association with maintenance and preventative maintenance schedules and obligations pertaining to such Owner's Condominium and to the Association Property, and Common Area. Notwithstanding the foregoing, Declarant reserves the right, by written notice to each Owner and/or to the Association, to supplement and/or amend such maintenance and preventative maintenance schedules and obligations from time to time. Each Owner and the Association also acknowledge that by law, such Owner and the Association is obligated to follow all reasonable maintenance and preventative maintenance schedules and obligations communicated in writing by Declarant as well as all commonly accepted maintenance practices. Each Owner and the Association covenants to faithfully follow all maintenance and preventative maintenance schedules and obligations applicable to their respective Condominium and Association Property and Common Area, as the case may be (and each Owner shall require and cause any tenant or lessee of such Owner's Condominium to follow all such schedules and obligations).

(f) ***Manufactured Products Maintenance and Limited Warranty Information***. Each Owner, as to his respective Condominium, and the Association, as to the Association Property and Common Area, acknowledges that Declarant has provided such Owner and the Association with manufactured product maintenance, preventative maintenance and limited warranty information pertaining to such Owner's Condominium and to the Association Property and the Common Area. Notwithstanding the foregoing, Declarant reserves the right, by written notice to each Owner and/or to the Association, to supplement and/or amend such manufactured product maintenance, preventative maintenance and limited warranty information from time to time. Each Owner and the Association also acknowledges that by law, such Owner and the Association is obligated to follow all reasonable maintenance and preventative maintenance schedules and obligations communicated in writing from Declarant as well as commonly accepted maintenance practices. Each Owner and the Association covenants to faithfully follow all such maintenance and preventative maintenance schedules and obligations contained in all such manufactured product maintenance, preventative maintenance and limited warranty information (and each Owner shall require and cause any tenant or lessee of such Owner's Condominium to follow all such schedules and obligations).

(g) ***Indemnification***. Each Owner of a Condominium in the Project and the Association covenants to indemnify, defend and hold Declarant harmless from any loss, costs or damages arising from such Owner's or the Association's failure or refusal to perform its respective obligations under this Section.

(h) ***Termination of the Right to Repair Procedures***. The Right to Repair Procedures set forth in this **Section 18.2** shall terminate and be of no further force or effect upon the first to occur of any of the following: (a) the repeal or judicial invalidation of the Right to Repair Law, or applicable portions thereof; (b) the expiration of all applicable statutes of limitations for the filing of any form of legal proceedings against Declarant in any way relating to or arising out of the development, construction, sale and/or transfer of any of the Condominiums and/or Association Property and/or Common Area in the Project, or (c) the fifteenth (15th) anniversary of the date of the recordation of the Grant Deed conveying a specific Condominium to the original purchaser, or the recordation of the Grant Deed conveying the respective Association Property to the Association, as the case may be, in the Official Records of San Diego County, California.

Section 18.3. Alternative Dispute Resolution Procedures. All disputes between or among (i) the Association, (ii) any Owner(s), and/or (iii) the Declarant, any directors, officers, partners, employees, contractors, subcontractors, consultants, agents or representatives of the Declarant (collectively the "Developer Parties") which arise out of, or relate to, this Declaration or the Project, including without limitation (i) the interpretation and/or enforcement of the Association Documents; (ii) damage to or defects in the design and/or construction of any Condominium, the Association Property and/or other Improvements within the Project; (iii) damage to the Condominium(s) which arises out of, or is integrally related to, any damage to or defect in the Association Property or Common Area, (iv) Home Warranty, or (v) the Association Property Warranty (the "**Subject Disputes**") shall be resolved in accordance with this **Section 18.3**. Each Owner of a Condominium in the Project, the Association and Declarant, for and on behalf of itself and all of the Developer Parties, acknowledge and agree that such implementation of dispute resolution procedures pursuant to this Declaration is in accordance with the philosophy and intent of the Federal Arbitration Act (9 U.S.C. Sections 1-16) which is designed to encourage the use of alternative methods of dispute resolution that avoid costly and potentially lengthy traditional court proceedings. Parties interpreting this subsection shall follow the federal court rulings which provide, without limitation, that the Federal Arbitration Act (i) is a congressional declaration of a liberal federal policy favoring arbitration agreements, notwithstanding substantive or procedural state policies to the contrary; (ii) requires that federal and state courts rigorously enforce agreements to arbitrate; (iii) requires the scope of this alternative dispute resolution agreement be interpreted broadly in favor of arbitration; and (iv) requires disputes over whether an issue is arbitrable be resolved in favor of arbitration. Specifically, this subsection is to be interpreted in accordance with Allied-Bruce Terminix Companies, Inc. v. Dobson, 115 S. Ct. 834 (1995), and other federal court rulings. References herein to California Code Sections are not intended to be, and shall not be interpreted to be, a waiver of rights created under the Federal Arbitration Act.

(a) ***Association's Authorization to Initiate Proceedings***. The Board, for and on behalf of the Association, is authorized and empowered to initiate, defend, participate in, pay costs and expenses incurred in connection with, and settle any mediation, arbitration, administrative and/or judicial proceedings regarding any of the Subject Disputes. Any recovery by the Association or any Owner for any damage to, or defect in, Association Property and/or Common Area shall be utilized solely for the purpose of correcting such damage or defect. The Board shall have the authority to perform any act reasonably necessary to resolve any dispute through alternative dispute resolution ("**ADR**") proceedings. Without limiting the generality of the foregoing, the Board and each Owner covenants and agrees to comply with the mandatory ADR requirements set forth in Section 1354 of the California Civil Code, as same may be amended from time to time.

(b) ***Arbitration of Disputes Subject to a Home Warranty or Association Property Warranty***. To the extent that a Home Warranty has been issued by Declarant for a specific Condominium and/or an Association Property Warranty has been issued by Declarant for a specific portion of the Association Property or Common Area and the Warranty Period under such Warranty is still in effect, all disputes regarding such Condominium and/or Association Property shall be resolved by binding arbitration in accordance with provisions of such Warranty, as provided in **Section 18.1(f)** above.

(c) ***Special Meeting of the Association for Disputes Regarding Construction Defects***. In the event the Board decides to commence binding arbitration proceedings under an applicable Warranty as provided in this Article or decides to commence any other legal proceedings against any of the Developer Parties relating to an alleged defect in the design and/or construction of any improvements in the Project, the Secretary shall call a special meeting of the Association. In addition to the information required by Section 1375 to be specified in the notice of such meeting, the notice shall also specify the following: (i) the estimated costs to repair the defects; (ii) how the necessary repairs will be funded; (iii) the name of the attorney whom the Association is contemplating retaining and an estimate of the attorney's fees, consultant's fees and any other costs to be incurred to prosecute such proceedings; (iv) how such fees and costs will be funded; (v) each Member's duty to disclose to prospective purchasers the alleged defects; and (vi) the potential impact the proceedings may have on the marketability and availability of financing for Condominiums in the Project. Such notice shall be sent to all Members of the Association. The decision of the Board to commence binding arbitration proceedings under an applicable Warranty as provided in this Article or to commence any other legal proceedings against any of the Developer Parties relating to an alleged defect in the design and/or construction of any improvements in the Project must be approved by not less than fifty-one percent (51%) of the voting power of the Association residing in Members other than the Declarant.

(d) ***California Civil Code Section 1354***. The parties to any and all disputes which are subject to California Civil Code Section 1354 shall comply with the pre-litigation requirements of that section prior to initiating any adversarial dispute resolution procedure.

(e) ***Unresolved Disputes***. Any disputes between or among the Association, any Owner(s) and/or the Developer Parties in the following categories shall be resolved in accordance with the judicial reference provisions of subsection (f) below: (i) disputes regarding property not subject to a Home Warranty or Association Property Warranty, (ii) disputes subject to a Home Warranty or an Association Property Warranty where the binding arbitration procedure has been ruled to be invalid, unenforceable or otherwise not applicable, and/or (iii) disputes under Civil Code Section 1354, which are not otherwise subject to California Civil Code Section 1375 or the Right to Repair Law), shall be resolved in accordance with the judicial reference provisions of **subsection (f)** below. Notwithstanding the foregoing, disputes regarding only delinquent Assessments, and disputes with the Declarant regarding only the release of completion bonds for the Association Property or Common Area, shall proceed directly to civil litigation.

(f) ***Judicial Reference***. All unresolved disputes under **subsection (e)** above shall be submitted to general judicial reference pursuant to California Code of Civil Procedure Sections 638 and 641-645 or any successor statutes thereto. Within ten (10) days of receipt by any party of a written request to resolve any unresolved dispute under **subsection (e)** above, the parties shall agree upon a single Referee. If the parties are unable to agree upon a Referee within such ten (10) day period, then any party may thereafter seek to have a Referee appointed under the California Code of Civil Procedure Sections 638 and 640. If the Referee is appointed by the Court, the referee shall be a retired judge from JAMS, the American Arbitration Association ("**AAA**") or similar mediation/arbitration entity. The proposed Referee may be challenged for any of the grounds listed in Section 641 of the California Code of Civil Procedure. The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. Declarant shall not be required to participate in the judicial reference proceeding unless it is satisfied that all necessary and appropriate parties will participate.

The parties shall use the procedures adopted by JAMS for judicial reference (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties), provided that the following rules and procedures shall apply in all cases unless the parties agree otherwise:

(i) If the Declarant is a party to such judicial reference proceedings, any fee to initiate such proceedings shall be advanced by the Declarant; however, the fees and costs of the judicial reference proceedings (e.g., the fee for the Referee and all expert witness fees and costs, etc., but excluding all attorney's fees) shall ultimately be borne as determined by the Referee. In all cases, each party shall bear its own attorney's fees at its sole cost and expense;

(ii) The proceedings shall be heard in the County in which the Project is located, unless all parties agree to a different location;

(iii) The Referee shall have the power to decide all issues of fact and/or law, and to report a statement of decision to the court on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the Referee;

(iv) The Referee may require one or more pre-hearing conferences;

(v) The parties shall be entitled to discovery, and the Referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;

(vi) A stenographic record of the proceedings shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and any appeals;

(vii) The Referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable and shall stand as the decision of the court;

(viii) The Referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge; and

(ix) The parties shall promptly and diligently cooperate with one another and the Referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute.

(x) The statement of decision of the Referee upon all of the issues considered by the Referee shall be binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. The decision of the Referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the parties. The parties acknowledge and agree that they are waiving their right to a jury trial.

Section 18.4. WAIVER OF COURT AND JURY TRIAL. AS TO ALL DISPUTES SUBJECT TO THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS SET FORTH OR REFERENCED IN THIS ARTICLE, EACH OWNER, THE ASSOCIATION AND DECLARANT WAIVE ANY RIGHTS TO JURY TRIAL, APPEAL AND OTHER CIVIL LITIGATION PROCEEDINGS FOR SUCH DISPUTES, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH OR REFERENCED HEREIN. IN THE EVENT ANY OF THE PROCEDURES SET FORTH OR REFERENCED HEREIN ARE DETERMINED TO BE INVALID OR UNENFORCEABLE, IN WHOLE OR IN MATERIAL PART, SUCH THAT THE RESOLUTION OF THE DISPUTE SHALL PROCEED BY WAY OF CIVIL LITIGATION PROCEEDINGS, EACH OWNER, THE ASSOCIATION AND DECLARANT NONETHELESS WAIVE THE RIGHT TO JURY TRIAL WITH RESPECT TO SUCH DISPUTE.

Section 18.5. Amendments. The provisions of this Article may not be amended without the express written consent of Declarant.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the day and year first hereinabove written.

LYON TREVISO, LLC, a Delaware limited liability company

BY: WILLIAM LYON HOMES, INC., a California corporation, its Managing Member

By:________________

By:________________

ERICK VAN WECHEL, ASST. SECRETARY

12040

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On October 29, 2004, before me, Robin Lynn Wixom, Notary Public, personally appeared Larry I. Smith + Erick Van Wechel, personally known to me (~~or 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.

WITNESS my hand and official seal.

Signature Robin Lynn Wixom (Seal)

ROBIN LYNN WIXOM
Commission #1288296
Notary Public • California
San Diego County
My Comm. Expires Jan. 20, 2005

EXHIBIT "A"

Phasing of the Project

Phase	No. of Residential Units	Association Property
1	28	
2	36	
3	32	Recreational Area
4	32	Lot A (non-usable environmentally sensitive area)
5	30	
6	28	

RECORDED AT THE REQUEST OF
CHICAGO TITLE COMPANY
SUBDIVISION DEPT.

16954

Recording Requested By
and
When Recorded Mail To:

HECHT, SOLBERG, ROBINSON,
GOLDBERG & BAGLEY LLP
Mr. John Hecht
600 West Broadway, Eighth Floor
San Diego, California 92101

4304 0077 - 450

DOC # 2004-1106613

NOV 22, 2004 3:01 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 17.00
PAGES: 4

AMENDMENT TO DECLARATION OF RESTRICTIONS FOR TREVISO

THIS AMENDMENT TO DECLARATION OF RESTRICTIONS FOR TREVISO ("Amendment") is made as of the 19th day of November, 2004 by LYON TREVISO, LLC, a Delaware limited liability company ("Declarant"), with reference to the following

RECITALS:

A. Declarant caused that certain Declaration of Restrictions for Treviso (the "Declaration") to be recorded on November 2, 2004 as Document No. 2004-1037307, Official Records of San Diego County, California.

B. The Declaration initially covered the following lots of the Treviso project, being all of that real property located in the City of Santee, County of San Diego, State of California, described as:

> Lots 1 and A of SANTEE TRACT NO. 2003-01, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 14886, filed in the Office of the County Recorder of San Diego County, California on September 29, 2004 ("Covered Property").

C. As of the date hereof, Declarant is the owner of the Covered Property described in Recital C above.

D. Pursuant to Section 16.2 of the Declaration, Declarant wishes to amend the Declaration as set forth below.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Exhibit B which is referenced in Section 1.4 of the Declaration and shows the approximate locations of the Association Maintenance Area did not get attached to the Declaration prior to its recordation. Exhibit B attached hereto which shows the Association Maintenance Area is hereby incorporated as being part of the Declaration.

2. Except as stated above, the Declaration remains unmodified. This Amendment shall become effective upon recordation of this Amendment with the County Recorder of San Diego County, California.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument as of the day and year first hereinabove written.

LYON TREVISO, LLC, a Delaware limited liability company

By: WILLIAM LYON HOMES, INC., a California corporation,
Its: Managing Member

By: Eric R. Beck
Title: Asst. Treasurer

By: John B. Vance
Title: Asst. Secty.

STATE OF CALIFORNIA)
) ss.
COUNTY OF San Diego)

On November 19, 2004 before me, Robin Lynn Wixom, Notary Public, personally appeared Eric R Beck + John B. Vance, personally known to me (~~or 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.

WITNESS my hand and official seal.

Signature Robin Lynn Wixom (Seal)

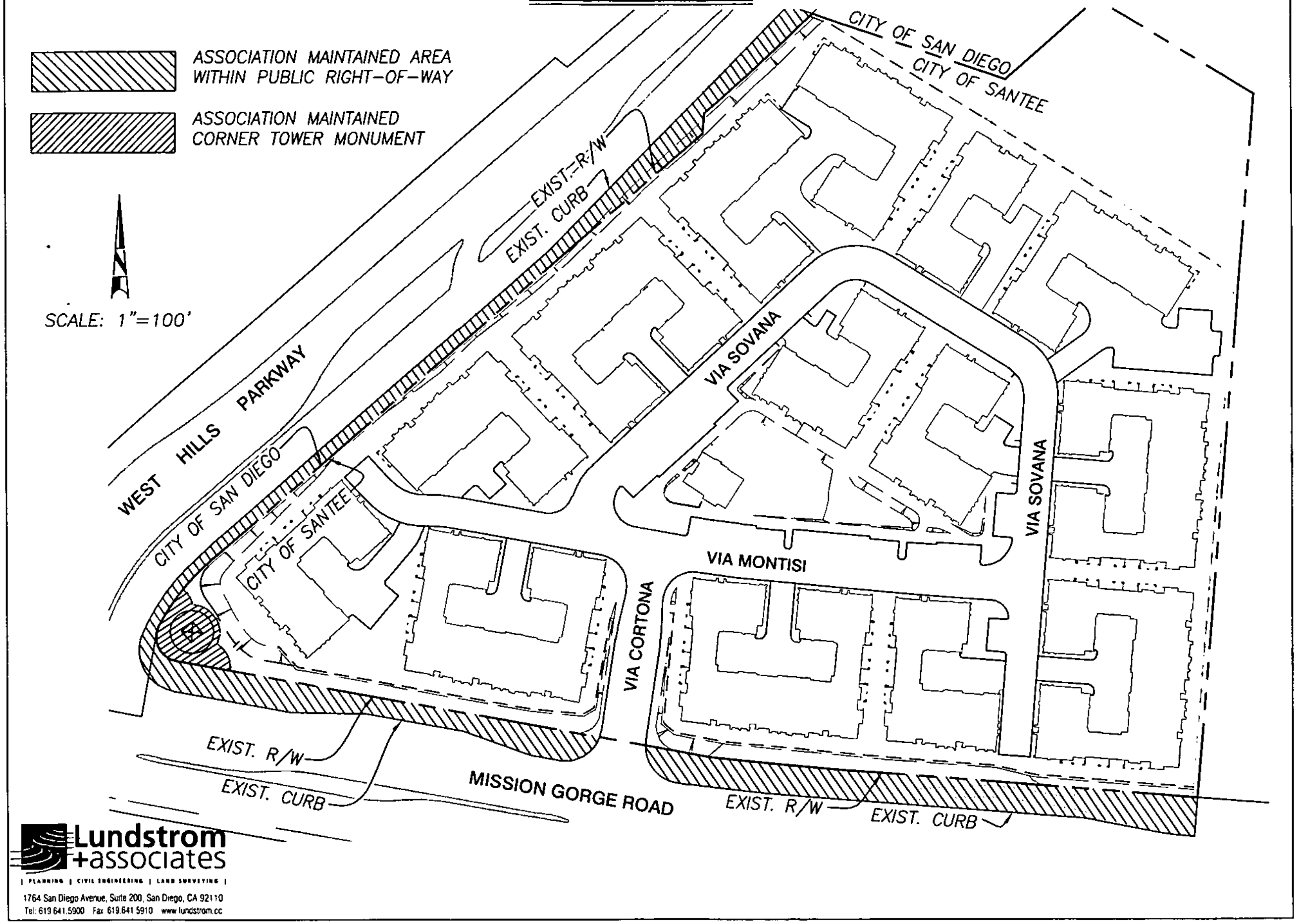
ROBIN LYNN WIXOM
Commission #1288296
Notary Public • California
San Diego County
My Comm. Expires Jan. 20, 2005
USS1

Exhibit "B"

Description of Association Maintenance Area

(attached)

EXHIBIT "B"


ASSOCIATION MAINTAINED AREA WITHIN PUBLIC RIGHT-OF-WAY
ASSOCIATION MAINTAINED CORNER TOWER MONUMENT
N
SCALE: 1"=100'
WEST HILLS PARKWAY
CITY OF SAN DIEGO
CITY OF SANTEE
EXIST. R/W
EXIST. CURB
CITY OF SAN DIEGO
CITY OF SANTEE
VIA SOVANA
VIA MONTISI
VIA CORTONA
VIA SOVANA
EXIST. R/W
EXIST. CURB
MISSION GORGE ROAD
EXIST. R/W
EXIST. CURB
Lundstrom +associates
PLANNING | CIVIL ENGINEERING | LAND SURVEYING
1764 San Diego Avenue, Suite 200, San Diego, CA 92110
Tel: 619.641.5900 Fax 619.641.5910 www.lundstrom.cc

Recording Requested By

Chicago Title Company Subdivision Dept.

Order No.: WL1008 004 U12
Escrow No.: 15480-AR

When Recorded Mail To:
and
Mail Tax Statement To:

WHITNEY WELLS
4 VIA MONTISI
SANTEE, CA 92071

Assessor's Parcel No.: 383-061-12-04

DOC # 2008-0533270

OCT 10, 2008 2:39 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 367.50
OC: OC

PAGES: 5

5802

CONDOMINIUM GRANT DEED
Treviso

The undersigned declares that the documentary transfer tax is $ 346.50 and is
X computed on the full value of the interest or property conveyed, or is
☐ computed on the full value less the value of liens or encumbrances remaining thereon at the time of sale.
The land, tenements or realty is located in ☐ unincorporated area X City of Santee

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, LYON TREVISO, LLC, a Delaware limited liability company (**"Grantor"**), hereby grants to WHITNEY WELLS, A SINGLE MAN (**"Grantee"**), the following described real property situated in the City of Santee, County of San Diego, State of California:

A condominium more particularly described on **Exhibit "A"** attached hereto and incorporated herein by reference.

This Deed is made and accepted upon all items of record, including the easements, covenants, conditions and restrictions set forth in the following, all of which are incorporated in this Deed: (i) the Declaration of Restrictions For Treviso recorded November 2, 2004 as Document No. 2004-1037307 in the Office of the County Recorder of San Diego County, California and (ii) the Deed And Declaration Establishing Access Easement Rights recorded November 2, 2004 as Document No. 2004-1037308 in the Office of the County Recorder of San Diego County, California; and (iii) any other recorded supplemental declarations and/or declarations of annexation of record and (iv) any presently existing or future amendments to the documents descibed in (i) and (ii) or (iii).

Grantee, by acceptance and recordation of this Deed, on behalf of Grantee and Grantee's successors, assigns and heirs, (a) accepts and approves of this Deed and (b) accepts, covenants and agrees to be bound by all the provisions of the documents described above, which provisions are acknowledged to be reasonable and incorporated in this Deed by reference.

IN WITNESS WHEREOF, this instrument to be executed thisMay 24, 2007.

LYON TREVISO, LLC, a Delaware limited liability company

BY: WILLIAM LYON HOMES, INC., a California corporation, Its: Managing Member

By: ______________________________
JEFFERY T. MILES, DIRECTOR OF SALES & MARKETING

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On ______________________, before me, ______________________, Notary Public, personally appeared JEFFERY T. MILES, personally known to me (or 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.

WITNESS my hand and official seal.

Signature ______________________ (Seal)

ACKNOWLEDGMENT

State of California
County of Orange

On Mar 24, 2008 before me, Brenda G. Weber, Notary Public,
(here insert name and title of the officer)
personally appeared Jeffery T. Miles

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 Brenda G. Weber

BRENDA G. WEBER
Commission # 1486511
Notary Public - California
Orange County
My Comm. Expires May 26, 2008

(Seal)

EXHIBIT "A"
TO CONDOMINIUM GRANT DEED

Treviso

A condominium unit composed of:

PARCEL 1:

An undivided fractional interest as tenant in common in and to the Phase in which the Residential Unit described in PARCEL 2 below is located equal to the reciprocal of the number of Residential Units within that Phase, being a portion of Lot 1of SANTEE TRACT NO. 2003-01, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 14886, filed in the Office of the County Recorder of San Diego County, California, on September 29, 2004;

EXCEPTING THEREFROM each Residential Unit located within such Phase, as shown on the Condominium Plans described in PARCEL 2 below;

RESERVING THEREFROM the exclusive right to possession and use of any Exclusive Use Area shown on Condominium Plans described in PARCEL 2 below;

FURTHER RESERVING THEREFROM all the rights and easements set forth in the Declaration of Restrictions For Treviso (the **"Declaration"**) described in the Condominium Grant Deed to which this Exhibit is attached, including, but not limited to, the easements for ingress, egress and use of the Common Area and general utility purposes and Grantor's right and easements to construct and market residences and construct related improvements; and

FURTHER EXCEPTING AND RESERVING THEREFROM all exceptions and reservations of record.

PARCEL 2:

Residential Unit No. 4, as shown upon the **FIRST SUPERSEDING TREVISO CONDOMINIUM PLANS recorded October 21, 2005 as Document No. 2005-0912719,** Official Records of San Diego County, California (the **"Condominium Plans"**);

RESERVING FROM PARCEL 2 all rights and easements for set forth in the Declaration.

PARCEL 3:

A non-exclusive easement on, over, under and across the "Common Area" and "Association Property" as defined in the Declaration for the purposes described in the Declaration and subject to the terms, provisions and reservations of the Declaration. This easement is appurtenant to PARCEL 2 above. The benefits of this easement shall become effective as to the Common Area in each Phase as of the date of conveyance of a Condominium in such Phase; The benefits of this easement shall become effective as to a portion of the Association Property upon the later to occur of (i) the recordation of this Deed or (ii) the conveyance of record of such portion of the Association Property to the Association (defined below). Use of private streets and drives is subject to the terms and conditions of the Deed And Declaration Establishing Access Rights described above.

PARCEL 4:

A non-exclusive appurtenant easement for ingress and egress over the **"Drives"** within Lot 1 of SANTEE TRACT NO. 2003-01, in the City of Santee, County of San Diego, State of California, according to Map thereof No. 14886, filed in the Office of the County Recorder of San Diego County, California, on September 29, 2004, pursuant and subject to the terms and provisions of that certain Deed And Declaration Establishing Access Easement Rights described in the Condominium Grant Deed to which this Exhibit is attached.

PARCEL 5:

The exclusive right to use any Exclusive Use Area shown on the Condominium Plans as being appurtenant to the Residential Unit described in PARCEL 2 above.