

Vaiasicca, Andrea L CIV USARMY CESPCK (USA)

From: Casey A. Shorrock <CShorrock@rmmenvirolaw.com>
Sent: Friday, March 18, 2022 6:26 PM
To: FOIA-SPK
Subject: [URL Verdict: Neutral][Non-DoD Source] Freedom of Information Act Request

CESPK-OC
1325 J St
Sacramento, CA 95814-2922
FOIA-SPK@usace.army.mil
Phone: 916-557-7204
Fax: 916-557-5118

To: Whom It May Concern
RE: Freedom of Information Act Request

This is a request under the Freedom of Information Act (5 U.S.C. § 552). I request that a copy of the following document(s) be provided to me:

- U.S. Army Corps of Engineer Permit No. SPK-2005-00256

I am making this request electronically only, via this email address, but am able to make a hardcopy letter request if necessary. Please do let me know as soon as possible if a hardcopy letter request is required.

In order to help you determine my status for the purpose of assessing fees, you should know that I am an individual (legal counsel) seeking information for personal use (for my client) and not for a commercial use for a matter involving the U.S. Army Corps of Engineers. I am willing to pay the appropriate fees for this request up to a maximum of \$250. If you estimate that the fees will exceed this limit, please inform me first. In the alternative, we are pleased to receive this permit in electronic format, and actually prefer that method of delivery.

For questions, you can reach me at the below phone number.

Sincerely,

Casey Shorrock

Casey Shorrock
Associate Attorney



REMY | MOOSE | MANLEY^{LLP}

555 Capitol Mall, Suite 800 | Sacramento, CA 95814

P (916) 443-2745 | F (916) 443-9017

cshorrock@rmmenvirolaw.com | www.rmmenvirolaw.com

CONFIDENTIALITY NOTICE: This electronic mail message and any attachments are intended only for the use of the addressee(s) named above and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not an intended recipient, or the employee or agent responsible for delivering this e-mail to the intended recipient, you are hereby

notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you received this e-mail message in error, please immediately notify the sender by replying to this message or by telephone. Thank you.



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, SACRAMENTO DISTRICT
1325 J STREET
SACRAMENTO CA 95814-2922
May 11, 2022

Office of Counsel

SUBJECT: Freedom of Information Act Request No. FA-22-0087; A Copy of The United States Army Corps of Engineers (USACE) Permit Number SPK-200500256

Mr. Casey Shorrock, Esquire
Remy, Moose and Manley, LLP
555 Capitol Mall, Suite 800
Sacramento, California 95814

Dear Mr. Shorrock:

On March 21, 2022, our office received your Freedom of Information Act (FOIA) request for a copy of the USACE Permit Number SPK-200500256.

For the purpose of assessing fees, I have classified you as a commercial requester under 32 C.F.R. § 518.85(b)(2)(i). The charge for providing the requested information is as follows:

Professional Search and Review; .75 hr. @ \$44 per hour \$33.00

Ms. Andrea Vaiasicca emailed you a payment request on April 7, 2022 and suspended further processing until we received confirmation of your payment. We received confirmation of your payment through <https://pay.gov> on May 9, 2022. Thank you.

As requested, a redacted copy of the USACE Permit Number SPK-200500256 is enclosed.

Although the bulk of the requested information has been provided, names of Department of Defense (DoD) employees contained in the headers of e-mails and other similar lists of names within the records have been redacted pursuant to 5 U.S.C. § 552 (b)(6) of the Freedom of Information Act. In response to the terrorist attacks on the United States in the fall of 2001, DoD revised its policies which implement the Freedom of Information Act. At that time, the decision was made to withhold lists of names of all DoD employees. The court upheld this policy decision stating, "The privacy interest protected by exemption six of the Freedom of Information Act encompasses not only the addresses, but also the names of federal employees." See Judicial Watch, Inc. v. United States, 84 Fed. Appx. 335 (4th Cir. (2004)).

Because your request has been partially denied, you are advised of your right to appeal this determination through this office to the Secretary of the Army (ATTN: General Counsel). Your appeal must be postmarked or electronically transmitted within 90 days of the date of this letter. The envelope containing the appeal should bear the

notation "Freedom of Information Act Appeal" and should be sent to U.S. Army Corps of Engineers, Sacramento District, ATTN: CESPCK-OC, 1325 J Street, Room 1440, Sacramento, California 95814.

For any further assistance or to discuss any aspect of your request, you have the right to contact the U.S. Army Corps of Engineers FOIA Public Liaison. Additionally, you have the right to contact the Office of Government Information Services (OGIS) to inquire about FOIA mediation services they offer. Contact Information:

U.S. Army Corps of Engineers
FOIA Public Liaison
441 G. Street, NW
ATTN: CECC-L (Emily Green)
Washington, DC 20314-1000
Email: foia-liaison@usace.army.mil
Phone: 202-761-4791

Office of Government Information Services
National Archives and records Administration
8601 Adelphi Road-OGIS
College Park, MD 20740-6001
E-Mail: ogis@nara.gov
Phone: 202-741-5770 or
Toll Free: 877-684-6448

If you have any questions regarding the provided information, please contact Ms. Andrea Vaiasicca, FOIA Specialist, at the above letterhead address or by calling (916) 557-7204.

Sincerely,



A. L. Faustino
Initial Denial Authority
District Counsel

Enclosures



March 7, 2005

(b) (6)
U.S. Army Corps of Engineers
1325 J Street, Room 1480
Sacramento, C A 95814-2922



Subject: Pre-construction Notification
Montserrat (Loomis Hills Estates)
Corps File Number 199500493
i00S00Z.SX.

(b) (6)

Enclosed is the pre-construction notification for the Montserrat (formerly Loomis Hills Estates) project site. This project was approved by the town of Loomis in 1999 with 4.6 acre minimum lot size. Direct impacts to waters of the U. S. are less than 0.1 acre. In order to accommodate the substantial remainder wetlands, the applicant, Curt Westwood of Westwood Homes, has restricted access on each lot to within monumented building areas. Three types of conservation easements will be established over the property: agricultural, oak, and wetlands. CCR's, a Perpetual Conservation Easement Grant, and a Conservation Area Management Plan have been prepared and are included in the PCN as appendices.

Please review and comment at your earliest convenience.

Sincerely,

Jeff Glazner
North Fork Associates

enclosure: Pre-construction Notification
Cultural report
401 application form and letter

cc: Curt Westwood

California Regional Water Quality Control Board

Central Valley Region

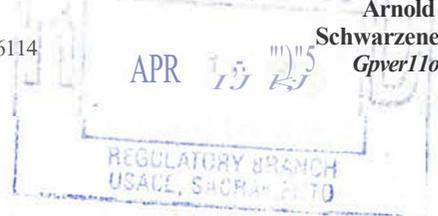
Robert Schneider, Chair



Alan C. Lloyd, Ph.D.
Agency Secretary

Sacramento Main Office
11020 Sun Center Drive #200 Rancho Cordova, CA 95670-6114
Phone (916) 464-3291 Fax (916) 464-4645
<http://www.waterboards.ca.gov/cmtralvalley>

Arnold
Schwarzenegger
Gover11or



15 April 2005

Mr. Curt Westwood
Westwood Homes
11231 Gold Express Drive
Gold River, CA 95670

ACTION ON REQUEST FOR CLEAN WATER ACT §401 WATER QUALITY CERTIFICATION FOR DISCHARGE OF DREDGED AND/OR FILL MATERIALS FOR THE MONTSERRAT PROJECT, (WDID#5A31CR00123) PLACER COUNTY

ACTION:

1. Order for Standard Certification
2. Order for Technically-conditioned Certification
3. Order for Denial of Certification

WATER QUALITY CERTIFICATION STANDARD CONDITIONS:

1. This certification action is subject to modification or revocation upon administrative or judicial review, including review and amendment pursuant to § 13330 of the California Water Code and § 3867 of Title 23 of the California Code of Regulations (23 CCR).
2. This certification action is not intended and shall not be construed to apply to any discharge from any activity involving a hydroelectric facility requiring a Federal Energy Regulatory Commission (FERC) license or an amendment to a FERC license unless the pertinent certification application was filed pursuant to 23 CCR subsection 3855(b) and the application specifically identified that a FERC license or amendment to a FERC license for a hydroelectric facility was being sought.
3. The validity of any non-denial certification action shall be conditioned upon total payment of the full fee required under 23 CCR § 3833, unless otherwise stated in writing by the certifying agency.
4. Certification is valid for the duration of the described project. Westwood Homes shall notify the Regional Board in writing within 7 days of project completion.

ADDITIONAL CONDITIONS (for Certification Action 2):

In addition to the four standard conditions, the applicant shall satisfy the following:

1. Westwood Homes shall notify the Board in writing of the start of any in-water activities.
2. Except for activities permitted by the U.S. Army Corps under §404 of the Clean Water Act, soil, silt, or other organic materials shall not be placed where such materials could pass into surface water or surface water drainage courses.
3. The discharge of petroleum products or other excavated materials to surface waters is prohibited.
4. Activities shall not cause turbidity increases in surface waters to exceed:
 - (a) where natural turbidity is between 0 and 5 Nephelometric Turbidity Units (NTUs), increases shall not exceed 1 NTU;
 - (b) where natural turbidity is between 5 and 50 NTUs, increases shall not exceed 20 percent;
 - (c) where natural turbidity is between 50 and 100 NTUs, increases shall not exceed 10 NTUs;
 - (d) where natural turbidity is greater than 100 NTUs, increases shall not exceed 10 percent.

Except that these limits will be eased during in-water working periods to allow a turbidity increase of 15 NTU over background turbidity as measured in surface waters 300 feet downstream from the working area. In determining compliance with the above limits, appropriate averaging periods may be applied provided that beneficial uses will be fully protected.

5. Activities shall not cause settleable matter to exceed 0.1 ml/l in surface waters as measured in surface waters 300 feet downstream from the project.
6. Activities shall not cause visible oil, grease, or foam in the work area or downstream.
7. All areas disturbed by project activities shall be protected from washout or erosion.
8. In the event that project activities result in the deposition of soil materials or creation of a visible plume in surface waters, the following monitoring shall be conducted immediately upstream and 300 feet downstream of the work site and the results reported to this office within two weeks:

| Parameter | Unit | Type of Sample | Frequency of Sample |
|----------------------------|-------------|----------------|------------------------------------|
| Turbidity | NTU | Grab | Every 4 hours during in water work |
| Settleable Material | ml/l | Grab | Same as above. |

9. Westwood Homes shall notify the Board immediately if the above criteria for turbidity, settleable matter, oil/grease, or foam are exceeded.
10. Westwood Homes shall notify the Board immediately of any spill of petroleum products or other organic or earthen materials.

11. Westwood Homes complies with all Department of Fish and Game 1600 requirements for the project as required.
12. Westwood Homes must obtain coverage under the NPDES General Permit for Storm Water Discharges Associated with Construction Activities issued by the State Water Resources Control Board.

REGIONAL WATER QUALITY CONTROL BOARD CONTACT PERSON:

Patrick G. Gillum, Environmental Scientist
11020 Sun Center Drive #200
Rancho Cordova, California 95670-6114
(916) 464-4709
gillump@rb5s.swrcb.ca.gov

WATER QUALITY CERTIFICATION:

I hereby issue an order certifying that any discharge from the Westwood Homes, Montserrat Project (WDID #5A31 CR00123) will comply with the applicable provisions of §301 ("Effluent Limitations"), §302 ("Water Quality Related Effluent Limitations"), §303 ("Water Quality Standards and Implementation Plans"), §306 ("National Standards of Performance"), and §307 ("Toxic and Pretreatment Effluent Standards") of the Clean Water Act. This discharge is also regulated under Regional Board Resolution No. R5-2003-0008 *"Waiver of Reports of Waste Discharge and Waste Discharge Requirements for Specific Types of Discharge: Type 12 Projects for which Water Quality Certification is issued by the Regional Board"*, which requires compliance with all conditions of this Water Quality Certification.

Except insofar as may be modified by any preceding conditions, all certification actions are contingent on (a) the discharge being limited and all proposed mitigation being completed in strict compliance with the applicant's project description and the attached Project Information Sheet, and (b) compliance with all applicable requirements of the Regional Water Quality Control Board's Water Quality Control Plan (Basin Plan).

UL *El* //4- 7/f?

THOMAS R. PINKOS
Executive Officer

Enclosure: Project Information

cc: U.S. Army Corps of Engineers, Sacramento
Timothy Vendlinski, Wetlands Section Chief (WTR-8), U.S. Environmental Protection Agency, Region 9, San Francisco
U.S. Fish & Wildlife Service, Sacramento
Oscar Balaguer, Certification Unit, State Water Resources Control Board, Sacramento
Jeff Glazner, North Fork Associates, Auburn

PROJECT INFORMATION

Application Date: 9 March 2005

Applicant: Mr. Curt Westwood
Westwood Homes
11231 Gold Express Drive
Gold River, CA 95670

Applicant Representatives: Jeff Glazner
North Fork Associates
110 Maple St., Suite 100
Auburn, CA 95603

Project Name: Sierra De Montserrat Project

Application Number: WDID#5A31CR00123

US. Corps Application Number: 200500256

Type of Project: Subdivision construction

Project Location: Section 22, Township 11N, Range 7E, MDB&M, Latitude: 38°47'55" and
Longitude: 121°10'57"

County: Placer County

Receiving Water(s) (hydrologic unit): Sacramento Hydrologic Basin, American River Hydrologic
Unit #514.23, Folsom Reservoir RSA

Water Body Type: Wetlands

Designated Beneficial Uses: The Basin Plan for the Central Valley Regional Board has designated beneficial uses for surface and ground waters within the region. Beneficial uses that could be impacted by the project include: Municipal and Domestic Water Supply (MUN); Agricultural Supply (AGR); Industrial Supply (IND), Hydropower Generation (POW); Groundwater Recharge, Water Contact Recreation (REC-1); Non-contact Water Recreation (REC-2); Warm Freshwater Habitat (WARM1); Cold Freshwater Habitat (COLD); and Wildlife Habitat (WILD).

Project Description (purpose/goal): The purpose of this project is to turn a subdivision of 322 acres into 65 residential lots, including roads and other infrastructure.

Preliminary Water Quality Concerns: The construction activities may impact surface waters with increased turbidity and settleable matter.

Proposed Mitigation to Address Concerns: Westwood Homes will implement Best Management Practices (BMPs) to control sedimentation and erosion. All temporary affected areas will be restored to pre-construction contours and conditions upon completion of construction activities. Westwood Homes will conduct turbidity and settleable matter testing during in water work, stopping work if Basin Plan criteria are exceeded or are observed.

Fill/Excavation Area: 150 cubic yards of clean soil to fill 0.09-acres of jurisdictional wetland.

Dredge Volume: <0.0 cubic yards

U.S. Army Corps of Engineers Permit Number: Nationwide Permit# 39

Federal Public Notice: 200500256

Department of Fish & Game Streambed Alteration Agreement: Westwood Homes did not apply for a Streambed Alteration Agreement.

Possible Listed Species: Valley Elderberry Longhorn Beetle (VELB)

Status of CEQA Compliance: Westwood Homes submitted a final EIR to Placer County on 9 March 2005.

Compensatory Mitigation: Purchase at least 0.1-acres of jurisdictional wetland credit from Wildlands Inc.

Application Fee Provided: A fee of \$715.00 was submitted on 9 March 2005 as required by 23 CCR §3833b(2)(A) and by 23 CCR § 2200(e)

DISTRIBUTION LISTS

U.S. Army Corp of Engineers
Sacramento District Office
1325 J Street
Sacramento, CA 95814-2922

Mr. Timothy Vendlinski
Wetlands Section Chief (W-3)
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

United States Fish & Wildlife Service
Sacramento Fish & Wildlife Office
2800 Cottage Way
Sacramento, CA 95825

Mr. Oscar Balaguer
State Water Resources Control Board, Certification Unit
P.O. Box 944213
Sacramento, CA 94244-2130

Jeff Glazner
North Fork Associates
110 Maple St., Suite 100
Auburn, CA 95603

Writer's Direct Line: 415-774-2977
efoley@sheppardmullin.com

May 20, 2005

Our File Number: 08RX-I 16532

VIA FEDERAL EXPRESS

(b) (6)

U.S. Army Corps of Engineers
Regulatory Branch
Sacramento District
1325 J Street
Sacramento, CA 95814-2922



Re: Westwood Homes: Sierra de Montserrat Project

Dear (b) (6):

As you are aware, Westwood Homes has been working diligently to avoid and minimize all impacts to waters of the United States associated with development of the Sierra de Montserrat Project in Loomis, California ("the Project") and has designed the Project to avoid all but a tenth of an acre of the sites over fifteen acres of jurisdictional areas. We understand that the Corps has concerns regarding the long term viability of the avoided wetlands given the Town of Loomis', the entity with primary land use authority over the project site, requirement that the wetlands be included in individual residential lots on the project site. To address these concerns, the project applicant has proposed numerous mechanisms such as recordation of a conservation easement, covenants, conditions and restrictions, and long term management by a recognized conservation entity to ensure the protection of the site's avoided resources within the Sierra de Montserrat Conservation Area ("Conservation Area"). These measures will protect the Conservation Area, as well as preserve the rural character of the development, a fundamental land use consideration of the Town of Loomis. Because the Project's impacts are minimal, the Project qualifies for authorization under nationwide permit 39. We believe that the proposed Project can serve as a model for how to protect wetlands located on private property.

I. BACKGROUND INFORMATION

The Project is the subdivision of approximately 323 acres into 62 residential lots. As required under the Clean Water Act, the Project has been designed to avoid impacts to waters of the United States to the maximum extent practicable. Of the 15.77 acres of delineated aquatic

(b) (6)

May 20, 2005

Page 2

areas located on site, only 0.09 acres will be impacted. This unavoidable impact is the result of road construction required to provide access to the northeast portion of the site. Mitigation for the unavoidable impacts will be provided by the creation of 0.2 acre of wetlands within the Conservation Area. All avoided wetlands will be provided with a minimum of a fifty foot buffer, adequate to ensure the avoidance of indirect impacts.

Based on Loomis' land use requirements, the minimum lot size for the development is 4.6 acres. Accordingly, the site's avoided aquatic and woodland habitat will be included in individual lots. To protect the avoided habitat, only a small fraction of each lot will be used for residential and landscaping improvements. The Project's final map will indicate on each individual lot a Development Envelope, the portion of the lot on which residential and landscaping improvements may occur and the Driveway location, the area on which access to the individual lot from the nearest street will be provided. As is detailed below, no improvements will be allowed outside the designated Development Envelopes and Driveway locations and no active use, a part from resource management activities, will be allowed within the vicinity of the site's avoided wetlands.

II. DISCUSSION

As stated in your letter dated March 28, 2005 to Curt Westwood, the Corps believes that the inclusion of avoided wetlands on individual lots "results in the degradation of avoided and preserved resources, frustration of affected lot owners, and heavy burden on agency staff, including that of local jurisdictions." To ensure that these detriments will not occur, the Project has designated a conservation strategy which addresses each of these concerns.

A. The Site's Avoided Wetlands Will Be Adequately Protected.

We understand that the Corps has experienced problems in the past of ensuring that avoided wetlands located on individual lots are protected in perpetuity. To address this issue, the Project has proposed the following measures:

1. Designation of Conservation Areas and Recordation of Easement: All avoided wetlands will be included in a wetland conservation area encompassing 91.84 acres of the site which will be protected in perpetuity under a conservation easement held by Wildlife Heritage Foundation ("the Conservation Steward"). See Attachment 1, Conservation Map, Montserrat Property (North Fork Associates)(showing the location of the wetland conservation area.) The Easement provides for the perpetual protection of the Conservation Area. See Attachment 2, Perpetual Conservation Easement Grant, prepared by Wildlife Heritage Foundation ("Easement").

(b) (6)

May 20, 2005

Page 3

2. Designation of Development Envelopes. Each individual lot will have a designated Development Envelope which will define the area on which improvements, both structural and landscaping, may be installed.¹ The area will be defined on the Project's final map. Additionally, for each lot the developer will prepare a Development Notebook that designates the areas where improvements may occur and the applicable use restrictions. *See* Attachment 3, Town of Loomis, Conditions of Approval/Loomis Hills Estate Subdivision, Project #98-04, Condition 45 ("COA"), Attachment 4, Declaration of Covenants, Conditions, Restrictions and Easements for Sierra de Montserrat, §§ 1.18, 2.01 & 2.02 ("CCRs"). The Development Notebook shall be provided to each owner of individual lots. CCR § 3.17.

The corners of each Development Envelope will be marked with a 4-foot tall granite post or similar permanent, non-moveable marker. *See* CCRs § 2.02(B) & Easement, Recital J.

3. Restrictions on Use Within Conservation Area. Under the Easement and the Project's CCRs, no improvement of any kind (including landscaping or any disturbance of the area outside the Development Envelope per CCRs § 3.14(A)) will be allowed on individual lots outside the Development Envelope. *See* CCRs § 2.02. Any use of the conservation easement area by individual lot owners or any other person except as specifically authorized by the Wildlife Heritage Foundation, the Conservation Steward, "shall automatically be deemed to be an unpermitted encroachment inconsistent with the easement rights." CCRs § 2.02(B). Owners are specifically prohibited from installing fences, hedges, walls or any other type of similar installation at the perimeter of lots, whether such areas lie within the Development Envelope or not. *See* CCRs § 3.05. Encroachments are subject to enforcement actions by the Conservation Steward as described below.

The Easement includes a list of activities which are specifically prohibited in the conservation area, except as necessary to accomplish preservation, maintenance, repair, fire protection or enhancement as may be authorized by the Conservation Steward. For example, the following activities, among others, are specifically prohibited: ground disturbance without the permission of the Corps, storage of

¹ For each lot, a Driveway Area will also be designated and included on the Final Map and the Development Notebook. Within the designated Driveway Area, a single private driveway leading from the public road to the Development Envelope may be constructed. *See* CCRs § 2.02. In this document, the term Development Envelope includes the Driveway Area.

(b) (6)

May 20, 2005

Page 4

any material without the permission of the Corps, discharge of dredge or fill material, and unauthorized use of pesticide, herbicides or other chemicals. *See* Easement § 3.03(B). Under the Easement, the only activities allowed are the planting of oak trees and long term management activities conducted by the Conservation Steward described in the *Westwood Homes, Inc, Sierra de Montserrat Conservation Area Draft Management Plan* (Wildlife Heritage Foundation, February 28, 2005) ("Management Plan," Attachment 5).

4. Protection of Avoided Wetlands. To ensure the perpetual protection of the avoided wetland areas, the Project's conservation strategy includes a number of measures to protect the avoided aquatic areas from indirect impacts associated with development on the site. First, the Project's COA, the CCRs and the Easement require that Project proponent install a permanent open (*e.g.* post and cable) fence around the Conservation Area and that the Homeowners Association maintain the fence. The appropriate type of fencing will be determined by the Conservation Steward. *See* COA No. 45, CCRs § 5.01(B) & Easement § 3.01(B).

Second, the CCRs prohibit the planting of materials within the Development Envelopes which could damage the integrity and conservation values of adjacent Conservation Areas and includes a list of prohibited plants. *See* CCRs § 3.14(B).

Third, the CCRs prohibit the use of the Conservation Area for recreational purposes² and specifically require that domestic pets be kept from these areas. CCRs § 2.09(C). Access to the Conservation Area, apart from necessary maintenance activities conducted by or at the direction of the Conservation Steward, is prohibited. *See* Management Plan § 5.3.1.

Finally, the CCRs prohibit individual lot owners from impeding or redirecting the natural flow of the lots drainage except as allowed under the approved drainage plan (allowing for only limited site grading). *See* CCRs § 2.06(C) & COA, Mitigation Measure 9-1 b. The Conservation Steward will take necessary steps to prevent individual landowners or adjacent developments from directing the natural flow drainage, landscaping and stormwater runoff from their property unless it was an original design feature of the project. *See* Management Plan § 5.3.5.

² Under the Draft Management Plan, the Conservation Steward may authorize passive education activities within the Conservation Area such as occasional walks to discuss plants and animals of wetland habitats. Any active use of the area (other than restoration activities) or regular passive uses may only be authorized with the consent of the Corps.

(b) (6)

May 20, 2005

Page 5

5. Management of Conservation Areas. In addition to enforcing the use restrictions defined above, the Conservation Steward is required under the Easement to actively manage the Conservation Areas pursuant to a long term management plan. The Management Plan requires the Conservation Stewart to regularly remove trash, conduct thatch, non-native plant and beaver management, remove diseased trees, monitor and manage hydrology, and oversee necessary mosquito abatement. *See* Management Plan § 5.3. The long term management activities will be funded by an endowment provided by the project proponent.
6. Perpetual Nature of Protection. The avoided areas will be protected in perpetuity under the Conservation Easement and funding will be provided up front, through establishment of a fully funded endowment, for the long term management of the Conservation Areas. Additionally, the restrictions on use of the Conservation Areas by individual lot owners provided in the CCRs may not be made without the written consent of the Conservation Steward. *See* CCRs § 2.02(0).

B. Notice to Affected Homeowners

The Corps has indicated that problems in the past have occurred because individual lot owners feel entitled to use their property in ways which are not consistent with the permanent protection of avoided aquatic areas. To ensure that all individual owner's within the development understand the nature of their individual property rights with regard to the conservation areas, the Project's conservation strategy includes the following components:

1. Recordation of Easement Over Conservation Areas. The Project will execute and record the Conservation Easement prior to transfer of any portion of the Project to individual owners. *See* CCRs § 2.03. Accordingly, the individual owners will have notice that the property purchased is encumbered by the Easement.
2. Disclaimer of Use Rights Outside of Development Envelopes. By accepting the Project's CCRs, each individual lot owner shall waive "any right of access or use of the portion of his lot which lies outside the Development Envelope and the Driveway." CCRs § 2.02(B).

This provision will put each landowner on notice that they do not have a right to use, in any way, the portion of their lot which falls outside the Development Envelope.

3. Payment of Security Deposit. To protect the Conservation Area from encroachment, the CCRs require each individual lot owner, at the time of transfer of any lot, to pay to the Conservation Steward a deposit of \$15,000. In the event that an individual owner encroaches on the Conservation Area, the \$15,000 will

(b) (6)

May 20, 2005

Page 6

be used by the Conservation Steward to restore the Conservation Area and if the deposit is insufficient, the Conservation Steward will bring legal action against the defaulting owner to collect additional fees. The defaulting owner is required under the CCRs to immediately restore the \$15,000 funds following an encroachment. CCRs § 2.02(C).

Any use of any kind of the Conservation Area by an individual lot owner is deemed to be an unpermitted encroachment. The following activities are specifically defined as encroachments: "any attempt to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope; depositing any trash, organic material, liquids, personal property or any other items outside of his Development Envelope; in any way interfering with or damaging the Conservation Area which adjoins his Development Envelope." CCRs § 2.02(C).

By making individual lot owners financially responsible for any encroachment, the Project's conservation strategy ensures that each owner will have adequate incentive to ensure that such encroachments do not occur. Further, the requirement that each owner provide a deposit ensures that the owner is made aware of the particular provisions of the CCRs which specify the use restrictions associated with each individual lot.

4. Demarcation of Development Envelopes and Conservation Areas. To ensure that owners are aware of the limited areas of the lots within which they have a use right, the CCRs, and the Easement require that the corners of the Development Envelope be designated with permanent markers and that these markers may not be moved at any time. See CCRs § 2.02(B) & Easement, Recital J. Further, owners are prohibited from installing fencing around the perimeter of individual lots. CCRs § 3.05. Finally, the Conservation Area will be protected and demarked by a permanent fence. COA No. 45, CCRs 5.01(B) & Easement § 3.01(B).

These measures will ensure that the individual lot owners do not mistakenly believe that they have a right, as part of their ownership of the lot, to use the portions of the lot protected under the conservation easement.³

³ It should be noted that under the CCRs, individual lot owners also forfeit their right to individually use portions of their lots protected under landscape easements, oak woodland

(b) (6)

May 20, 2005

Page 7

C. Minimization of Need for Agency Oversight and Enforcement

The Corps has expressed concern that the inclusion of avoided aquatic areas on individual lots can require additional agency staff time to oversee and enforce restrictions. The Project's conservation strategy includes following provisions to address this concern:

1. Conservation Entity Will Oversee Conservation Area and Enforce Restrictions. As described above, the Wildlife Heritage Foundation has agreed to hold the Easement over the Project's Conservation Area and to enforce the provisions of the Project's CCRs which relate to protection of these areas. Not only will the Wildlife Heritage Foundation undertake the long term management of the Conservation Area as described above and detailed in the Management Plan, but it will also regularly monitor the areas to ensure that individual lot owners have not encroached upon the Conservation Areas and assess the biological conditions of the resources. *See* Easement§ 3.04. Should any such encroachment occur, the Wildlife Heritage Foundation is obligated to correct it.

Under the provisions of the easement and the CCRs, we do not anticipate that the Corps or any other agency will need to dedicate any more time or resources to overseeing the Project preserve area than it would if the avoided areas were held under single ownership on a separate lot. Should individual lot owners have questions regarding whether particular activities are allowed on their land, they will direct such questions to the Conservation Steward and the Conservation Steward has agreed to act as a liaison with the Project's homeowners. *See* Management Plan§ 5.3.8.

2. Reporting Requirements. Under the Easement and the Management Plan, the Conservation Steward is required to provide the Corps with an annual report summarizing the conditions of the Conservation Area and describing any remedial actions deemed necessary. *See* Easement§ 3.05 & Management Plan§ 9.5. This will ensure that the Corps is apprised of the conditions of the avoided areas.

easement or designated as vineyard areas. The totality of these restrictions ensure that each individual owner will not misunderstand the property rights obtained through ownership of an individual lot.

May20, 2005
Page 8

III. Conclusion

As required under the Clean Water Act, the Project has utilized every available means to avoid, minimize and mitigate impacts to aquatic resources. The Project conservation strategy includes numerous measures to ensure that the integrity and value of the preserved areas will be protected in perpetuity. While we understand that the Corps has experienced in the past problems when avoided areas are included in individual lots, we believe that the measures described above are more than adequate to ensure that such problems will not occur here. The Sierra de Montserrat has engaged in extensive and proactive planning to ensure compliance with the Clean Water Act's requirements. Having demonstrated that the Project meets the requirements of the NWP 39, we request that you provide verification that the Project is authorized to proceed.⁴

If you have any questions, please do not hesitate to contact me.

Very truly yours,

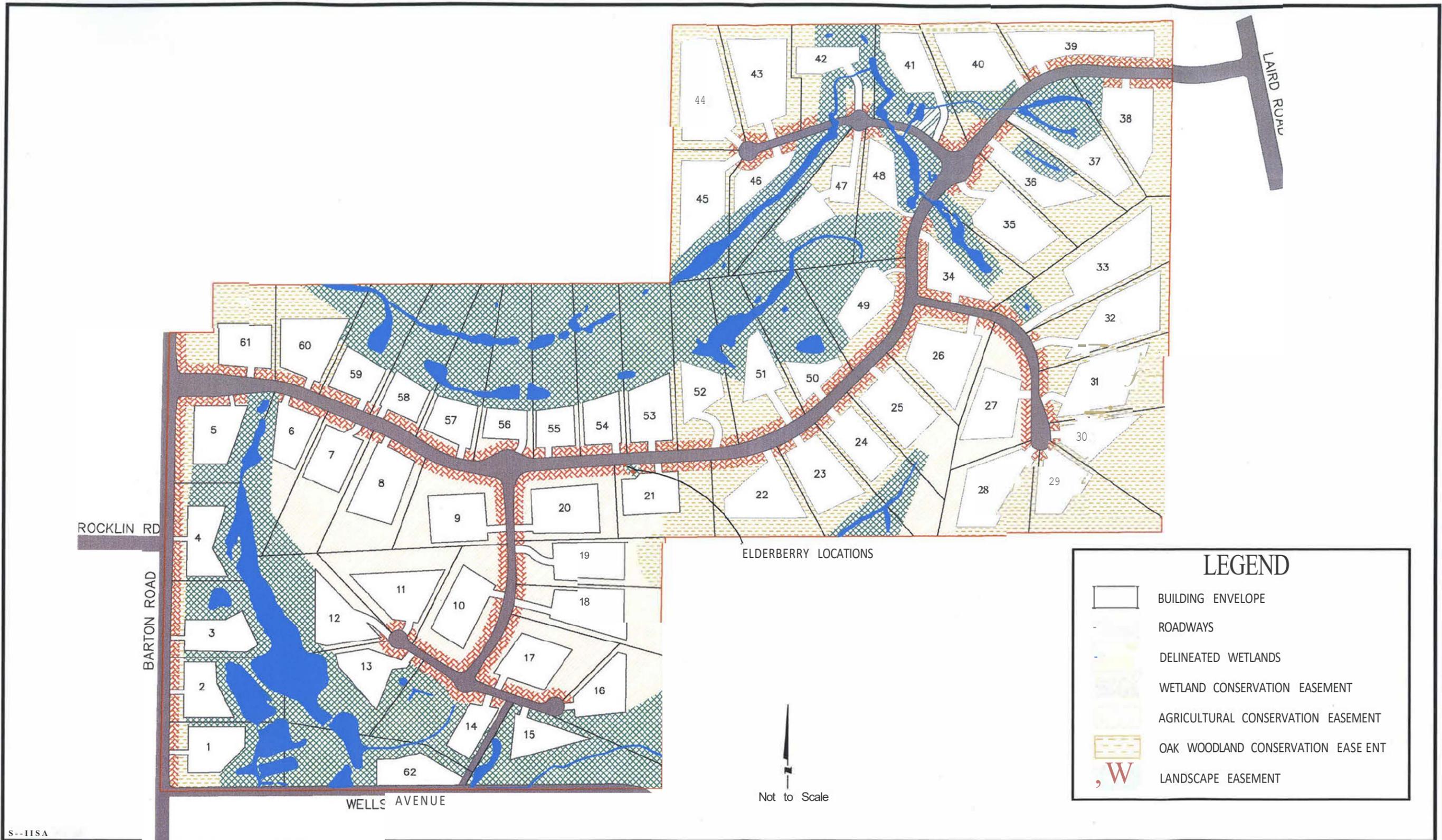
A handwritten signature in black ink, appearing to read "Jeff Glazner". The signature is written in a cursive style. Below the signature, the text "g. Foley" is printed in a smaller font.

for SHEPPARD MULLIN RICHTER & HAMPTON LLP

W02-SF:FEF61450637.1
Enclosures

cc: Curt Westwood, Westwood Homes (w/encls.)
Jeff Glazner, Northfork Associates (w/encls.)

⁴ In your letter to Mr. Westwood, you indicated that the Project had not satisfied NWP general conditions 11 and 12. As we previously discussed and as is indicated in the Pre-Construction Notification submitted by North Fork Associates on March 7, 2005, the Project will not impact any listed species and therefore the requirements of NWP condition 11 have been satisfied. Additionally, as described in the cultural resource assessment prepared by Peak & Associates (updated 2005) submitted with the Project's Pre-Construction Notification, the project will not impact any known cultural resources. Accordingly, the terms of NWP condition 12 have been satisfied.



S-115A



Figure 3
CONSERVATION MAP
Montserrat Property
loc:ria, ..._Ca,ntv.CA



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-1122

September 21, 2005

10

Regulatory Branch (200500256)

Curt Westwood
Westwood Hornes
11231 Gold Express Drive
Suite 108
Gold River, California 95670-6321

Dear Mr. Westwood:

We are responding to your March 7, 2005 request for a Department of the Army permit for the Sierra De Montserrat Placer County project. This approximately 323-acre project involves activities, including discharges of dredged or fill material, in waters of the United States to construct a housing subdivision. The site is located on or near Unnamed Tributary in Section 22, Township 11 North, Range 7 East, MDB&M, Latitude 038° 47' 34.9", Longitude 121° 10' 37.4", Placer County, California.

Based on the information you provided, the proposed activity in approximately 0.09 acres of waters of the United States is authorized by Nationwide Permit (NWP) Number 39. Your work must comply with the general terms and conditions listed on the enclosed NWP information sheets and the following special conditions:

1. The document entitled "Pre-Construction Notification (PCN) for Sierra De Montserrat", dated March 7, 2005, is incorporated by reference as a condition of this authorization except as modified by the following special conditions:

2. To mitigate for the loss of 0.09 acres of waters of the United States, you shall purchase 0.1 credits of seasonal wetland at a Corps approved wetland mitigation bank. The selected mitigation bank shall include the area of the permitted project within its service area. Evidence of this purchase shall be provided to this office prior to proceeding with any activity otherwise authorized by this permit. A list of approved mitigation banks has been included for your reference.

3. You shall, as proposed, establish and maintain a 91.84-acre wetland preserve containing 15.77 acres of created, avoided, and preserved waters of the United States, as depicted on Figure 5, "Conservation Map, Montserrat Property" of the March 7, 2005, PCN in perpetuity. The purpose of this preserve is to insure that functions and values of the aquatic environment are protected.

4. To minimize external disturbance to preserved waters of the United States, you shall establish a buffer, consisting of native upland vegetation from the outer limit of jurisdiction of the entire perimeter of all created, preserved, and avoided waters of the United States, including wetlands within the proposed preserve as depicted on Figure 5, "Conservation Map, Montserrat Property" of the March 7, 2005, PCN.

5. To insure that the preserve is properly managed, you shall develop a specific and detailed preserve management plan for the on-site and off-site mitigation, preservation, and avoidance areas. This plan shall be submitted to and specifically approved, in writing, by the Corps of Engineers prior to engaging in any work authorized by this permit. This plan shall describe in detail any activities that are proposed within the preserve area(s) and the long term funding and maintenance of each of the preserve areas.

6. To protect the integrity of the preserve and avoid unanticipated future impacts, no roads, utility lines, trails, benches, equipment or fuel storage, grading, firebreaks, mowing, grazing, planting, discing, pesticide use, burning, or other structures or activities shall be constructed or occur within the on-site and off-site mitigation, preservation, and avoidance areas without specific, advance written approval from the Corps of Engineers.

7. To prevent unauthorized access and disturbance, you shall, prior to occupancy of any home within the project site, but in no case later than October 15, 2006, install fencing and appropriate signage around the entire perimeter of the preserve. All fencing surrounding mitigation, preservation, avoidance, and buffer areas shall allow unrestricted visibility of these areas to discourage vandalism or disposing of trash or other debris in these areas. Examples of this type of fencing include chain link and wrought iron.

8. To assure success of the preserved areas, you shall monitor on-site preservation and avoidance areas in perpetuity. The final management plan shall reflect this requirement. This period shall commence upon completion of the authorized fill activity, but not later than one year after the initiation of fill activity. The primary focus of this monitoring shall be to assure that the preserve is successfully established and maintained as wetland and wildlife habitat and not adversely affected by surrounding development.

You shall submit annual reports to this office by October 1 of each year.

9. Prior to initiating any activity authorized by this permit, you shall, to insure long-term viability of mitigation, preservation, and avoidance areas:

a. Establish a fully-funded endowment to provide for maintenance and monitoring of on-site and off-site mitigation, preservation, and avoidance areas.

b. Designate an appropriate conservation-oriented third part entity to function as preserve manager and to hold the required conservation easements.

c. Record permanent conservation easements and deed restrictions maintaining all mitigation, preservation, and avoidance areas as wetland preserve and wildlife habitat in perpetuity. Copies of the proposed deed restriction and conservation easement language shall be provided to the Corps of Engineers for approval prior to recordation.

d. Provide copies of the recorded documents to the Corps of Engineers no later than 30 days prior to the start of construction of any of the activities authorized by this permit.

10. You shall design and construct all crossings of waters of the United States to retain a natural substrate, and to accommodate all reasonably foreseeable wildlife passage and expected high flows. Specific detailed plans for these crossings shall be submitted to and approved by the Corps of Engineers prior to implementation.

11. You must allow representatives from the Corps of Engineers to inspect the authorized activity and any mitigation, preservation, or avoidance areas at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

12. All terms and conditions of the April 15, 2005 Section 401 Water Quality Certification are expressly incorporated as conditions of this permit.

13. You shall have a biologist, who is familiar with waters of the United States and the authorized project, monitor all construction activities within 250 feet of the preserve boundary in order to ensure that no unauthorized activities occur within the preserve boundary during project implementation.

You must sign the enclosed Compliance Certification and return it to this office within 30 days after completion of the authorized work.

This verification is valid until the NWP is modified, reissued, or revoked. All of the existing NWPs are scheduled to be modified, reissued, or revoked prior to March 18, 2007. It is incumbent upon you to remain informed of changes to the NWPs. We will issue a public notice when the NWPs are reissued. Furthermore, if you commence or are under contract to commence this activity before the date that the relevant NWP is modified or revoked, you will have twelve (12) months from the date of the modification or revocation of the NWP to complete the activity under the present terms and conditions of this nationwide permit.

Please refer to identification number 200500256 in any correspondence concerning this project. If you have any questions, please contact (b) (6) at our Sacramento Valley Office, 1325 J Street, Room 1480, Sacramento, California 95814-2922, mail (b) (6) @usace.army.mil, or telephone 916-557-5261. You may also use our website: www.spk.usace.army.mil/regulatory.html.

Sincerely,

(b) (6)

ORIGINAL SIGNED

(b) (6)
Chief, Sacramento Valley Office

Enclosure(s)

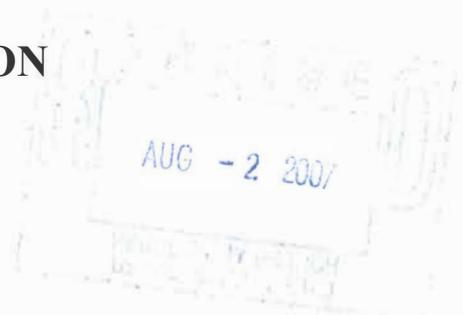
Copy furnished without enclosure(s):

Jeff Glazner, North Fork Associates, 110 Maple Street, Suite 100, Auburn, California
95603-5047

George Day, Storm Water and Water Quality Certification Unit, Central Valley Regional
Water Quality Control Board, 11020 Sun Center Drive #200, Rancho Cordova,
California 95670-6114

Rodney R. McInnis, Acting Regional Administrator, National Marine Fisheries Service,
650 Capitol Mall, Suite 8-300, Sacramento, California 95814-4706

COMPLIANCE CERTIFICATION



Permit File Number: 200500256

Nationwide Permit Number: 39

Permittee: Curt Westwood
Westwood Homes
11231 Gold Express Drive
Suite 108
Gold River, California 95670-6321

County: Placer

Date of Verification: September 21, 2005

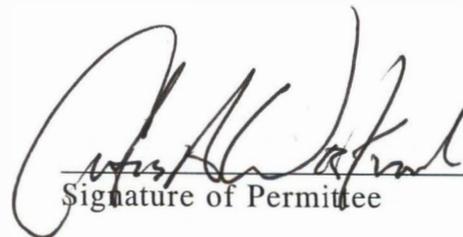
Within 30 days after completion of the activity authorized by this permit, sign this certification and return it to the following address:

U.S. Army Corps of Engineers
Regulatory Branch
Sacramento Valley Office
1325 J Street, Room 1480
Sacramento, California 95814-2922
916-557-5261

Please note that your permitted activity is subject to a compliance inspection by a U.S. Army Corps of Engineers representative. If you fail to comply with the terms and conditions of the permit your authorization may be suspended, modified, or revoked. If you have any questions about this certification, please contact the Corps of Engineers.

* * * * *

I hereby certify that the work authorized by the above-referenced permit, including all the required mitigation, was completed in accordance with the terms and conditions of the permit verification.


Signature of Permittee 7/31/07 Date

**WESTWOOD
HOMES, INC.**

200500256

August 13, 2007

(b) (6)

U.S. Army Corps of Engineers
Regulatory Branch
1325 J Street, Room 1480
Sacramento, CA 95814-2922



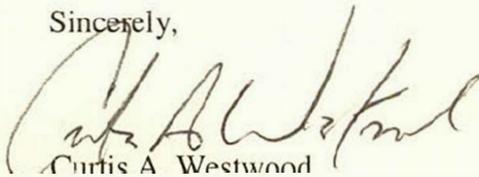
Re: SielTa de Montserrat

Dear (b) (6):

Enclosed are copies of the following:

- Recorded CC&R's
- Recorded Conservation Easement
- Recorded Enforcement Document
- PAR6
- PAR 9
- PAR 10

Sincerely,


Curtis A. Westwood

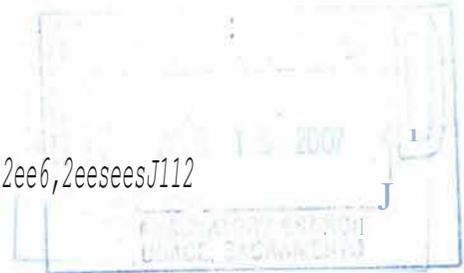
cc. Pat Shea

**RECORDING REQUESTED BY:
STEWART M. LE OF PLACER**

WHEN RECORDED, RETURN TO:

**MR. CURTIS WESTWOOD
WESTWOOD MONTSEERRAT, LTD.
11231 GOLD EXPRESS DR., STE. 108
GOLD RIVER, CA 95670**

es1e312ee6,2eeseesJ112



THIS SPACE FOR RECORDER'S USE ONLY

**GRANT AND AGREEMENT REGARDING
PERPETUAL CONSERVATION EASEMENTS**

THIS GRANT AND AGREEMENT REGARDING PERPETUAL CONSERVATION EASEMENTS (hereinafter "**Agreement**") is made as of _____, 2006, by WESTWOOD MONTSEERRAT, LTD., a California limited partnership (**Grantor**), in favor of the WILDLIFE HERITAGE FOUNDATION, a California nonprofit corporation under 501(c)(3) of the Internal Revenue Code ("**Grantee**" or "**Conservation Steward**").

RECITALS

A. Grantor is the sole owner, in fee, of certain real property (the "**Development**") located in the Town of Loomis, County of Placer, State of California, commonly known as "Sierra de Montserrat" as shown on the final subdivision map thereof recorded on January 18, 2006 in Book M of Maps, beginning at page 92, Official Records of Placer County, California (the "**Final Map**"), a reduced copy of which subdivision map is attached hereto as **Exhibit A**.

B. The easements granted herein pertain to those portions of the Development which are shown and designated on the Final Map as "WPE" which means and refers to Wetlands Preservation Easement (or Wetlands Protection Easement) and as "OCE" which means and refers to Oak Woodland Conservation Easement. All the WPE and OCE areas within the Development are depicted on the map attached hereto as **Exhibit A**.

C. Grantee is a nonprofit California corporation organized under Section 501(c)(3) of the Internal Revenue Code and qualified to hold conservation easements whose primary purpose is to protect, enhance, and restore wildlife habitat on conserved lands while allowing development of other portions of the Development.

D. Grantor desires to transfer to Grantee conservation easements, in accordance with the provisions of California Civil Code §815 et seq., in and over all the WPE areas which shall collectively constitute and are sometimes referred to herein as the "WPE/Conservation Area" and in and over all the OCE areas which shall collectively constitute and are sometimes referred to herein as the "OCE/Conservation Area."

E. The WPE/Conservation Area totals approximately 91.84 acres of which 15.77 acres are created, avoided and preserved waters of the United States and the remainder are buffer, preservation and mitigation areas; the OCE/Conservation Area totals approximately 66.80 acres of oak woodland with some intermingling of scrub and other species. Both the WPE and the OCE are to be preserved in their

natural state, offering flora, fauna, hydrology, and soils, which shall be undisturbed and possessing significant ecology and habitat values (collectively, "**Conservation Values**"). The species and their habitats within the WPE and the OCE are of aesthetic, ecological, educational, historical, recreational, and scientific value the preservation and protection of which are of great importance to the Grantor and Grantee.

F. The Development will be developed as a residential community known as "Sierra de Montserrat" within which the WPE and OCE areas will be maintained in perpetuity in accordance with the terms of this Agreement and the Declaration of Covenants, Conditions, Restrictions and Easements for Sierra de Montserrat ("**CCR**") recorded or to be recorded against the Development, together with any amendments thereto authorized pursuant to these terms and relevant environmental approvals for the development, to ensure that the residential uses will not impair the Conservation Values. Relevant portions of the CCR, specifically, Article I containing definitions and Article 2 containing provisions regarding property rights, development envelopes and easements, have been excerpted and are attached hereto as **Exhibit C**.

G. Since the WPE and OCE areas are not separate legal parcels, the easement areas are included within the boundaries of the adjoining individual Lots and shall be owned as part of the individual Lots into which the Development has been divided by the Final Map; however, the fee ownership of each such Lot shall be subject to the terms of the Easements granted herein regardless of future transfers of Lot ownership.

H. Grantor intends to convey to Grantee the right and the obligation to conserve and protect the Conservation Values of the WPE/Conservation Area and the OCE/Conservation Area and to enforce the restrictions applicable to such areas as set forth herein and in the CCR in order to maintain in perpetuity the woodland and wetland ecosystems.

I. This Agreement provides mitigation for certain anticipated impacts resulting from development of the Development within the town of Loomis as described in the CCR and as provided in Permit File Number 200500256 of the Corps (as hereinafter defined).

J. Grantee agrees by accepting this grant to honor the intentions of the Grantor stated herein and to conserve and protect in perpetuity the Conservation Values of the WPE/Conservation Area and the OCE Conservation Area in accordance with the terms of this Agreement and the CCR.

K. The following terms, when used herein, shall have the meanings set forth below:

"**CCR**" shall have the meaning given to the term in paragraph F above; "**CCR Excerpts**" shall mean the portion of the CCR set forth in **Exhibit C** attached hereto. Any capitalized terms not defined in this paragraph K shall have the meaning given to such terms in Article 1 in the CCR Excerpts.

"**Conservation Areas**" shall mean collectively all of the area to be monitored, preserved and protected by the Conservation Steward pursuant to this Agreement including the approximately 91.84 acres of WPE area and 66.8 acres of OCE area as shown in **Exhibit A**. As used in this Agreement, Conservation Areas shall not include the Vineyards, Landscaped Areas and Conservation Facilities which, under the CCR, are Conservation Area managed and maintained by the Homeowners Association.

"Conservation Steward" and/or **"Grantee"** means and refers to the WILDLIFE HERITAGE FOUNDATION, or any successor, assignee, or transferee appointed in accordance with Section 9 of this Agreement.

"Corps" shall mean the U.S. Army Corps of Engineers, whose local address is Department of Army, U.S. Army Engineer District, Sacramento, Corps of Engineers, 1325 J Street, Sacramento, California 95815-2922.

"Development Envelope" (abbreviated **"DEV"**) means the area delineated as **"DEV"** within a particular Lot on the Final Map within which residential improvements, landscaping and Driveway may be developed. Development Envelope is further defined and described in the CCR Excerpts, Section 2.02.

"Fuel Reduction Zones" means any portion of the OCE/Conservation Area from which dry or overgrown vegetation is to be cut back or cleared for fire break purposes.

"Grantor" and/or **"Declarant"** means WESTWOOD MONTSERRAT, LTD. which is the entity responsible for granting this Agreement, recording the CCR and developing the Development in accordance with the conditions of approval of the subdivision.

"Homesite" means the portion of a Development Envelope improved with a single-family home and other structural Improvements used in connection with the home such as a garage, patio, swimming pool, pool house and the like.

"Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development.

"Management Plan" means the document prepared by the Wildlife Heritage Foundation, dated April 4, 2006 and entitled "Sierra de Montserrat Conservation Area Management Plan" prepared for Westwood Montserrat Ltd.

"Permanent Protective Fencing" shall mean fencing installed by Declarant and the replacement of such fencing for the purpose of protecting any WPE which the Town, the Conservation Steward or the Association determines should be protected by fencing.

"Riparian" means areas that are plant communities adjacent to and affected by surface water or groundwater of perennial or ephemeral water bodies such as rivers, streams, lakes, ponds, playas, or drainage ways. These areas have vegetation distinctly different from that in adjacent areas or have species similar to those in surrounding areas that exhibit a more vigorous or robust growth form.

"Uplands" means those habitats that are not waters of the U.S. or riparian habitat, including valley oak and interior live oak woodlands and savannahs and grasslands.

"Waters of the United States" shall have a meaning consistent with that in 33 CFR Part 328.3, and includes oceans, lakes, rivers, streams, creeks, and wetlands. In the case of the Conservation Area, waters of the U.S. shall mean perennial and seasonal wetlands.

"Wetland" means that area inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of vegetation typically adapted for life in saturated soil conditions.

In addition to the preceding "wetlands" shall also mean the areas so delineated "W.P.E." on the Final Map, including the related categories referred to as Seasonal Wetland, Riparian Wetland, Riparian Scrub Wetland, and Freshwater Marsh.

"Wetland Preservation Easements" (abbreviated **"WPE"**) refers to the portions of the Lots within the Development so designated on the Final Map; such areas collectively constitute the WPE/Conservation Area, which is usually referred to herein as **"WPE/Conservation Area"** and is subject to restrictions for the purpose of protecting and preserving wetland/stream corridor habitats.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

1. **GRANT OF EASEMENT; LOTS SUBJECT THERETO:** In consideration of the matters recited above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of California and California Civil Code §815 *et seq.* Grantor hereby voluntarily grants and conveys to Grantee: (a) a perpetual conservation easement over all of the WPE/Conservation Area of the nature and character and to the extent hereinafter set forth; and (b) a perpetual conservation easement in and over all of the OCE/Conservation Area of the nature and character and to the extent hereinafter set forth. Each owner, by acceptance of a deed to any Lot within the Development, shall be deemed to acknowledge and agree that such Owner's fee title shall be subject to the various conservation easements granted herein and as described in C C R Section 2.02 B. On the close of any escrow through which a Lot is transferred from Declarant to another Owner, such Owner shall put up, in cash, a Security Deposit of \$15,000. Such amount shall be paid to Grantee to be held in trust as security to be used in the event that such Owner defaults in his/her covenant not to encroach on the WPE and/or OCE that surrounds his/her Development Envelope as disclosed and described in C C R Section 2.02. As used in this paragraph "encroachment" into a WPE or OCE includes, but is not limited to, any of the following actions by an Owner: any attempt to relocate any Development Envelope Marker so as to enlarge or otherwise enlarge his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his/her Development Envelope; doing or causing to be done any digging, planting, pruning, clearing, or other landscaping outside of his/her Development Envelope; depositing any trash, organic material, liquids, personal property, or any other items outside of his/her Development Envelope; allowing any animals brought to the Development Envelope to roam outside the Development Envelope or be kept outside the Development Envelope; in any other way interfering with or damaging any WPE/Conservation Area and/or any OCE/Conservation Area that adjoins his/her Development Envelope.

2. **PURPOSE:** It is the purpose of the easements granted hereby to ensure that the WPE/Conservation Area and the OCE/Conservation Area will be preserved as established by the Final Map pursuant to the C C R and to prevent any use of either of the Conservation Areas that will impair or interfere with its Conservation Values. Grantor intends that this Agreement will be implemented in accordance with the C C R to ensure that the Conservation Areas will be used only for such limited access and activities as are consistent with the purpose of these easements.

3. **RIGHTS OF GRANTEE:** To accomplish the purpose of this Agreement, the following rights are conveyed to Grantee:

(a) To conserve, protect, restore and enhance the Conservation Values of the Conservation Areas in a manner consistent with the C C R.

(b) To enter upon the Conservation Area portion of any Lot at reasonable times to monitor each Owner's compliance with, and to otherwise enforce the terms of, this Agreement, provided

that Grantee shall not unreasonably interfere with an Owner's authorized use and quiet enjoyment of the Development Envelope portion of his Lot.

(c) To enjoin or prevent any activity on or use of any VIPE or any OCE that is inconsistent with the purposes of this Agreement and to require the restoration of such areas or features of the WPE or OCE that may be damaged by any inconsistent activity or use.

(d) When exercising these rights, Grantee shall have access to the WPE/Conservation Area and the OCE/Conservation Area over legally dedicated public rights-of-way within the Development.

(e) To inspect for compliance with the terms of this Agreement.

(f) To hold in trust, invest and use the Security Deposits as set forth in the Agreement Regarding Enforcement Fund, a copy of which is attached hereto as **Exhibit E**.

4 PRESERVATION, MAINTENANCE, AND MANAGEMENT OF CONSERVATION AREAS:

4.1 Conservation Areas General

A. Nature of the Conservation Areas. The WPE is created and exists for the protection of wildlife corridors, water quality, drainage, and buffer zones containing riparian vegetation and preserved wetlands. The OCE is created and exists for the protection of wildlife and wildlife habitat, for erosion control, drainage, and as buffer zone containing preserved trees and shrubs. Grantor intends that the entirety of both Conservation Areas be utilized and maintained in such a manner as to preserve and protect the natural features and resources of the area. The Grantee as Conservation Steward shall perform such preservation and the maintenance of the Conservation Areas as set forth below.

B. OCE/Conservation Area. The OCE/Conservation Area includes dense woodland of primarily oak trees. The OCE/Conservation Area shall be an area encumbered by an easement in favor of the Grantee for the purposes of access to and protecting, conserving, and preserving in perpetuity the OCE/Conservation Area. OCE shall not be fenced and shall allow for low impact, pedestrian access (without trails or other improvements of any kind). The OCE/Conservation Area is to be protected from development and vegetation management except as outlined in Fuels Reduction/Fire Safe Plan which is attached hereto as **Exhibit D** and except as outlined in "Maintenance and Prohibited Activities" below.

C. WPE/Conservation Area. The WPE/Conservation Area includes both the delineated wetlands and conservation wetlands. The WPE/Conservation Area shall be an area encumbered by an easement in favor of the Grantee for the purposes of access to and protecting, conserving, and preserving in perpetuity the WPE/Conservation Area. WPE shall be fenced to control access and shall be actively managed, as outlined in the CCR Section 2.03. The WPE/Conservation Area is to be protected from development and vegetation management except as outlined in "Maintenance and Prohibited Activities" below.

4.2 Maintenance and Prohibited Activities.

A. Maintenance and Repair

(1) **Generally.** As Conservation Steward, Grantee shall keep all Conservation Area free of any debris or other objects, including, but not limited to, placement of fill

materials, lawn clippings, oil, or trash of any kind. The Grantee shall remove trash from the drainage channel in the WPE; however, all repairs of the channel itself are the responsibility of Declarant or the Association and are specifically excluded from the Grantee's maintenance responsibilities. The Declarant's and Association's responsibilities are defined in the CCR.

(2) Signage. The Grantee shall maintain, repair and replace as necessary all signage surrounding the WPFJ Conservation Area and/or the OCE Conservation Area.

(3) Permanent Protective Fencing. The Grantee shall maintain and shall repair and replace as necessary the post and cable fencing which constitutes the Permanent Protective Fencing for the WPFJ Conservation Area.

B. Fuels Reduction/Fire Safe Plan. The Conservation Steward shall be responsible for monitoring the OCE/Conservation Area with respect to fire safety and for making recommendations to the Homeowners Association with regard to the Fuels Reduction/Fire Safety Plan which is attached hereto as **Exhibit D**. To facilitate fire safety in the area where OCE/Conservation Area adjoins public streets, the Conservation Steward shall monitor these areas and consult with the Owners of Lots which include LE areas within the OCE/Conservation Area as shown on the Final Map and as described in Section 4.2D(4) below.

C. Certain Prohibited Activities. Except for those actions necessary to accomplish preservation, maintenance, repair, fire protection or enhancement as may be authorized by the Conservation Steward, and except for those actions specified in this Section 4.2, paragraph D below, no person shall engage in any of the following restricted activities in the Conservation Area:

(1) No plowing or cultivation of any part of the Conservation Areas and no destruction or removal of any natural tree, shrub, or other vegetation that exists within the Conservation Areas shall be done or permitted except (i) by the Grantee as described in this document or the Plan which is **Exhibit D** hereto; and (ii) as to the WPE, with prior written approval from the Corps, for the purpose of thatch management or the removal/management of newly introduced noxious or dangerous plants as necessary;

(2) No materials or debris shall be stored or placed (whether temporarily or permanently) within the Conservation Areas or any portion of such area without prior written approval by the Corps;

(3) No discharge of any dredged or fill material anywhere within the WPE or OCE;

(4) No dumping, disposal, storage, or placement of any trash, refuse, rubbish, grass clippings, cuttings or other waste materials;

(5) No leveling, grading or landscaping shall be done or permitted except as specifically allowed under this Section 4.2, paragraph D;

(6) No pesticide, herbicides, rodenticides or other chemicals shall be used that may adversely affect the purposes of this Agreement except as described in the Plan which is **Exhibit D** hereto;

(7) No motorized vehicles shall be ridden, brought, used or permitted on or within any portion of the Conservation Areas, except by or at the direction of the Conservation Steward in the performance of its obligations hereunder;

(8) No roads, utility lines, trails, benches, equipment storage, billboard, seating area, sign or other structure of any kind or any activities shall be permitted except as shown on the approved initial Development Improvement Plans or, with respect to the WPE, prior written approval by the Corps;

(9) No animals shall be kept in or allowed by any Owner to roam in any Conservation Area.

(10) No watering, degradation of water quality, use of herbicides, rodenticides, or weed-abatement activities; inappropriate placement of storm drains or any other artificial water delivery or drainage shall be permitted except consistent with the CCR, the Management Plan, or oak mitigation efforts, or approved improvement plans;

(11) No hunting, discharging firearms, nuisance activity, or other conduct in violation of the CCR or inconsistent with approved zoning for the Development;

(12) Pedestrian activities are strictly prohibited in the preserved wetlands and no Owner, even of a Lot which is partially included in the WPE, shall have access to the WPE area; with respect to the OCE, only limited, light impact, pedestrian access shall be allowed.

D. Certain Allowed Activities. The following activities shall be allowed within the Conservation Area:

(1) The Grantor shall be permitted to plant up to 500 oak trees within the OCE/Conservation Area and up to 500 oak trees within the WPE/Conservation Area;

(2) The Conservation Steward shall undertake its maintenance and monitoring obligations;

(3) Fuel reduction in the OCE/Conservation Area; and

(4) Within the 50-foot Landscape Easement ("**LE**") area which adjoins the public roadway on Lots 1 - 5, 21 - 26, 28 - 53, 59, 60 and 61 as shown on the Final Map, the Lot Owner in question shall assist the Conservation Steward in maintaining both fire safety and natural appearance by: (i) periodically cutting dry grasses, weeds and underbrush; and (ii) subject to approval of the Design Review Committee, planting drought resistant and fire resistant trees and shrubs; such landscape installation and maintenance within the LE shall be subject to the Design Guidelines and, if deemed appropriate by the Design Review Committee, consultation with the Conservation Steward, recognizing that these roadside LE areas are part of the OCE/Conservation Area, but will require regular management and maintenance more appropriately given by the Lot Owner rather than the Conservation Steward.

4.3 Stewardship and Monitoring

A. General Inspection. The Conservation Steward shall twice yearly inspect the Conservation Areas as outlined in the CCR to assess excessive erosion, fire hazards, fencing, signage, and unauthorized motor-vehicle use, and to arrange for trash removal.

B. Biological Inspection. Grantee shall retain a competent biologist (the "**Consulting Biologist**"), professionally trained in matters related to the conservation and preservation of natural resource values, to undertake a semi-annual field review, and prepare an annual report, with respect to the status of the WPE/Conservation Area. Any appointment of a Consulting Biologist shall be

made only after review of the professional background and qualifications of the proposed Consulting Biologist by, and with the express written consent of, the Grantee (Conservation Steward).

The Consulting Biologists shall twice yearly inspect the WPE/Conservation Area and the OCE/Conservation Area as outlined in the CCR to determine its general condition. Notes regarding human disturbance, thatch accumulation, newly introduced non-native species, and natural function of both Conservation Areas will be recorded and included in the annual report.

4.4 Reports; Remedial Action

A Annual Report. By October 31 each year, the Conservation Steward or Consulting Biologist shall deliver to the Corps a report regarding the status of the WPE/Conservation Area. This report shall contain:

- (1) a map showing the project location;
- (2) a narrative summarizing the general condition of the WPE/Conservation Area;
- (3) any remedial recommendations regarding corrective action; and
- (4) a copy of or summary of any enforcement actions undertaken during that year.

4.5 Grantee's/Conservation Steward's Enforcement Rights. The Grantee (Conservation Steward) shall have standing, after notifying the Homeowners Association, to bring an action in its own right and its own name, to enjoin any violation or enforce the provisions of this Agreement. If the Grantee determines that a Lot Owner is in violation of the terms of this Agreement or that a violation is threatened, the Grantee shall give written notice to such Owner of the violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the WPE/Conservation Area or OCE/Conservation Area resulting from any use or activity inconsistent with the purpose of this Agreement, to restore the portion of the Conservation Areas so injured. If the violation pertains to the WPE/Conservation Area and the Owner fails to cure the violation within 30 days, or fails to continue diligently to cure such violation until finally cured, the Grantee shall report the violation and inaction to the Corps. The Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Agreement, to enjoin the violation *ex parte*, as necessary, by temporary or permanent injunction to recover any damages to which the Grantee may be entitled for violation of the terms of this Agreement, or injury to any Conservation Values, and to require the restoration of the WPE/Conservation Area or OCE/Conservation Area to the condition that existed before any such injury. The Grantee, in its sole discretion, may apply damages recovered to the cost of undertaking any corrective action on the WPE/Conservation Area or OCE/Conservation Area. If the Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or to mitigate significant damage to the Conservation Values of the WPE/Conservation Area or OCE/Conservation Area, the Grantee may pursue its remedies under this paragraph without waiting for the period provided for cure to expire. The Grantee's rights under this paragraph apply equally in the event of either actual or threatened violation of the terms of this Agreement and the Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which the Grantee may be entitled, including specific performance of the terms of this Agreement, without necessity of providing either actual damages or other relief. The Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of Civil Code §815 et seq. are incorporated herein by this reference and this Agreement is made subject to all of

the rights and remedies set forth therein. If at any time in the future, any Lot Owner uses or threatens to use any WPE/Conservation Area or OCE/Conservation Area for purposes not in conformance with the stated conservation purposes contained herein, notwithstanding Civil Code §815 et seq., California Attorney General or third-party entities organized for conservation purposes have standing as interested parties in any proceeding affecting this Agreement.

If Grantee prevails in any such action brought by the Grantee, it shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement. Such liquidated damages shall be a sum equal to 50% of (and in addition to) its reasonable attorneys' fees. Such damages represent a reasonable sum considering all of the circumstances existing on the date of this Agreement and represent a fair and reasonable estimate of the costs that will be sustained by the Grantee from undertaking an enforcement action, including administrative and other overhead costs. Grantor acknowledges that proof of factual damages would be costly or inconvenient. If Grantee fails to exercise any right or fails to enforce any obligation of this Agreement, such failure shall not be deemed to waive any other right that Grantee may hold, including subsequent exercise of the same right to subsequent enforcement of the same obligation.

Nothing contained in this Agreement shall be construed to entitle the Grantee to bring any action against the Grantor for any injury to or change in the WPE/Conservation Area or OCE/Conservation Area resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, or earth movement, or from any prudent action taken by Grantor or the Homeowners Association under emergency conditions to prevent, abate, or mitigate significant injury to the WPE/Conservation Area from such causes.

4.6 Amendment of Section 3 Provisions. No amendment of this Agreement shall be effective without the written consent of the Grantee and the Corps.

5. **GRANTOR DUTIES:** In connection with the initial development of the Development, Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Conservation Areas. In addition, Grantor shall undertake all necessary actions to perfect Grantee's rights under Section 3 of this Agreement. During the construction of residential improvements within the Development Envelope, Grantor shall install or cause to be installed high-visibility fencing along the line separating the Development Envelope and any adjoining WPE or OCE sufficient to prevent encroachment of construction personnel and equipment into WPE/Conservation Area and/or OCE/Conservation Area. Grantor shall also educate construction workers on restrictions concerning work adjoining the Conservation Areas. Runoff control measures shall be implemented as provided in the CCR.

6. **GRANTEE'S REMEDIES:** Grantee's remedies are set forth in Section 4.5 above and in the Agreement Regarding Enforcement Fund which is **Exhibit E** hereto.

7. **ACCESS:** Grantee, its successors, assignees, agents, invitees, and licensees shall have the right to access the WPE/Conservation Area and the OCE/Conservation Area at all times for the purposes described in this Agreement.

8. **COSTS AND LIABILITIES:** Except as set forth in this Agreement, or as otherwise agreed in writing between the parties hereto, Grantee assumes all responsibilities related to the operation, upkeep, and maintenance of all Conservation Areas, but ownership of the underlying fee remains in Grantor and then, upon the conveyance of individual Lots within the Development, to the respective Owners thereof.

A. Taxes: The Owner of each Lot (including Grantor until Grantor conveys the Lot to an individual purchaser) shall pay before delinquency any taxes, assessments, fees, and charges of whatever description that may be levied on or assessed against the entire Lot including any portion thereof which is designated WPE or OCE by competent authority, including any taxes imposed on, or incurred as a result of, this Agreement.

B. Hold Harmless: Initially Grantor and then the Association as of and from the time the CCR is recorded shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and their heirs, personal representatives, successors, and assignees of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or death of any person, or physical damages to any property, resulting from any act, omission, condition, or other matter occurring within the WPE/Conservation Area and/or the OCF/Conservation Area, unless caused by the acts or omissions of any of the Indemnified Parties; and (2) the existence or administration of this Agreement.

9. **ASSIGNMENT**: This Agreement is transferable, but Grantee shall give Grantor, the Association and the Corps at least 30 days prior written notice of the transfer. Grantee may assign its rights and obligations under this Agreement only to an organization that is (1) approved by the Grantor for as long as it retains any interest in the Development and the Corps; (2) a public agency or a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder; and (3) authorized to acquire and hold conservation easements under California Civil Code §815 et seq. (or any successor provision then applicable). As a condition of such assignment or transfer, the Assignee or Transferee shall agree in writing that the conservation purposes that this Agreement is intended to advance shall continue to be fulfilled and that the CCR will be followed. In the event of the termination of Grantee's existence, the rights and obligations of Grantee hereunder shall, by that fact itself, and without any further action on the part of any entity, be deemed assigned to an entity approved by the Corps.

10. **SUBSEQUENT TRANSFERS**: All subsequent transfers are subject to the same conditions and restrictions as stipulated under "Assignment" above.

11. **ESTOPPEL CERTIFICATES**: On request by Grantor during any time when Grantor owns at least one Lot in the Development, Grantee shall, within 15 days, execute and deliver to Grantor any document, including an estoppel certificate that certifies Grantor's compliance with any obligation of Grantor contained in this Agreement and otherwise evidences the status of this Agreement, as may be requested by Grantor.

12. **NOTICES**: Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either served personally or sent by first-class mail, postage prepaid, addressed as follows:

To Grantor: Westwood Montserrat, Ltd.
Attn: Curtis Westwood
11231 Gold Express Dr., Ste. 108
Gold River, CA 95670

To Grantee: Wildlife Heritage Foundation
Attn: Patrick J. Shea
P.O. Box 818
Rancho Cordova, CA 95741-0818

To Corps: U.S. Army Corps of Engineers
Regulatory Branch
Attn: (b) (6)
1325 J St.
Sacramento, CA 95814

To Town of Loomis: Town of Loomis
Attn: Planning Director
3505 Taylor Road
Loomis, CA 95650

To Association: Sierra de Montserrat Owners Association
d1 Westwood Montserrat Ltd.
11231 Gold Express Drive, Suite 108
Gold River, CA 95670

or to such other address or the attention of such other officers as from time to time shall be designated by written notice to the other.

13. **FUNDING:** Grantor has provided an endowment fund in the amount of \$233,533 ("**Endowment Fund**") to Grantee for the purposes of fulfilling all of Grantor's obligations, long-term operations, and maintenance of the Agreement under the CCR. The supporting Property Analysis Record ("**PAR**") is attached hereto as **Exhibit F**. The Endowment Fund shall be transferred to the appropriate transferee or assignee if the Agreement is assigned or transferred.

14. **RECORDATION:** Grantee shall promptly record this instrument in the official records of Placer County, California, and may re-record it at any time as may be required to preserve its rights in this Agreement.

15. **GENERAL PROVISIONS:**

A. Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable federal laws.

B. Construction. Any general rule of construction to the contrary notwithstanding, this Agreement shall be construed in favor of the grant to effect the Conservation Purpose of this Agreement and the policy and purpose of California Civil Code §815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Agreement that would render the provisions valid shall be favored over any interpretation that renders it invalid.

C. Severability. If any provision of this Agreement, or the application thereof to any person or circumstances, is found to be invalid, the remainder of the provisions of this Agreement, or the application of such provision to persons or circumstances other than those to which it is found to be invalid, as the case may be, shall not be affected thereby.

D. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the WPE/Conservation Area and the OCE/Conservation Area and supersedes all previous discussions, negotiations, understandings or agreements related to such Conservation Areas.

E. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title or any subsequent Lot Owner's title in any respect.

F. Successors. The covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assignees shall continue as servitude running in perpetuity with the Conservation Areas.

G. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not part of this instrument and shall have no effect on construction or interpretation.

H. Count. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

I. Third-Party Beneficiary. Grantor and Grantee acknowledge that the Army Corps of Engineers is a third-party beneficiary of this Agreement with the right of access to the Protected Property and the right to enforce the terms and conditions of this Agreement.

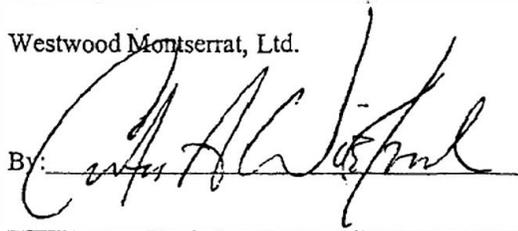
16. **NO MERGER:** In the event that ownership of this Agreement and ownership of any portion of WPE area and/or the OCE area should become vested in the same person or entity, there shall be no express or implied merger by operation of law or otherwise. If any party should claim such a merger, the parties agree that any and all terms and conditions of this Agreement shall be deemed covenants and restrictions on the WPE/Conservation Area and the OCE/Conservation Area, which shall run with the land according to California and/or other applicable law and otherwise exist in perpetuity.

IN WITNESS WHEREOF, Grantor grants, and Grantee accepts, this Agreement the day and year first above written.

GRANTOR:

Westwood Montserrat, Ltd.

By: _____



GRANTEE:

Wildlife Heritage Foundation, a California

• • • • •
• • _____

STATE OF CALIFORNIA

County of CfCW XU'°?

On E\oo\ \ \tn 2,0 before me, M. Melissa A. Hastie
Date Name and Title of Officer (Notary Public)

Personally appeared (-1u-\15 A. W-e":>twood.
Name(s) of Signer(s)



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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

[Signature]
Signature of Notary Public

STATE OF CALIFORNIA

County of ?AC.fc-tv'Ve (\+D

On A. x:\ 1 q HI J.CXl k before me, Wesley C. A. fus-b_e
Date Name and Title of Officer (Notary Public)

Personally appeared Pv\ + \ (L- 51,eCA.
Name(s) of Signer(s)



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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

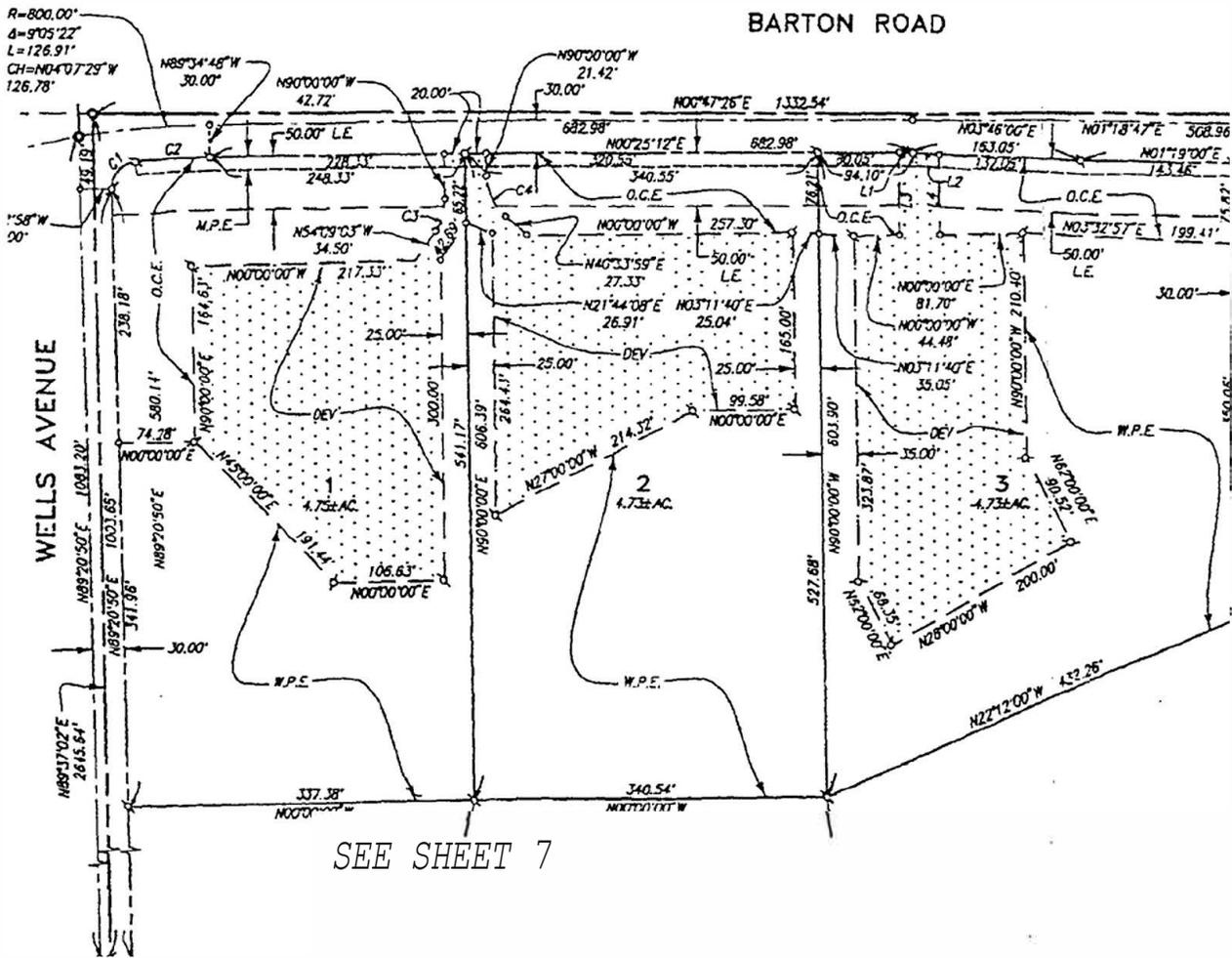
Place Notary Seal Above

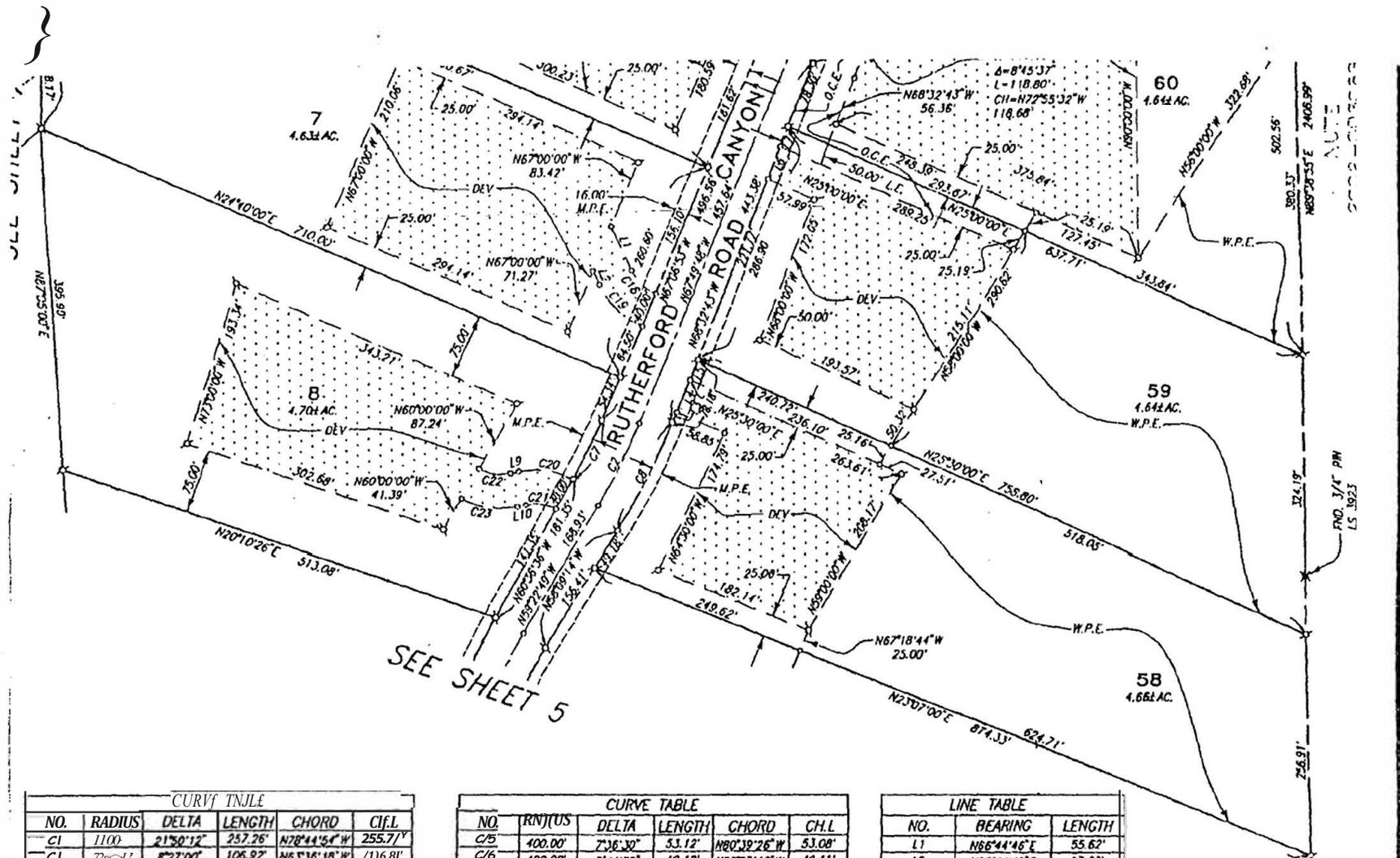
[Signature]
Signature of Notary Public

EXHIBIT A

| W M TABLE | | | | | |
|-----------|--------|-----------|---------|------------|--------|
| NO | RADIUS | CEIJA | LENCTIJ | CJFORJ | CHI |
| C1 | 25.00' | 85°18'34" | 72.4' | 07°29'31" | 11.99' |
| C2 | 17.00' | 82°15'11" | 72.4' | 11°21'17" | 72.91' |
| C3 | 0.00' | --- | Jr. 2r | 17°17' | 1073 |
| 99 | 1.00' | 4V26-01" | 4.134' | 1168°16'9" | 4181' |

| UNE TABLE | | |
|-----------|----------|--------|
| NO | SP/RJNC | LENCTV |
| U | NONE | 1.05' |
| Q | MU-7/11" | 21.00' |
| LJ | MU-7/11" | 77.6" |
| U | MU-7/11" | 75.77" |
| U | MU-7/11" | 318.1' |





SEE SHEET 5

| CURVE TABLE | | | | | |
|-------------|----------|-----------|---------|-------------|----------|
| NO. | RADIUS | DELTA | LENGTH | CHORD | CH.L |
| C1 | 1100' | 21°50'32" | 257.26' | N28°44'54"W | 255.77' |
| C1 | 725.00' | 8°27'00" | 106.92' | N65°36'18"W | (1)6.81' |
| C1 | 117.00' | 81°35'02" | 33.95' | N48°02'27"E | 30.15' |
| C1 | 600' | 27°33'07" | 192.35' | N80°53'26"W | 190.50' |
| C5 | 100.00' | 10°12'18" | 71.25' | N88°33'50"W | 69.99' |
| C1 | 1000' | 12°20'48" | 121.10' | N25°42'12"W | 120.68' |
| C1 | 661.00' | 6°30'17" | 75.72' | N63°51'44"W | 73.22' |
| C1 | 1111.00' | 10°23'30" | 140.92' | N63°20'58"W | 140.17' |
| C1 | 727.00' | 15°13'10" | 193.11' | N26°08'18"W | 193.11' |
| C10 | 121.8' | 13°05'27" | 166.10' | N25°05'27"W | 165.74' |
| C1 | 111.00' | 2°02'42" | 27.01' | N82°42'02"W | 27.01' |
| C1 | 1500' | 8°32'08" | 36.36' | N47°58'56"W | 36.36' |
| C1 | 11000' | 2°22'09" | 43.07' | N85°08'28"E | 42.80' |
| C4 | 15000' | 18°24'44" | 50.82' | N84°00'19"E | 50.58' |

| CURVE TABLE | | | | | |
|-------------|---------|----------|--------|-------------|--------|
| NO. | RADIUS | DELTA | LENGTH | CHORD | CH.L |
| C5 | 400.00' | 7°16'30" | 53.12' | N80°38'26"W | 53.08' |
| C6 | 400.00' | 7°16'30" | 53.12' | N20°58'46"W | 40.11' |
| C7 | 100.00' | 3°44'30" | 27.86' | N82°06'37"W | 27.86' |
| C18 | 90.00' | 4°51'38" | 38.28' | N44°48'57"E | 37.35' |
| C19 | 90.00' | 4°51'38" | 38.28' | N44°48'57"E | 37.35' |
| C20 | 90.00' | 4°51'38" | 38.28' | N44°48'57"E | 37.35' |
| C1 | 100.00' | 4°01'23" | 63.34' | N88°59'11"E | 62.04' |
| C1 | 5000' | 4°12'55" | 35.02' | N88°53'23"E | 34.31' |
| C1 | 90.00' | 4°12'55" | 35.02' | N88°53'23"E | 34.31' |
| C1 | 90.00' | 4°12'55" | 35.02' | N88°53'23"E | 34.31' |
| C21 | 727.00' | 4°11'50" | 64.71' | N88°25'25"E | 63.33' |
| C2 | 727.00' | 4°11'50" | 64.71' | N88°25'25"E | 63.33' |
| C26 | 727.00' | 5°13'23" | 40.90' | N72°28'51"W | 40.89' |
| C21 | 591.00' | 4°27'45" | 46.02' | N78°55'22"W | 46.01' |

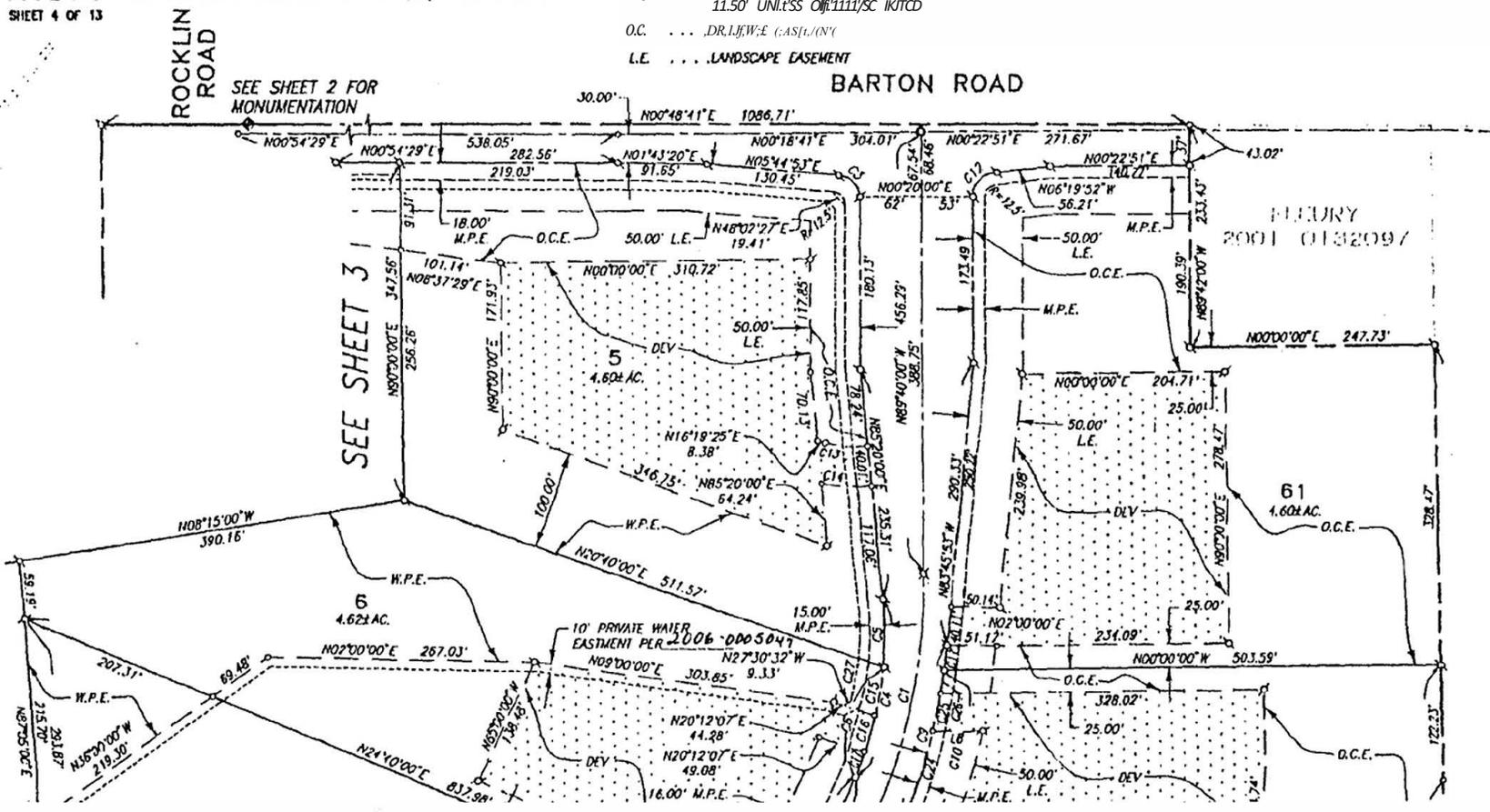
| LINE TABLE | | |
|------------|-------------|--------|
| NO. | BEARING | LENGTH |
| L1 | N66°44'46"E | 55.62' |
| L2 | N66°44'46"E | 17.81' |
| L3 | N68°32'43"W | 13.01' |
| L4 | N68°32'43"W | 10.04' |
| L10 | N11°10'30"W | 10.04' |
| L17 | N68°32'43"W | 15.05' |
| L8 | N80°00'00"E | 51.38' |
| L19 | N11°10'30"W | 10.04' |
| L10 | N11°10'30"W | 10.04' |

FINAL MAP OF SUBDIVISION NO.98-04
SIERRA de MONTSERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST. M.D.M.
 TOWN OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA

JULY 2005 SCALE: 1"=100'
 MSA ENGINEERING, INC.
 SHEET 4 OF 13

JE/DJ/

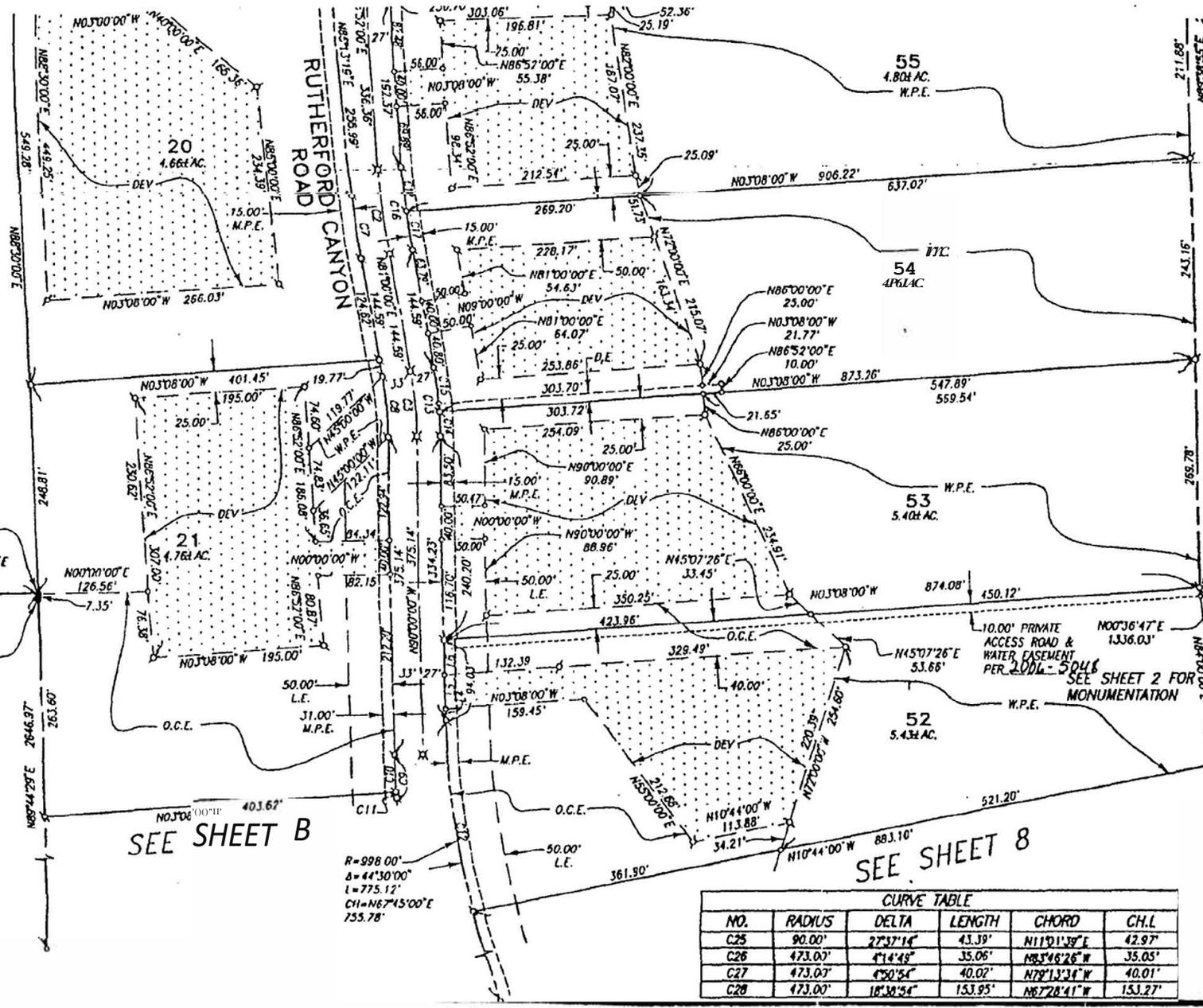
- o ... OILWINSKIN POINT HOTTING FWNOD OIL SIT
- (... /OCHD IIONIIII(NT AS HOTCO
- oSf7 2 BRASS CAP IN IIONII(NT BOX
 SLAIP(D LS 66(II)
- ... SCCLION COIINIR TUJ
- N ... ,O/WITCR CORHCY/ AS MITCD
- ffSfT J/(C' RCBM, STNIPT:D LS 8600
- l(... .SE7 RR SNKC. STAI(PCD LS 6600
- "II" - ... ,IIEIV,ND) PRISCRVALLIIN TASCICNT
- O.C.C.0AK IK(I)(L)Hfj CONSRVATION FASCIFHT
- DLY ... (D(LOOPMCHT C/W)LOP:
- 1.1f.C ... ,11(ULTT-PURPUSC O.SCII(NT
 11.50' UNL.FSS OI(1111/SC IKITCD
- O.C.DR.IJf,W:E (AS)I(ON)
- L.E.LANDSCAPE EASEMENT



69300-500
 FILE NO.

529 / OR
 2902

SEE SHEET 12



SEE SHEET B

SEE SHEET 8

R=998.00'
 Δ=44°30'00"
 L=775.12'
 C11=N67°45'00"E
 755.78'

| CURVE TABLE | | | | | |
|-------------|---------|-----------|---------|-------------|---------|
| NO. | RADIUS | DELTA | LENGTH | CHORD | CH.L |
| C25 | 90.00' | 27°37'14" | 43.39' | N11°01'39"E | 42.97' |
| C26 | 473.00' | 4°14'48" | 35.06' | N83°48'26"W | 35.05' |
| C27 | 473.00' | 4°50'54" | 40.02' | N79°13'34"W | 40.01' |
| C28 | 473.00' | 18°38'54" | 153.95' | N67°28'41"W | 153.27' |

FINAL MAP OF SUBDIVISION NO.98-04
 SIERRA de MONTSERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
 01 THE NORTHWEST 1/4 -01 SECTION- 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST. M.D.M.
 TOWN OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA

JULY 2005 SCALE: 1" = 100'

MSA BUCKNER & C
 sum 5 or 11

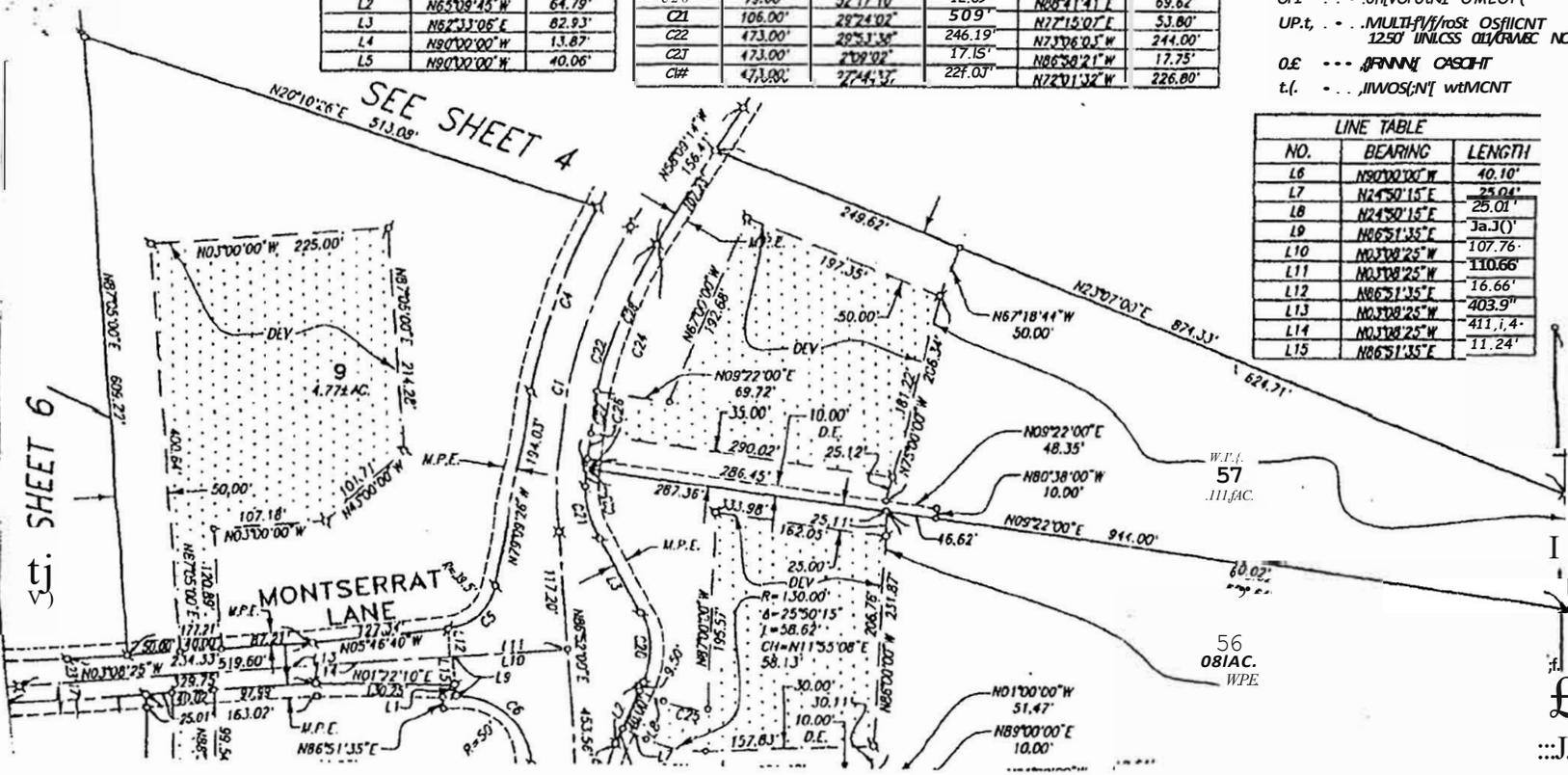
| CURVE TABLE | | | | | |
|-------------|----------|-----------|----------|-------------|----------|
| NO | RADIUS | DELTA | LENGTH | CHORD | C.U.L |
| C1 | 525.00' | 33°45'11" | 3739.18' | N76°13'24"W | 3739.18' |
| C2 | 500.00' | 35°22'00" | 104.39' | N83°56'00"E | 102.33' |
| C3 | 500.00' | 35°22'00" | 18.54' | N83°56'00"E | 78.46' |
| C4 | 183.00' | 16°12'30" | 168.71' | N69°33'01"W | 187.90' |
| C5 | 52.30' | 73°22'46" | 66.60' | N42°28'03"W | 62.11' |
| C6 | 73.00' | 84°21'34" | 101.48' | N43°06'21"E | 98.0' |
| C7 | 1033.00' | 4°13'19" | 76.12' | N83°06'40"E | 76.10' |
| C8 | 167.00' | 8°02'00" | 13.36' | N83°30'00"E | 13.23" |
| C9 | 998.00' | 33°01'00" | 52.39' | N88°26'00"E | 52.38" |
| C10 | 998.00' | 2°39'40" | 1.19' | N88°40'10"E | 44.49' |
| C11 | 998.00' | 0°28'20" | 7.90' | N87°06'10"E | 7.90' |
| C12 | 998.00' | 1°22'43" | 232.15' | N83°18'38"E | 231.93' |
| C13 | 527.00' | 8°02'00" | 12.76' | N83°30'00"E | 82.70' |
| C14 | 517.00' | 3°13'21" | 29.64' | N83°30'19"E | 29.64' |
| C15 | 521.00' | 3°46'39" | 53.14' | N83°33'19"E | 53.12' |
| C16 | 913.00' | 3°52'00" | 9.63' | N83°56'00"E | 99.58' |
| C17 | 913.00' | 2°42'01" | 16.14' | N82°21'31"E | 46.14' |
| C18 | 780.00' | 3°02'39" | 51.49' | N83°17'31"E | 53.48' |
| C19 | 106.00' | 27°38'15" | 51.15' | N79°06'32"W | 51.24' |
| C20 | 79.00' | 52°17'10" | 12.09' | N88°41'41"E | 69.62' |
| C21 | 106.00' | 28°24'02" | 50.9' | N77°15'07"E | 53.80' |
| C22 | 473.00' | 28°51'38" | 246.19' | N73°06'05"W | 244.00' |
| C23 | 473.00' | 2°09'02" | 17.15' | N86°58'21"W | 17.75' |
| C24 | 473.00' | 27°46'37" | 227.03' | N72°01'32"W | 226.80' |

| LINE TABLE | | |
|------------|-------------|--------|
| NO | BEARING | LENGTH |
| L1 | N86°51'35"E | 11.06' |
| L2 | N65°08'45"W | 64.79' |
| L3 | N62°33'05"E | 82.93' |
| L4 | N80°00'00"W | 13.87' |
| L5 | N80°00'00"W | 40.06' |



- J. [< III]
- o ... (III) (HS) (UN FONE NOIZING) (OUND OR SCI)
- X ... (OUND) (UON) (M) (NT AS) (NO) (NO)
- o ... (SCI) (2) (IRASS) (OV) (N) (U) (IV) (M) (P) (N) (IX) (S) (IN) (IO) (LS) (6) (10)
- ... (SECTION) (COR) (R) (AS) (NOT) (IO)
- III ... (OM) (IT) (C) (L) (COR) (OR) (AS) (NOT) (IO)
- If ... (SCT) (1/4) (R) (I) (WT) (ST) (A) (U) (P) (IS) (6) (E) (E) (I)
-) ... (SCI) (RR) (SPIKE) (ST) (I) (M) (P) (CO) (IS) (6) (E) (E) (I)
- W.P. ... (F) (A) (N) (P) (E) (S) (O) (N) (A) (T) (I) (O) (N) (W) (I) (C) (I) (F) (T)
- O.C. ... (OV) (I) (N) (X) (O) (R) (W) (I) (C) (O) (N) (S) (R) (V) (A) (T) (I) (O) (N) (T) (A) (S) (M) (H) (T)
- O'I ... (O) (P) (V) (O) (P) (U) (N) (I) (O) (M) (L) (O) (P) (C)
- UP.t. ... (M) (U) (L) (T) (I) (P) (I) (F) (I) (O) (S) (T) (O) (S) (I) (C) (N) (T) (12) (5) (0) (UN) (L) (E) (S) (S) (O) (U) (G) (R) (A) (N) (C) (N) (O) (O)
- O.E ... (I) (F) (F) (I) (N) (N) (I) (C) (A) (S) (C) (H) (T)
- t. ... (I) (W) (O) (S) (I) (N) (I) (W) (M) (C) (N) (T)

| LINE TABLE | | |
|------------|-------------|-----------|
| NO. | BEARING | LENGTH |
| L6 | N80°00'00"W | 40.10' |
| L7 | N24°50'15"E | 25.04' |
| L8 | N24°50'15"E | 25.01' |
| L9 | N86°51'35"E | 3a.30' |
| L10 | N03°08'25"W | 107.76' |
| L11 | N03°08'25"W | 110.66' |
| L12 | N86°51'35"E | 16.66' |
| L13 | N03°08'25"W | 403.9" |
| L14 | N03°08'25"W | 411.1, 4' |
| L15 | N86°51'35"E | 11.24' |



FINAL MAP OF SUBDIVISION NO.98-04
 SIERRA de MONTERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST. M.D.M.
 TOWN OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA

JULY 2005 SCALE: 1"=100'
 MSA E-JL BRL C FJC
 HDI or u

- O ... 0/1/INSI(ON)rothr, NOTION; FOUND OF S H
- X ... JWHO IDONMIGTAS NOH
- O ... SCT Y GRASS CAP IN WINDMILBEX
 STAMPD IS UOO
- ◆ ... \$ECCON CORIOIAS NOKO
- M ... QDA/ht/FCOINCR AS NOTO)
- FJSCT J/1' REIM, STAMPD IS UC0
- X ... SCT RR SPL(C, SIMTICO IS 6600
- WLE ... ,ht/INO FRISCRIBATION EASEL/EM
- QCE ... \$MK BROADWID CONSERVACION EASL/INT
- QIVDIL(O)PIHINTEMEIOP
- MFCMILH-11/RPOSDVICNT
 1251' UNTRSS OIL/111RSONOTID
- OCDWINI/CICASCIENT
- LEWJSCNC O.SC"INT



| CURVE TABLE | | | | | |
|-------------|--------|-----------|---------|-------------|-------|
| NO. | RADIUS | DELTA | IFMGT | CHORD | CH |
| CI | 5000 | 16.11 | 16.11 | N85°42'48\" | 11.12 |
| ct | MEO | 241.773 | 113.41 | N11°03'35\" | 14.0 |
| cl | 1500 | 50.1228 | 15.12 | N85°38'32\" | 14.46 |
| ca | 0.00 | 332.83 | 110.07 | N75°38'25\" | 14.46 |
| a | 00 | 3420.15 | 36.11 | N85°38'32\" | 14.46 |
| cf | MOO | 81°18'49 | M.65 | N85°38'32\" | 14.46 |
| CI | 500 | 31°18'38 | J U I | N85°38'32\" | 14.46 |
| CI | 5000 | 16.11 | 16.11 | N85°38'32\" | 14.46 |
| co | 20.00 | 82°32'18 | Jf.(6 | N18°20'40\" | 14.46 |
| CO | 62.00 | 38°10'26 | 91.00 | N18°20'40\" | 14.46 |
| CI | 12.00 | 174.1 | 184.81 | N85°38'32\" | 14.46 |
| C | 121.00 | 1432.58 | 168.84 | N85°38'32\" | 14.46 |
| CI | 621.00 | 597.45 | 63.63 | N85°38'32\" | 14.46 |
| CII | 110.00 | 3872.56 | 581.11 | N85°38'32\" | 14.46 |
| CIJ | 161.00 | 825.47 | IV. fl' | N85°38'32\" | 14.46 |
| CI6 | 864.00 | 7109.11 | 40.01 | N85°38'32\" | 14.46 |
| CII | 629.00 | 7146 | 21.37 | N85°38'32\" | 14.46 |
| CII | 629.00 | 7146 | 40.12 | N85°38'32\" | 14.46 |
| C | 21.00 | 111.12 | 111.12 | N85°38'32\" | 14.46 |
| CI | n.oo | 101.1 | 101.1 | N85°38'32\" | 14.46 |
| CI | 671.00 | 111.1 | 40.02 | N85°38'32\" | 14.46 |
| CI | 679.00 | 101.1 | 11.19 | N85°38'32\" | 14.46 |
| CIJ | 100.00 | 5125.30 | 93.24 | N85°38'32\" | 14.46 |
| c u | 1400/1 | 6738.10 | 130.18 | N85°38'32\" | 14.46 |
| CI5 | 1200 | 44'11'3/5 | 12.16 | N85°38'32\" | 14.46 |
| C2F | 1000 | 4551.54 | 128.01 | N85°38'32\" | 14.46 |
| CI1 | 10.00 | 4050.14 | 108.01 | N85°38'32\" | 14.46 |
| C28 | 1100 | 4050.14 | 76.40 | N85°38'32\" | 14.46 |
| C29 | 60.00 | 4058.40 | 42.91 | N85°38'32\" | 14.46 |
| C30 | 1000 | 4058.40 | 71.52 | N85°38'32\" | 14.46 |

| LINE TABLE | | |
|------------|-------------|--------|
| NO. | BEARING | LENGTH |
| L1 | N71°24'44\" | 66.12 |
| L2 | N81°45'25\" | 66.02 |
| L3 | N01°08'25\" | 100.2 |
| L4 | N01°08'25\" | 40.00 |
| L5 | N01°08'25\" | 26.48 |
| L6 | N86°51'35\" | 34.64 |
| L7 | N86°51'35\" | 34.64 |
| L8 | N46°22'17\" | 50.00 |

| NO | RAUBS | DELTA | IBICTH | CHORD | CHL |
|-----|-------|-----------|---------|------------|--------|
| 06 | JSDe | 492U | | "....."XII | 4161" |
| C1 | 8100 | Ir:D"J. | M6" | Mr:r:ITE | 62.W |
| CB | 2000 | grsr1t' | S.O" | Nlar:4(PW | 10.10 |
| C1 | SS00 | 8nr?r | 120" | K755675Y | 588-T |
| C/O | 81.00 | 1"7 n f | ZL | N | 64.52 |
| C11 | 8100 | Wlr.4' | 116.6r | →7.4g"1t | 782Z |
| C12 | 5000 | 1177 | 12dU" | N35°35 | 9545 |
| C13 | 7500 | UJZZT | ULI | NUT | 6.16+ |
| C14 | 9000 | W | 51Z" | Hr:58"4T. | 52.♦ |
| C15 | 8000 | n:l-a- | Z U I T | ...BU-4Tt | 19.W |
| C16 | 81.00 | • | 52.Sr | N75H"UF | 50.tr |
| C17 | 5000 | → | ←W | U.U'g:1F | 4IT |
| C18 | 5000 | → | u.ts | N1♦1fF | 42.73 |
| C19 | 90.00 | 1544US | 11.75 | Nr:16D7W | 11.n |
| C20 | 5000 | 47m+6 | 81.1" | CU1.J, V" | 400" |
| C21 | 6100 | n-511.f | US | n-5100E | H5Z |
| C22 | 51100 | •...2-Jff | 41.6" | NUT21TF | 40.U" |
| C23 | 81.00 | 1541"ff | U.W | ffm'45"11" | ; |
| C2 | 8000 | → | J2.5' | U146,J" | J1.♦: |
| C5 | SS00 |tr" | J U r | NIR"7"TXE | 32."13 |

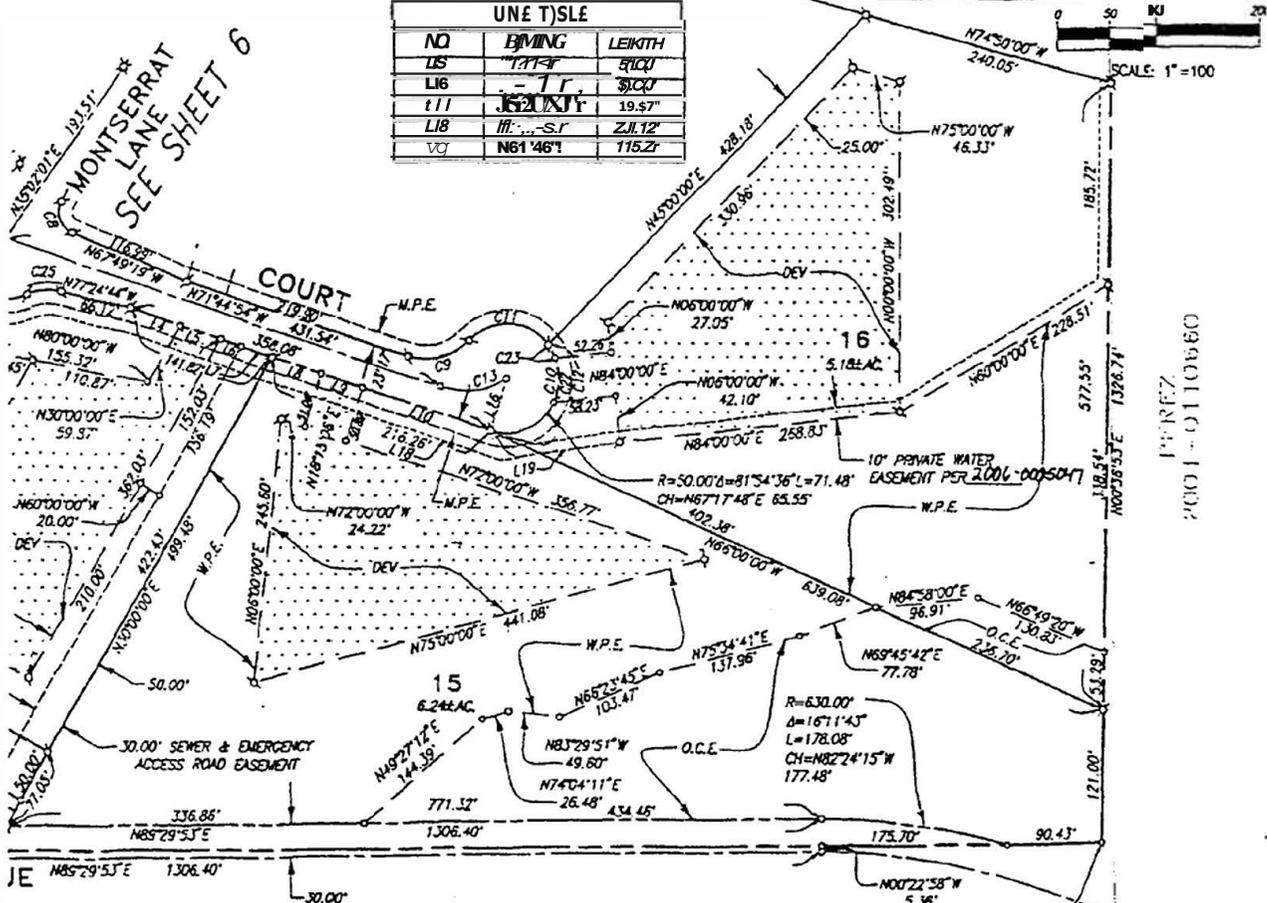
FINAL MAP OF SUBDMISION NO.913-04
SIERRA de MONTERRAT
THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/
OF THE NORTHWEST 1/4 OF SECTION 22
TOWNSHIP 11 NORTH RANGE 7 EAST, M.D. II
TOWN OF LOOMIS, COUNTY OF PLACER
CALIFORNIA

JULY 2005 SCALE: 1"=100
MSA ENT-JERRINC 11-JC
sim 7 of 13

| NO | BORING | LENGTH |
|------|-------------|--------|
| 11 | N40°53'20"E | 21.01' |
| 12 | N40°53'20"E | 27.81' |
| 13 | N32°34'10"E | 10.0" |
| 14 | N71°44'54"W | 41.11' |
| 15 | N71°44'54"W | 168" |
| 16 | N71°44'54"W | 104.1' |
| 17 | N71°44'54"W | 204.1' |
| 18 | N71°44'54"W | 502.8" |
| 19 | N71°44'54"W | 400" |
| (10) | N71°44'54"W | 1,100- |
| L11 | N57°25'50"W | 2800' |
| L12 | N57°25'50"W | 4000' |
| L13 | N32°34'10"E | 1140' |
| L14 | N57°25'50"W | 11.18 |

| NO | BORING | LENGTH |
|-----|-------------|---------|
| US | N71°44'54"W | 5100' |
| L16 | N71°44'54"W | 3100' |
| L17 | N71°44'54"W | 19.57" |
| L18 | N71°44'54"W | 211.12" |
| V9 | N61°46'1" | 115.2' |

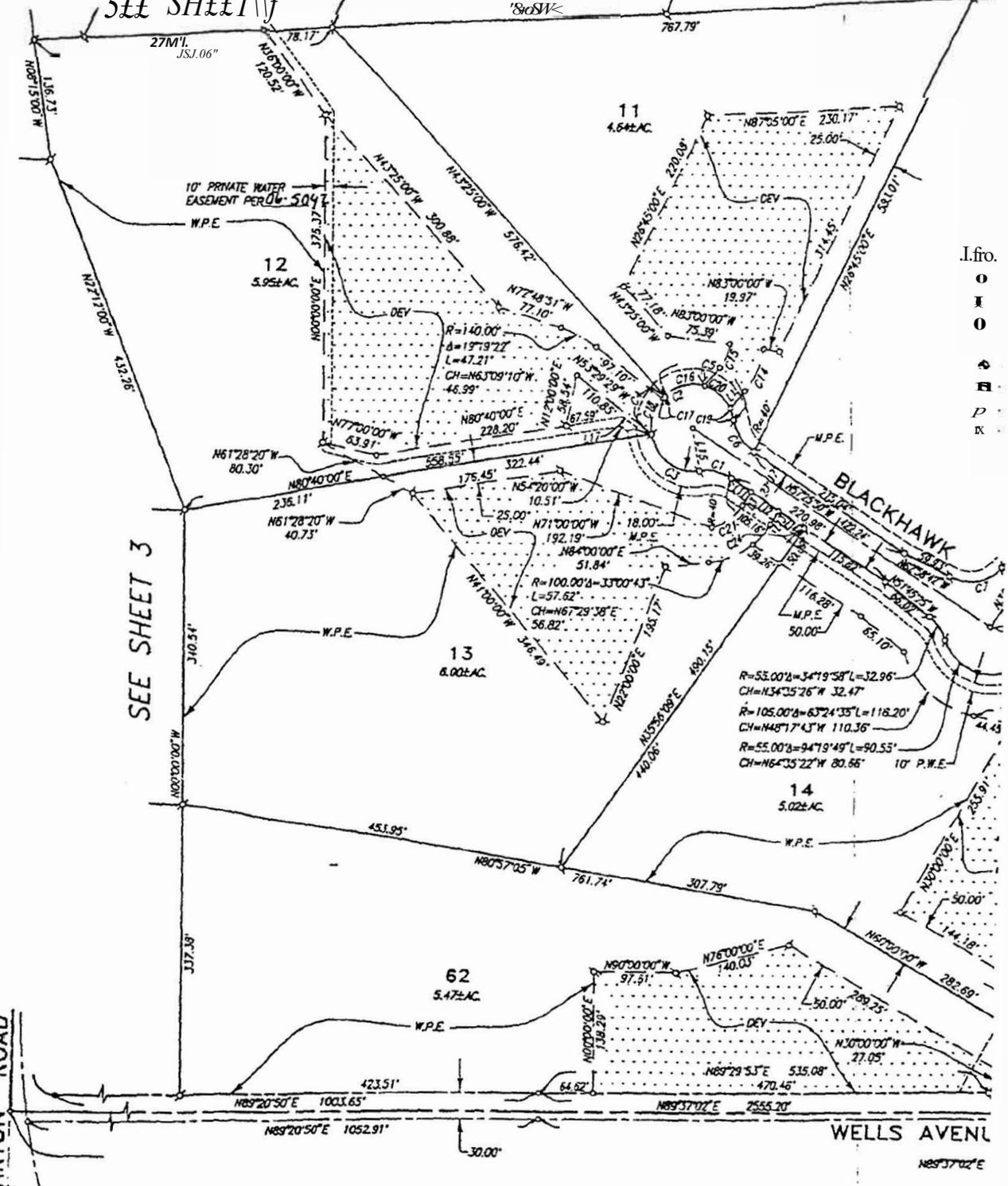
- DIRECTION FROM NORTH; rou, o ♦ stT
- 10M, Q. IONINOT AS NJTU
- SE, 2" 8WS OF 1.1101010T BX STAMPD IS 6800
- SECTION Cr O AS NJM
- QUARTU cr JO AS NED
- SET 3/4" 11SW, STAMPD ts 6MO
- SET 1/4" SW: STAMPD IS 6800
- tr.PL ... J1XV, W EKDIOrr
- OCE ... ka JOOONO ♦ ATION PASSENT
- ♦ ... DeDIOPIET OMLOPF
- 11PL ... JMnPURPOSE (ASDIOIT
- 12.0. 1MISS OTHITHE NJTU
- OE ... DRAWIAS(JICXT
- LE ... JSEJOIT



| CUM TNGE | | | | | |
|----------|--------|------------|---------|-------------|---------|
| NO | R/DIUS | DO.TA | IB/CTH | CHORD | CHL |
| C1 | 55.00' | 41°11'28" | 4.84' | N78°26'35"W | 28.87' |
| C2 | 50.00' | 168°<J'58" | 114.51' | N54°54'40"E | 71.49' |
| C3 | 50.00' | 90°00'00" | 74.88' | N54°25'35"W | 46.59' |
| C4 | 50.00' | 55°12'00" | 41.46' | N18°21'29"E | 46.59' |
| C5 | 50.00' | 127°07'00" | 101.7' | N77°17'36"W | 99.999' |

5LL SHEET

5LL SHEET

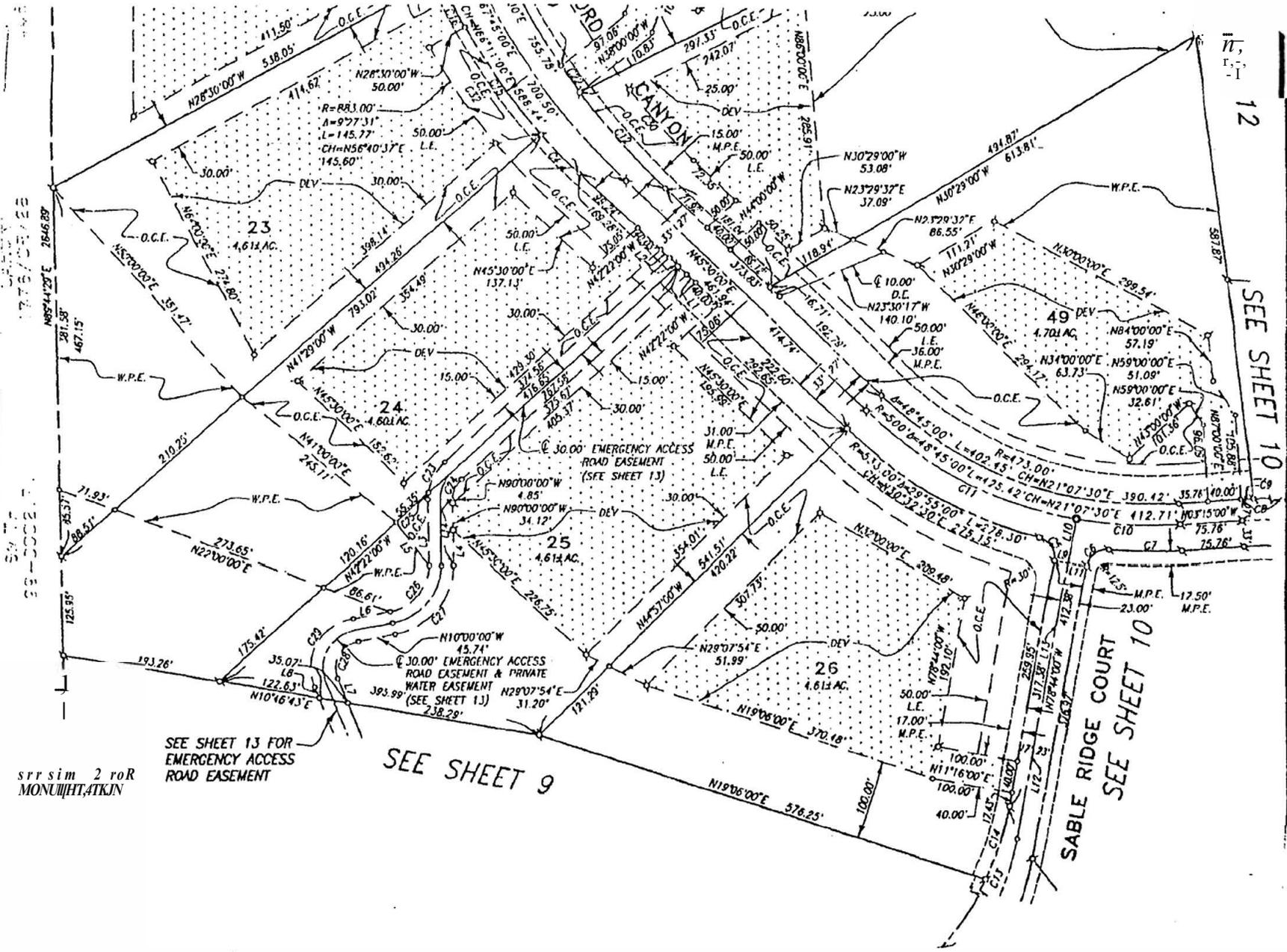


I.fro. O I O P K

SEE SHEET 3

WELLS AVENUE

WELLS AVENUE



12

SEE SHEET 10

SABLE RIDGE COURT
SEE SHEET 10

SEE SHEET 13 FOR
EMERGENCY ACCESS
ROAD EASEMENT

SEE SHEET 9

srrsim 2 roR
MONUHT,ATKJN

J. SIERRA v de^o MONTSEERRAT

THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
OF THE NORTHWEST 1/4 OF SECTION 22,
TOWNSHIP 11 NORTH RANGE 7 EAST-- M:D:M:
TOWN OF LOOMIS, COUNTY OF PLACER
CALIFORNIA

JULY 2005 SCALE: 1" = 100'
IV SA Er--JC Ir--JEER Ir--JC, Ir--JC
sm 10 u

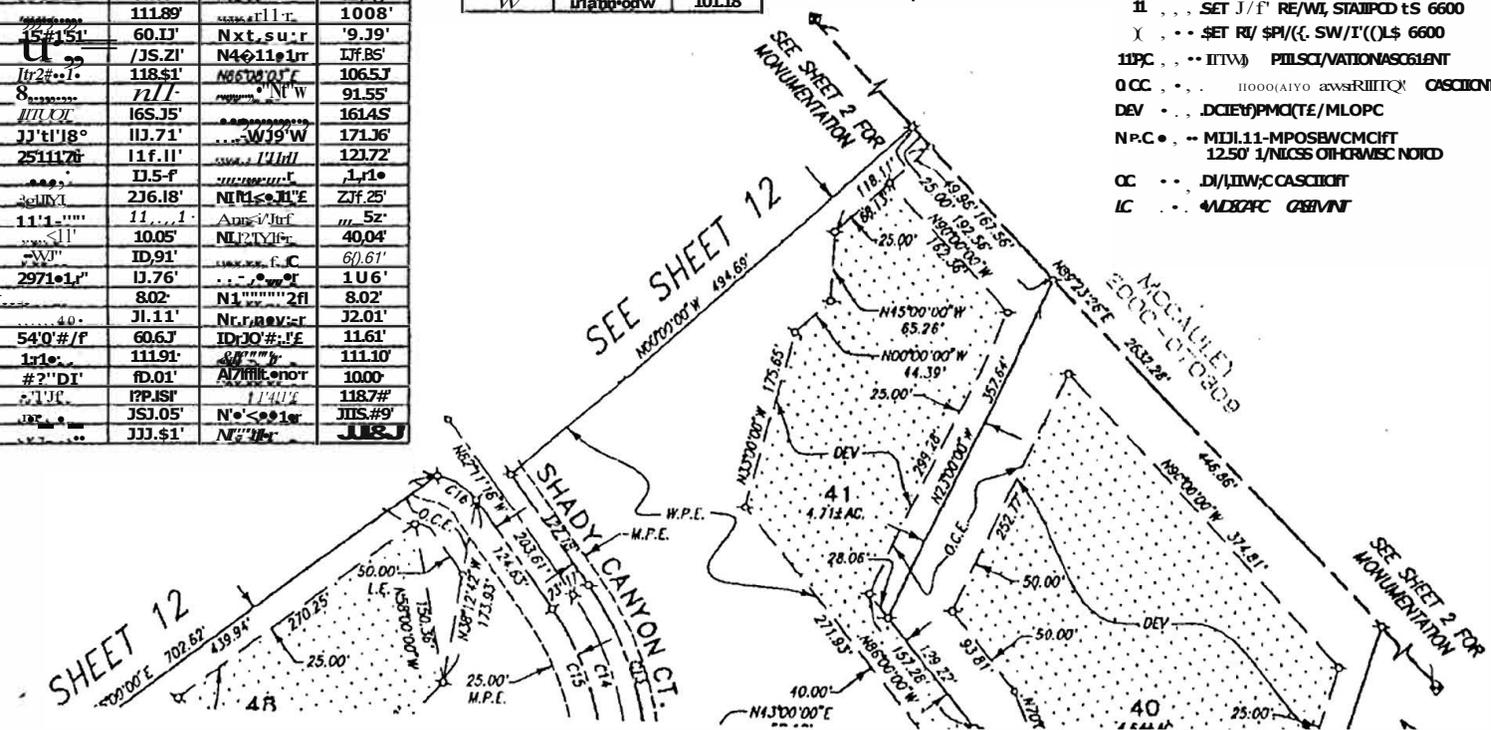
| CURVE TABLE | | | | | |
|-------------|-----------|--------------|---------|------------------|---------|
| NO. | RADIUS | CE.TA | LCNC11/ | CHORO | CH.L |
| C1 | 25.00' | | 31.12' | | 33.80' |
| C2 | 531.00' | 974' << | 89.14' | | 89.03' |
| C3 | \$MOO' | U. IFOH' | 126.64' | NO. XI. >> r | 126.34' |
| C4 | 655.1' | | 176.8' | 11.1r | 16.72' |
| C5 | 665.1' | | 14. | | 87.12' |
| C6 | 665.1' | 1.41' 51' | 89.36' | N-IT02' 21" E | 89.29' |
| C7 | 11. < 30' | 31' 31" 11" | 61.60' | | 60.70' |
| C8 | 85.00' | | 111.89' | | 100.8' |
| C9 | 91.00' | 35' 151' | 60.13' | Nxt. s. u. r | 9.39' |
| C10 | 521.00' | | 735.21' | N40 11 1/2 E | 17.85' |
| C11 | 80.00' | 10 2 1/2 | 118.51' | | 106.53' |
| C12 | 10.00' | 8 | n/l | | 91.55' |
| C13 | 31.00' | | 165.35' | | 161.45' |
| C14 | 170. < Xr | 33' 11" 18" | 113.71' | W 39' W | 171.36' |
| C15 | 211. < Xr | 25 11 17 1/2 | 111.11' | | 123.72' |
| C16 | 55.00' | | 13.5' | | 1.1' |
| C17 | 6.00' | | 236.18' | | 237.25' |
| C18 | 467.00' | 11' 1 | 11. 1 | Adm. 1/2 r | 11. 52' |
| C19 | 461.00' | | 10.05' | NLP. 1/2 r | 40.04' |
| C20 | 117.00' | | 10.91' | | 60.61' |
| C21 | 14.00' | 297 1 1/2 | 13.76' | | 13.6' |
| C22 | 14.00' | | 8.02' | N1 1/2 2 r | 8.02' |
| C23 | 85.00' | | 31.11' | Nr. r. 1/2 r | 32.01' |
| C24 | 2500' | 54' 0" # / f | 60.63' | 10' 30" #. 1/2 E | 11.61' |
| C25 | 511.00' | 1 r 1 | 111.91' | | 111.10' |
| C26 | 511.00' | # 2" DI' | 10.01' | | 10.00' |
| C27 | \$21.00' | | 17.18' | | 118.7# |
| C28 | 517.00' | | 33.05' | N 0 0 1/2 E | 33.5# 9 |
| C29 | \$27.00' | | 33.31' | N 0 1/2 E | 33.31' |

| UNE T/BLC | | |
|-----------|-------------|-------------|
| NO. | BEAR/NC | L.E.1 (III) |
| 11 | N11'SQ'10"C | 11.29' |
| 12 | -;miso'10c | 11.189' |
| 13 | N1V0'00"W | 50.22' |
| 14 | NV00'1M | 50.01' |
| 15 | N1r#2'00"1 | 78.51' |
| 16 | N1V0'00"W | 60.71' |
| 17 | N.W'10'11r | 11.86' |
| 18 | N1V0'00"W | 11.13' |
| 19 | N1V0'00"W | 12.21' |
| 20 | N1V0'00"W | 45.51' |
| 21 | N1V0'00"W | 65.31' |
| 22 | N1V0'00"W | 19.51' |
| 23 | N1V0'00"W | 16.W |
| 24 | N1V0'00"W | 21.5' |
| 25 | N1V0'00"W | 118.11' |
| 26 | N1V0'00"W | 140.96' |
| 27 | N1V0'00"W | 11.13' |
| 28 | N1V0'00"W | 11.13' |
| 29 | N1V0'00"W | 2.6' |
| 30 | N1V0'00"W | 107.18' |
| 31 | N1V0'00"W | 111.51' |
| 32 | N1V0'00"W | 201.61' |
| 33 | N1V0'00"W | 105.25' |
| 34 | N1V0'00"W | # f. 6" |
| 35 | N1V0'00"W | 101.18' |

| UNE TABLE | | |
|-----------|---------------|--------|
| NO | BEARING | LENGTH |
| US | N11' / 6' 00C | 23.00' |
| UI | N78'1'00" T | 55.93' |



- LEGEND
- o ... C.D. (NSIONPO/Nr, Non/NC FOUND 0-1 \$CT
 - X ... FOUND IIONU/INT AS NOFD
 - 0 ... SET 2 BRISS CN' IN IIONMONT BOX STAMPCD IS 6600
 - ◇ ... SECTION CORNIR AS NOLED
 - III ... C.D.A/ITICORNCRAS 1 1/2 M)
 - 11 ... SET 3/4 RE/WI, STAMPCD tS 6600
 - X ... SET RI/ \$PI/ C. SW/ I' (C) S 6600
 - 11PC ... IITW) PAULSC/ VATIONASCS1ENT
 - 0 CC ... IIOOO (AIYO awSRIITQ) CASCICNT
 - DEV ... DCIEV) PMQ/TE/ MLOPC
 - N.P.C. ... MJI.11-MPOSBVCMCIFT 12.50' 1/1NCS5 OTHCRASC NOFD
 - CC ... DI/ IIV/ CASCICNT
 - IC ... 4NDRPC GBVNT

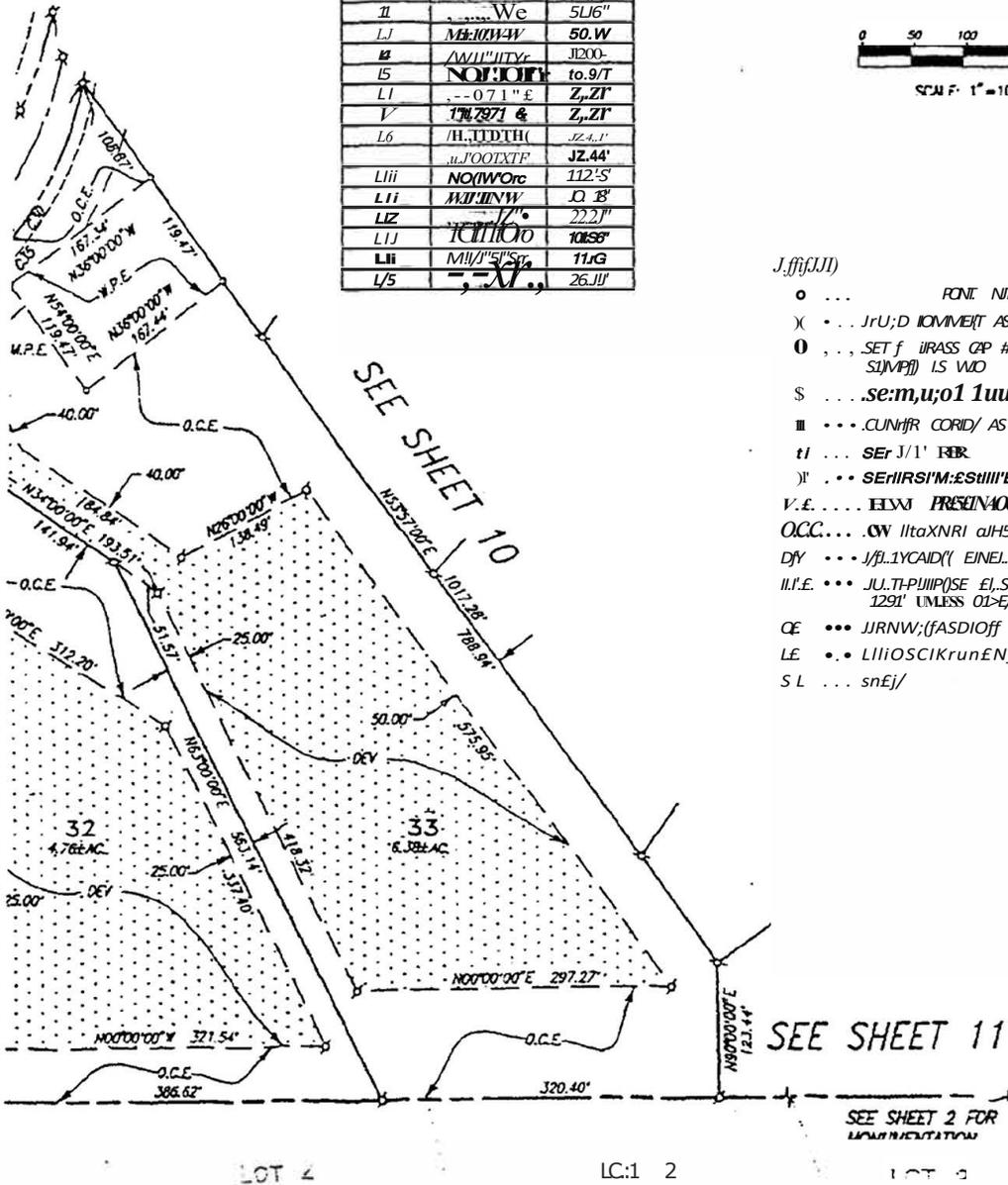
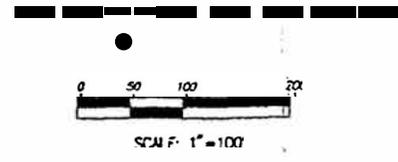


| NO | RADIUS | CHORD | CHL |
|-----|---------|---------|---------|
| C21 | 12101T | 110.16' | 1021' |
| a | .Z01T | 4.40' | 12.0' |
| C25 | J2100Y | 14.05' | 11V |
| C26 | J2100Y | 2.14' | 15.85 |
| a. | J2100Y | 4.51' | 4148 |
| C8 | J2101T | 9407 | 111.1r |
| C9 | J2100 | 4114 | 4111 |
| C30 | J2101' | 1.1.1' | 141.6' |
| OT | 11'-00" | ran | 145' |
| C2 | 51.10' | 425' | 105' |
| C11 | 5SD' | 41.61' | 102 |
| C4 | J210W | 156.44' | 154.9 |
| CJS | Jz1.00 | 261.61' | 278.20' |
| C36 | 1100 | 111.18' | 171.1M' |
| C11 | 10250 | 75.91' | 1422' |

OF SUBDIVISION, NmJo: au.q:
 SIERRA -de MONTERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTH 1/2 AND A PORTION OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST. M.D.Y.
 TOWN OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA

OCTOBER 2005 SCALE: 1" = 100'
 MSA ENGINEERING, INC
 5 ml of J

| NO | BORING | LEN (FH) |
|-----|--------|----------|
| II | NOZ | 2.5' |
| LJ | Wc | 51.6" |
| L | Wc | 50.0" |
| L5 | Wc | 1200- |
| L1 | Wc | to 9/T |
| Y | Wc | 2.21' |
| L6 | Wc | 2.21' |
| Lii | Wc | 112.5' |
| Lii | Wc | 11.8' |
| LIZ | Wc | 22.21' |
| L11 | Wc | 10.56' |
| L11 | Wc | 11.6' |
| L15 | Wc | 26.11' |



- J.f(f(J))
- o ... POINT NOTHING FOUND OR SET
 - x ... JRU; D MOVEMENT AS NOTED
 - o ... SET f URASS CAP #1101WE(T ADY SJMPF) IS W/O
 - s ... se:m,u;o1 1uuscw :
 - ii ... CUNIFF CORID/ AS NOTU :
 - ti ... SER J/1' FER IS 6xU
 -)* ... SERHSI'M:ESIII'E)LSU(O)
 - V.E ... ESN PREINAOI DSDIOFT
 - OCC ... ON ltaXNRI aH5ERIA(OI EASDIO(T
 - DY ... J/BL.YCAID(I EINELCK
 - ii'.E ... JU..THPIIP)SE EI..SD6(T 1291' UNLESS OI>E/IIISE KTED
 - CE ... JRNW;(fASDIOff
 - LE ... LIIIOSCIKrunENf
 - S L ... snEj/

KOAJLEY
1-070909

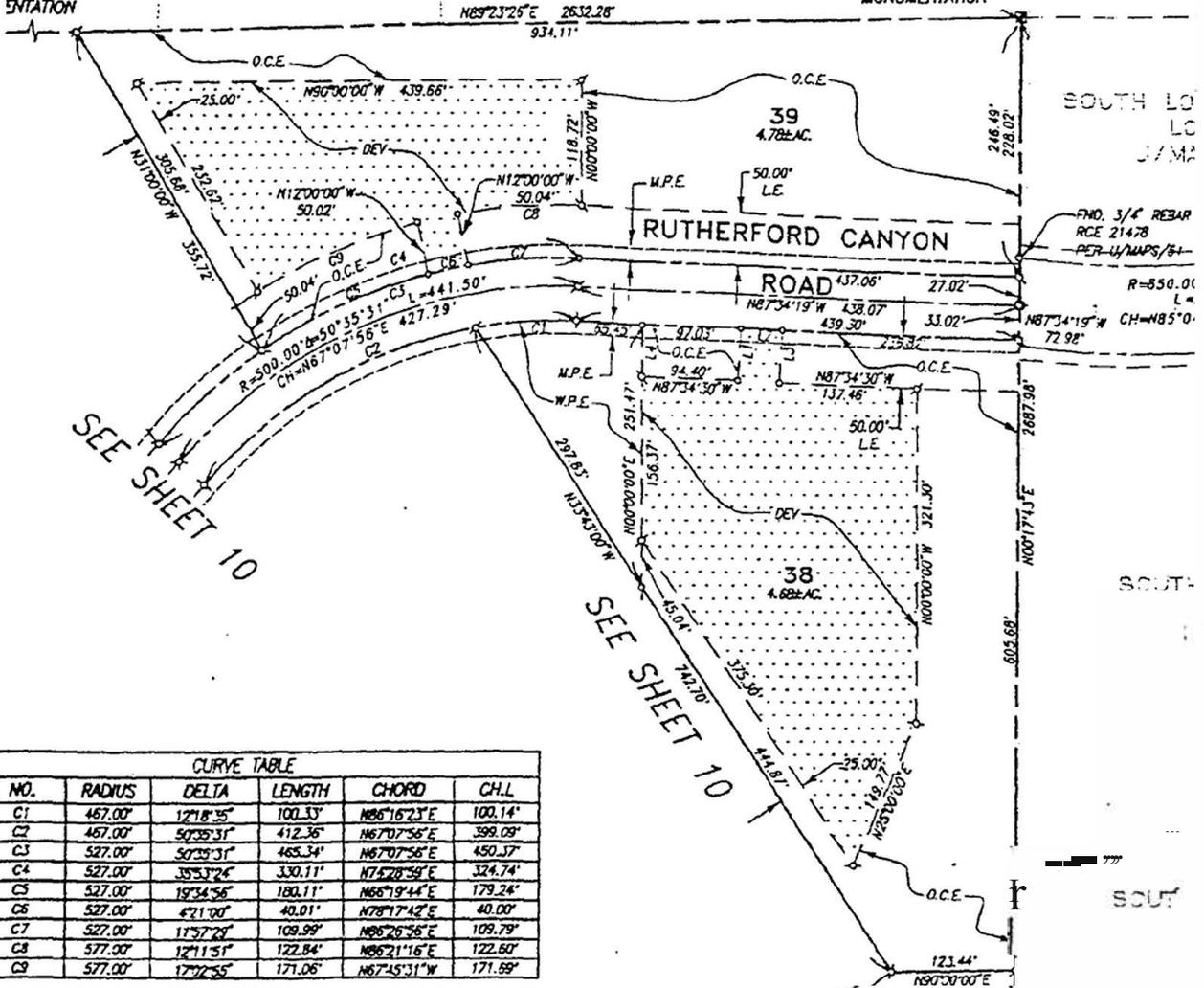
COOPER
2004-0026448

FIELD
2004-0119898

RATH
2002-0

SEE SHEET 2 FOR
ENTATION

SEE SHEET 2 FOR
MONUMENTATION



SEE SHEET 10

SEE SHEET 10

SEE SHEET g

SEE SHEET 2 FOR
MONUMENTATION

| CURVE TABLE | | | | | |
|-------------|---------|------------|---------|-------------|---------|
| NO. | RADIUS | DELTA | LENGTH | CHORD | CH.L |
| C1 | 467.00' | 127°18'35" | 100.33' | N86°16'23"E | 100.14' |
| C2 | 467.00' | 50°39'31" | 412.36' | N67°07'56"E | 398.09' |
| C3 | 527.00' | 50°39'31" | 465.34' | N67°07'56"E | 450.37' |
| C4 | 527.00' | 35°33'24" | 330.11' | N75°28'59"E | 324.74' |
| C5 | 527.00' | 18°34'56" | 180.11' | N66°19'44"E | 179.24' |
| C6 | 527.00' | 4°21'00" | 40.01' | N78°17'42"E | 40.00' |
| C7 | 527.00' | 17°57'29" | 109.99' | N66°26'36"E | 109.79' |
| C8 | 577.00' | 12°11'51" | 122.84' | N66°21'16"E | 122.60' |
| C9 | 577.00' | 17°02'55" | 171.06' | N67°45'31"W | 171.69' |

| LINE TABLE | | |
|------------|-------------|--------|
| NO. | BEARING | LENGTH |
| L1 | N03°00'00"E | 50.02' |
| L2 | N87°34'19"W | 40.00' |
| L3 | N03°00'00"E | 50.01' |
| L4 | N00°00'00"E | 50.06' |

EXIDBITB

DELETED

EXHIBIT C TO CONSERVATION EASEMENT

CC&R EXCERPTS

ARTICLE 1. DEFINITIONS.

1.01. The "Articles" mean the Association's Articles of Incorporation and their amendments.

1.02. "Assessment" means any Regular or Special Assessment made or assessed by the Association against Owners' Lots in accordance with the provisions of Article 7 of this Declaration, and any Compliance Assessment or Damage Reimbursement Assessment charged to an Owner in accordance with Section 7.04 of this Declaration.

1.03. The "Association" means SIERRA de MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain Articles of Incorporation to directly or indirectly maintain and administer the Conservation Area, and to administer and enforce these covenants, conditions and restrictions.

1.04. "Association Rules" mean the rules and regulations adopted by the Board from time to time as provided in Article 6.

1.05. The "Board" means the Board of Directors of the Association.

1.06. "Builder" refers to a person or company which is a licensed professional builder of custom homes and which acquires a Lot for the purpose of building a Residence for or to be sold to another Owner.

1.07. The "Bylaws" mean and refer to the Association's Bylaws and their amendments.

1.08. "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the common benefit of all Owners. Common Expenses shall include all costs and expenses incurred by the Association in connection with the following: (a) owning, insuring, maintaining, managing, operating, repairing and replacing all Conservation Facilities and Maintenance Areas; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, budget preparers, attorneys, viticulturalist and other consultants and any Association employees and all general office and administrative costs and expenses incurred by the Design Review Committee; (c) paying for utilities and other services to the Association Maintenance Areas, for insurance coverage and fidelity bonds as provided for herein, for reasonable out-of-pocket expenses actually incurred by the members of the Board of Directors and officers of the Association in performing their duties as provided herein; and for all other goods and services reasonably required by the Association to perform its powers and duties as set forth herein. The Common Expenses shall also include adequate reserves as the Board shall determine to be appropriate for the repair and/or replacement of those elements of the Maintenance Areas which must be repaired or replaced on a periodic basis, rather than a regular annual basis.

1.09. "Conservation Easements" means, collectively, the Wetland Preservation Easement, the Oak Woodland Conservation Easement and the Agricultural Conservation Easement. Such easements exist in all the areas within the Development which are subject to the easement held by the Conservation

Steward to conserve Woodlands, Wetlands, and other environmentally protected assets of the Property or the easement held by the Association to conserve and maintain the Vineyards and Landscaped Areas of the Property.

A. "Woodlands" means the areas of the Development characterized by trees, dense brush and rocky outcroppings including areas of dense vegetation near wetland areas or protected or endangered habitat or buffer zones for such areas, which portions are to be protected from access or active use by Owners or others and which are subject to other restrictions as more particularly provided in Article 2 below. The Woodlands areas are shown on the subdivision map with the designation "O.C.E."

B. "Wetlands" means those areas that are immdated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under nonnal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include- perennial or seasonal swamps, marshes, bogs and similar areas. The Wetlands are within the areas shown on the subdivision map with the designation "W.P.E."

C. "Vineyards" means all of the area within the Development which is not Woodlands, Wetlands, Landscaped Area, Driveway or Development Envelope and which, from time to time, is used for growing grapes and associated cover crops.

D. "Landscaped Areas" means the portions of the Development which are planted by design and maintained by the Association for erosion control, esthetic and environmental reasons.

1.10. "Conservation Facilities" means the elements and facilities used by the Association in connection with operating and maintaining the Vineyards and Landscaped Areas including: ground lighting and related electrical systems, irrigation systems including pumps, pipes, sprinklers and equipment, ponds, fences, berms, plants of all kinds and other facilities constructed or installed within or connecting to the Vineyards and Landscaped Areas.

1.11. "Conservation Steward" means the Wildlife Heritage Foundation which will monitor and maintain all Conservation Areas except for the Vineyard and Landscape Areas which are managed by the Association.

1.12. The "Corps" shall mean the U.S. Army Corps of Engineers, whose local address is Department of the Army, U.S. Army Engineer District, Sacramento, Corps of Engineers, 1325 J Street, Sacramento, California 95814-2922.

1.13. The "Declarant" means Westwood Montserrat, Ltd., and its successors and assigns, if such successors or assigns shoul acquire five or more undeveloped Lots from Declarant for the purpose of development and sale and be designated as a successor Declarant in a recorded instrument.

1.14. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.

1.15. "Design Guidelines" refers to those certain architectural standards, landsc_ape standards, guidelines, procedures and criteria initially established by Declarant for the Development for the use by the Owner of a Lot in the preparation of plans and specifications for Improvements to be initially built, constructed, erected, planted, or otherwise installed within the Development Envelope of his Lot as further described in Section 4.04. The Design Review Committee shall use the Design Guidelines as the basis for its review of all of such plans and specifications and for review of any proposed additions or alterations after initial construction of any Residence Unit. The Design Guidelines may be supplemented

and revised from time to time as provided in the Article herein entitled "Design Review and Control." A copy of the Design Guidelines may be obtained from the Design Review Committee.

1.16. "Design Review Committee" shall mean and refer to the committee formed by Declarant and the Board pursuant to Article 4 and pursuant to the Bylaws.

1.17. The "Development" means all that certain real property which is described on **Exhibit A** and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.18. "Development Envelope" shall mean the area delineated as "Development Envelope" within a particular Lot as shown on the final map for Sierra de Montserrat within which residential Improvements and landscaping may be developed. The corners of each Development Envelope shall be marked on the ground by granite posts or other permanent markers.

1.19. "Driveway" means the private drive connecting the Development Envelope on a Lot to the public street adjoining the Lot, which Driveway must be located within the Driveway extension of each Development Envelope as shown on the final subdivision map of the Development.

1.20. "Fuel Reduction Zones" means any area from which dry or overgrown vegetation is to be cut back or cleared for fire break purposes.

1.21. "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, the Design Guidelines and the Association Rules.

1.22. "Homesite" means the portion of a Development Envelope improved with a single-family home and other structural Improvements used in connection with the home such as a garage, patio, swimming pool, pool house and the like.

1.23. "Improvement" shall mean any change from natural grade, all structures, landscaping and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, paths, sprinkler pipes, irrigation systems, storm drainage systems, garages, swimming pools, hot tubs, spas, tennis courts and other recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, plantings, planted trees and shrubs, fire breaks, poles, signs, exterior air conditioning fixtures or equipment, solar equipment, and exterior paint or other surfacing material.

1.24. "Individual Charges" means those charges assessed against an Owner to compensate the Association for costs of special repair or compliance actions as provided in Section 7.04.

1.25. A "Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development.

1.26. "Maintenance Areas" shall mean and refer collectively to the following areas (and any Improvements constructed thereon) which, although not owned by the Association, will be maintained by the Association with the costs and expenses of such maintenance to be included within the Common Expenses of the Association:

A. Vineyards;

B. Any entry monuments and landscaped areas or features near such monuments and other Landscaped Areas.

The Maintenance Areas within the Development are generally depicted on **Exhibit F** attached hereto.

1.27. A "Manager" means any professional managing agent to whom the Board has delegated certain powers, duties and responsibilities to manage and maintain the Development and administer the provisions of the Governing Documents.

1.28. A "Member" means a person entitled to membership in the Association as provided in this Declaration.

1.29. A "Mortgage" means a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgagee" and "Mortgage Holder" shall include the beneficiary under a Mortgage and any guarantor or insurer of a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan Association, or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency. A "first" Mortgage or "first" Mortgagee is one having priority as to all Mortgages or holders of Mortgages encumbering the same Lot.

1.30. The "Owner" means the record owner, whether one or more person or entity, of a fee simple title to any Lot which is part of the Development. Any reference to "him" or "his" in connection with an Owner (e.g., "Each Owner and the members of his family ...") is intended to and shall be deemed to include the feminine, neuter and plural pronouns (e.g., she, her, its, their) as appropriate to the nature of the Owner entity. If the Lot is subject to a recorded Land Installment Sale Contract, "Owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.31. "Permanent Protective Fencing" shall mean fencing installed by Declarant and the replacement of such fencing for the purpose of protecting any Conservation Areas which the Town, the Conservation Steward or the Association determines should be protected by fencing.

1.32. "Record" means, with respect to any document, the recordation or filing of such document in the Office of the County Recorder.

1.33. A "Residence Unit" or sometimes simply "Residence" means and refers to the living quarters portion of a Homesite.

1.34. "Security Deposit" means the \$15,000 payment to be held by the Conservation Steward as security against Owner encroachments into Conservation Areas.

1.35. "Single-Family Residential Use" means occupancy and use of a Residence for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning and other applicable laws or governmental regulations limiting the number of persons who may occupy single-family residential dwellings.

1.36. "Voting Power" means the total votes outstanding and vested in Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

1.37. "Wetlands" shall mean the Seasonal Wetland, Riparian Wetland, Freshwater Marsh, and similar areas, the location of which is generally shown in **Exhibit B**, to be protected by the Wetland Preservation Easements.

1.38. "Wetland Preservation Easements" refers to the restrictions applicable to any portions of the Development so designated on the final subdivision map of the Development, which restrictions are for the purpose of protecting and preserving wetland/stream corridor habitats.

ARTICLE 2. PROPERTY RIGHTS; DEVELOPMENT ENVELOPES, EASEMENTS AND OTHER LIMITATIONS.

2.01. General. Sierra de Montserrat is predominantly a Conservation Area. While all the Lots are large (at least 4.6 acres), only a fraction of each Lot may be used for residential and landscaping Improvements making it a Development in which individual Homesites are widely separated by Vineyard, Woodlands and other landscaped or natural areas. Homes and associated Improvements and the private access drive leading to the same must be confined to the Development Envelope and Driveway Area specifically identified on each Lot. The remaining area of each Lot is subject to an easement or, in some cases, more than one easement for preservation and use of such area as Woodland, Wetland, Vineyard or Landscaping as more specifically provided in this Declaration. Generally, the portions of the Conservation Area that are to be simply preserved in their natural condition are subject to an easement in favor of the Conservation Steward; whereas the portions that are to be actively planted and managed are subject to an easement in favor of the Association.

2.02. Development Envelopes. The Development Envelope of each Lot is the area Declarant has identified within which Improvements may be constructed. The general location of each Development Envelope is shown on the final subdivision map of the Development and is shown in greater detail together with the Driveway location in the Development Notebook which Declarant shall prepare for each Lot. The Development Notebook will include a drawing of each Lot which will show: the dimensions and location of the Development Envelope in relation to the boundaries and the Driveway Area within which a single private Driveway may be located leading from the public road to the Development Envelope; the general location of any heritage oak trees that must be protected, or dense trees or brush that may require trimming for fire safety purposes; any seasonal or riparian Wetland; or similar features that should be taken into account in connection with planning Improvements to be located within the Development Envelope on that Lot. Any Improvements of any kind including not only a residential structure, but any associated structures like garages, patios, recreation facilities such as tennis court, swimming pool, gazebo or pool house, landscaping or grading for any purpose whether practical or esthetic and installation or any outdoor lighting, fencing, walls, or terraces shall be strictly confined to and located wholly within the Development Envelope. Vehicular access and roadway Improvements for such access between the public road and the Development Envelope shall be confined to the Driveway Area located as shown in the Development Notebook.

A. Development Envelope Markers. Declarant shall mark the corners of each Development Envelope on the ground by placement of granite posts, boulders or concrete markers or a combination thereof which shall not be movable. The Development Envelope shall be the multi-sided space that would be encompassed if a straight line were drawn from one Development Envelope Marker to the next, although there shall be no actual fence or wall connecting the Development Envelope Markers.

B. Disclaimer of Use Rights Outside Development Envelopes. Each Owner, by acceptance of a deed to any Lot within the Development, shall be deemed to acknowledge and agree that such Owner's fee title shall be subject to the various conservation and other easements described in this Declaration as to the entire area of the Lot, excepting only the Development Envelope and the Driveway. While an Owner shall have fee title to his entire Lot, he/she shall be deemed to have waived any right of access or use of the portion of his Lot which lies outside of the Development Envelope and the Driveway. Any right that may be implied by the general law of easements to the effect that an easement area may be

used for any purpose which does not interfere with exercise of the easement rights is disclaimed. Except for certain areas of certain Lots as specified in Section 2.03A(2), any use of any conservation easement of any kind by any individual Owner, as opposed to the grantee of the easement, shall automatically be deemed to be an unpermitted encroachment inconsistent with the easement rights.

C. Security Deposit to Prevent/Repair Encroachment. Upon the close of escrow through which each Lot is initially transferred from Declarant to a Builder or other Owner, and subsequently upon the transfer of such Lot from the Builder to another Owner or from the Owner to a successor Owner, such new Owner shall put up, in cash, a Security Deposit of \$15,000.00. Such amount shall be paid over to the Conservation Steward to be held in trust as security to be used in the event that such Owner defaults in his covenant not to encroach upon the Conservation Areas which surround his Development Envelope.

(1) Encroachment. As used in this paragraph "encroachment" into a Conservation Area includes, but is not limited to an Owner doing or permitting another person to do any of the following actions: relocating or attempting to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope (except as specified in Section 2.03A(2) below); depositing any trash, organic material, liquids, construction material, personal property or any other items outside of his Development Envelope; introducing or keeping any animals or allowing any animals to roam outside his Development Envelope; parking any vehicle outside his Development Envelope; or in any other way interfering with or damaging the Conservation Area which adjoins his Development Envelope.

(2) Application and Restoration of Deposit. Upon the discovery of any such encroachment, the Conservation Steward shall use the Security Deposit of the defaulting Owner to the full extent necessary to: restore the Development Envelope Markers to their proper position; remove any Improvements or take any other action necessary or appropriate to remove and remediate the effects of the encroachment; and, if necessary, initiate and pay attorneys fees for any legal action against the defaulting Owner for restoration, remediation, enforcement and money damages. To the extent that the defaulting Owner's entire Security Deposit is insufficient to pay the remediation costs, the Conservation Steward shall then, to the extent necessary, collect the remainder of the costs from the defaulting Owner. Whenever any part of his/her Security Deposit is used by the Conservation Steward, the defaulting Owner shall be required to immediately restore his Security Deposit to \$15,000.00.

(3) Refund and Replacement of Security Deposit. Whenever an Owner (other than Declarant) transfers title to his Lot, he shall be entitled to a refund of his \$15,000.00 Security Deposit (but not any interest) through the escrow used to consummate the transfer conditioned upon (a) the transferring Owner's obtaining a written confirmation from the Conservation Steward that there is then no encroachment with respect to such Lot and (b) obtaining from the transferee Owner a replacement Security Deposit to be forwarded to the Conservation Steward in exchange for the refunded Security Deposit. The Conservation Steward shall be obligated to furnish the written confirmation statement referred to in clause (a) within 10 days of receiving a request for it from the Owner or Escrow Holder involved in a pending transfer of the Lot. In the event that title to a Lot is transferred by foreclosure, or deed in lieu thereof, the

Security Deposit shall remain in the Conservation Steward's trust fund and shall be credited to a successor Owner who acquires title through the foreclosing lender.

D. Amendment of This Section. None of the provisions of this Section 2.02 may be amended except with the prior consent of the Conservation Steward and execution on behalf of the Conservation Steward of any document evidencing such amendment.

2.03. Easements In Favor of Conservation Steward. Prior to the first transfer of a Lot by Declarant to an Owner, Declarant shall have granted to the Conservation Steward an easement for monitoring, maintaining and preserving all Wetlands and Woodlands area of the Development including the right to inspect the same periodically to ensure that no Owner is committing an encroachment of or from his Development Envelope into any adjoining Wetlands or Woodlands and that the Association is not committing an encroachment of or from any Vineyard, Landscaped Area or Conservation Facilities into any adjoining Wetlands or Woodlands.

A. Terms of Conservation Easement. The specific terms, conditions, rights and obligations of the Conservation Steward shall be set forth in a written easement agreement (the "Conservation Easement") which Declarant shall grant to the Conservation Steward and record, concurrently with the recordation of this Declaration. The Conservation Steward may act as, if qualified, or may engage a competent biologist (the "Consulting Biologist"), professionally trained in matters related to the conservation and preservation of natural resource values to undertake an annual field review and prepare an annual report with respect to the status of the Woodland and Wetland Conversation Areas. The Conservation Steward may also act as, if qualified, or may engage an arborist to serve as a monitor (the "Arborist") with respect to the Woodlands and any heritage oak trees or replacement habitat within the Woodlands. Except for any remediation or enforcement costs payable out of the Security Deposits as described in Section 2.02, the fees and expenses of the Conservation Steward shall be paid through an endowment established by Declarant pursuant to a separate agreement with the Conversation Steward.

(1) The portions of the Development encumbered by the Conservation Easement in favor of the Conservation Steward shall necessarily be outside of the Development Envelope of each Lot and therefore shall not be subject to any use or maintenance activity by any Owner, except as provided in paragraph (2) of this Section 2.03A. Maintenance activity on that portion of any Lot which is subject to the Conservation Easement shall be undertaken only by or at the direction of the Conservation Steward and shall be allowed only for the benefit of fish, wildlife, fire protection and water quality resources, and for the elimination of diseased growth, or as otherwise permitted by the Conservation Easement.

(2) Within Lots 1 - 5, 21 - 26, 28 - 53, 59, 60 and 61, the 50-foot landscape easement (shown as "LE" on the subdivision map of the Development) adjoins the public roadway. The Owner of each such Lot shall assist the Conservation Steward in maintaining both fire safety and natural appearance by: (i) periodically cutting dry grasses, weeds and underbrush; and (ii) subject to approval of the Design Review Committee, planting drought resistant and fire resistant trees and shrubs. Such limited landscaping and landscape maintenance within this 50-foot LE shall be an exception to the general prohibition of any activity outside of the Development Envelope and shall not be considered an encroachment into the Conservation Area provided that such landscape installation and maintenance within the LE shall be subject to the Design Guidelines and, if deemed appropriate by the Design Review Committee, consultation with the Conservation Steward, recognizing that these roadside LE areas are part of the O. C. E.

Conservation Area, but will require regular management and maintenance more appropriately given by the Lot Owner rather than the Conservation Steward.

B. Conservation Steward's Enforcement Rights. The Conservation Steward shall have standing to bring an action in its own right to enjoin any violation or enforce the provisions of the Conservation Easement. If the Conservation Steward determines that Declarant is in violation of the terms of the Conservation Easement or that a violation is threatened, the Conservation Steward shall give written notice to Declarant *or its successors which shall include the Owner of the Lot with respect to which an encroachment or other violation has occurred or is threatened*, specifying such violation and demanding corrective action sufficient to cure the violation. The Conservation Steward shall send a copy of such violation notice to the Board of the Association. Where the violation involves injury to Wetlands and such violation is not cured within 30 days, the Conservation Steward shall report the violation and inaction to the Corps and any other appropriate governing agency. The Conservation Steward may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of the Conservation Easement, to enjoin the violation by temporary or permanent injunction, to recover any damages for violation of the terms of the Conservation Easement or injury to any Wetlands and to require the restoration of the Wetlands to the condition that existed prior to any such injury. The Conservation Steward's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of Civil Code § 815 et seq. are incorporated herein by this reference and the Conservation Easement is made subject to all of the rights and remedies set forth therein. In any such action, the Conservation Steward, if it prevails, shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement the exact amount of which is difficult to ascertain. Such liquidated damages shall be 50% of (and in addition to) its reasonable attorneys' fees. Nothing contained in the Conservation Easement shall be construed to entitle the Conservation Steward to bring any action against Declarant, the Association or any Owner for any injury to or change in the Wetlands or Woodlands resulting from causes beyond their control, including, without limitation, fire, flood, storm or earth movement. As provided in Section 11.03, no amendment of this section or termination of this Declaration shall be effective without the written consent of the Conservation Steward, the Town of Loomis and the U.S. Army Corps of Engineers.

2.04. Easements In Favor of the Association. All of the Conservation Easements which are not in favor of the Conservation Steward shall be easements in favor of the Association for the maintenance of the Vineyards, other Landscaped Areas and the Conservation Facilities which are necessary or incidental to the Vineyards and Landscaped Areas.

A. Vineyards. In keeping with the Agricultural/Residential zoning of the Property; Declarant's development plan contemplates that Declarant will plant and establish grape vines in all the areas not restricted to another use, all such areas combined being referred to herein as the Vineyard. Declarant intends that 40 to 50 acres of the Development will be Vineyard and that a substantial portion of Lots in the west half of the Development and some portion of Lots in the southern part of the east half of the Development will be established as Vineyard. The entire Vineyard will be subject to an easement in favor of Declarant to complete the planting and the Association to maintain the same. If a winery is developed on Lot 62, the Association shall also grant to the Owner of such Lot an easement to harvest the grapes sold to the winery.

B. Landscaped Areas. The Landscaped Areas, other than Vineyard, consist of areas to be planted, irrigated and maintained by the Association. These shall be primarily along the right-of-way for Rutherford Road, within cul-de-sacs and along and the multi-use pathway which will be installed along one side of the public right-of-way throughout the Development, plus minor plantings within Rutherford Road at the entrances at the east and west end of the Development and some areas of Lots 40,

41, 48 and 49 and where managed-landscaping is appropriate because of terrain or Wetlands restrictions. Declarant may also create a fallow area or landscaped buffer zone where Vineyard adjoins Wetlands.

C. Conservation Facilities. The Conservation Facilities consist of Improvements which are installed to maintain and protect portions of the Conservation Areas and include, but are not limited to: pipes, lines, electrical connections and conduits, timers and other elements of the systems for delivering irrigation water to Vineyards and Landscaped Areas; ponds which serve as an esthetic feature and source of possible frost protection spray for the Vineyard; and pump, lift station or filtration equipment used in connection with the delivery of irrigation water. Lots which are subject to easements in favor of the Declarant for installation and the Association for maintenance of Conservation Facilities include:

(1) Lot 9 which shall include a pond in the northeast corner; Lot 20 which shall include a pond in the northwest corner and within or near Lots 9 and/or 20 there shall be a pump, fertilization and filtration system used in connection with the ponds; and

(2) Lots 24 and 25 along the common boundary of which will be an underground pipeline which will continue along the side of Lot 28 and carry irrigation water north within the right-of-way of Sable Ridge Court and Rutherford Road and then northwesterly in Shady Canyon Road.

***** End of Exhibit C to Conservation Easement*****"

Exhibit»

Fuels Reduction/Fire Safe Plan

The Public Resources Code 4291 requires the following vegetation manipulation adjacent to a house, building or other structure. Initially the responsibility for fuel reduction will be that of the builder. Subsequent to selling of the lot the responsibility will fall to the homeowner.

1. Maintain around and adjacent to a house, building or other structure a firebreak made by removing and clearing away, for a distance not less than 30 feet on each side or to the property line, whichever is nearer, all flammable vegetation or other combustible growth. This does not apply to single specimen of trees, ornamental shrubbery, or similar plants that are used as ground cover, if they do not form a means of rapidly transmitting fire from the native growth to any house, building or other structure.
2. Remove that portion of any tree that extends within 10 feet of the outlet of any chimney or stovepipe.
3. Maintain any tree adjacent to or overhanging any building free of dead or dying wood.
4. Maintain the roof of any structure free of leaves, needles, or other dead vegetative growth.
5. Provide and maintain at all times a screen over the outlet of every chimney or stovepipe that is attached to any fireplace, stove, or other device that burns any solid or liquid fuel

Within the Development Envelope of each subdivision Lot, but beyond the 30 foot buffer zone around a house, building or other structure mentioned above, the following fuels reduction/fire safe procedures must be followed. The responsibility for these efforts are initially the builder's but after purchase of the Lot the responsibility falls to the Lot owner.

1. All dead or dying trees, regardless of diameter, within the Development Envelope must be removed.
2. All trees 3" and less in diameter at ground level and that are located within the drip line of an overstory tree must be removed.
3. All brush located within the drip line of an overstory tree must be removed.
4. All annual grasses within the Development Envelope are to be maintained to less than 6 inches in height.
5. All trees greater than 8 inches in diameter will be pruned to a height of 8 feet off the forest floor, not to reduce the live crown ratio below $\frac{1}{2}$ the height of the tree.
6. Within 100 feet of existing structures all annual ~~grasses~~ to be maintained to less than 6 inches in height

Adjacent to any structure a 100 foot wide modified shaded fuel break must be established on sides that border an open space or common area. The area will be designated as the Building Envelope Buffer Zone (BEBZ). The homeowner shall be responsible for the established and maintenance of this modified shaded fuel break area inside the Development Envelope. However, for any of this area outside the Development Envelope the established and maintenance of this modified shaded fuel break will be the responsibility of the Home Owner's Association. A modified shaded fuel break is defined as a defensible location to be used by fire suppression resources to suppress oncoming wildfires. It is the location where the fuel has been modified to increase the probability of success for fire suppression activities. Ground based fire suppression resources can use the location for direct attack or firing out. Air resources can use the location for fire retardant drops. The public and fire resources can use the location for more efficient ingress and egress.

1. All dead and dying vegetation will be removed from the BEBZ.
2. All trees greater than 7 inches in diameter will be retained but must be pruned to height of 8 ft not to reduce the live crown ratio of the plant to below 50%.
3. All trees less than 6 in diameter and that are within the drip line of overstory trees must be removed.

4. Individual plants or groups of plants up to 10 feet in canopy diameter may be retained provided there is a horizontal separation between plants of 3 times the height for low volatility brush or 5 times the height for high volatility brush of the residual plants and the residual plants are not within the drip lines of an overstory.
5. One live but defective tree larger than 10 inches diameter providing cavities or obvious wildlife use will be retained per BEBZ.
6. All conifers species such as grey pine and ponderosa pine all regardless of diameter and that have single leaders and thrifty crowns with at least 1/3 live crown ratio shall be retained unless they are in the drip line of an overstory tree.

Low Volatility Species

| | |
|------------------|-------------|
| Dogwood | Whitethorn |
| Lemmon ceanothus | Buck brush |
| Buckbrush | Coffeeberry |

High Volatility Species

| | |
|------------|-----------|
| Deer brush | Manzanita |
| Chamise | |

Vegetation within the oak woodlands conservation area that occur outside the zones described above will be subject to some fuels management after the subdivision is well established. A fuels management plan will be developed by the Home Owner's Association in consultation with the Conservation Steward (Wildlife Heritage Foundation). The final fuels management plan requires the approval of the Conservation Steward.

There will be no fuels management activity within the Wetlands Conservation Area.

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

SUPPLEMENTAL DECLARATION AND AGREEMENT
REGARDING ENFORCEMENT FUND

THIS SUPPLEMENTAL DECLARATION AND AGREEMENT REGARDING ENFORCEMENT FUND ("Agreement") is made this __ day of _____, 2006, by WESTWOOD MONTSERRAT, LTD., a California limited partnership ("Declarant"), and WILDLIFE HERITAGE FOUNDATION, a California nonprofit corporation under 501(c)(3) of the Internal Revenue Code ("Conservation Steward") between themselves and for the benefit of and the SIERRA DE MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation ("Association").

1. BACKGROUND

1.1 Development. Declarant is the sole owner, in fee, of certain real property (the "Development") located in the Town of Loomis, County of Placer, State of California, commonly known as "Sierra de Montserrat" as shown on the final subdivision map thereof recorded on _____ 2005 in Book _____ of Maps, beginning at page _____ Official Records of Placer County, California (the "Final Map"), a reduced copy of which subdivision map is attached hereto as Exhibit A.

1.2 Declaration. The Development is within the definition of a planned development project under Section 1351(k) of the California Civil Code and shall be governed in accordance with that certain Declaration of Covenants, Conditions, Restrictions and Easements for Sierra de Montserrat ("Declaration") which Declaration was recorded against the Development on _____, 2006 as Document No. _____ Official Records of Placer County, California. The definitions contained in Article 1 of the Declaration shall have the same meaning when used in this Agreement and are attached hereto as Exhibit B.

1.3 Conservation Easements. Declarant has, or prior to the first conveyance of any Lot in the Development shall, grant certain Conservation Easements to the Association for the maintenance of Vineyards, Landscaped Areas and Conservation Facilities within the Subdivision. Declarant also has, or prior to the first conveyance of any Lot in the Development shall, record the Grant and Agreement Regarding Perpetual Conservation Easements (referred to herein as "Grant") by which Declarant grants to the Conservation Steward a Wetland Preservation Easement ("WPE") and an Oak Woodland Conservation Easement ("OCE") in and to each of the areas shown as such on the Final Map attached hereto as Exhibit A.

1.4 Security Deposits. Section 2.02 of the Declaration provides, among other things, for each purchaser of a Lot to pay \$15,000 which is to be held by the Conservation Steward as security to enforce the Owner's covenant to confine his improvements to the Development Envelope of his Lot, not to encroach into any WPE or OCE or other Conservation Easement area, and to pay the cost of restoration or other enforcement action if such covenant is breached. The aggregate of such Security Deposits means and is referred to herein as the "**Enforcement Fund.**"

1.5 Purpose. The purpose of this Agreement is to supplement the provisions of the Declaration by setting forth how the Conservation Steward will maintain, use and account for the Enforcement Fund.

2. ENFORCEMENT FUND

2.1 General Provisions Regarding Security Deposits. Section 2.02, paragraph C of the Declaration provides the framework with respect to the collection, use and refund of Security Deposits as follows:

"Security Deposit to Prevent/Repair Encroachment. Upon the close of escrow through which each Lot is initially transferred from Declarant to a Builder or other Owner, and subsequently upon the transfer of such Lot from the Builder to another Owner or from the Owner to a successor Owner, such new Owner shall put up, in cash, a Security Deposit of \$15,000.00. Such amount shall be paid over to the Conservation Steward to be held in trust as security to be used in the event that such Owner defaults in his covenant not to encroach upon the Conservation Areas which surround his Development Envelope.

(I) Encroachment. As used in this paragraph "encroachment" into a Conservation Area includes, but is not limited to an Owner doing or permitting another person to do any of the following actions: relocating or attempting to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope; depositing any trash, organic material, liquids, construction materials, personal property or any other items outside of his Development Envelope; parking any vehicles outside his Development Envelope; introducing or keeping any animals or allowing any animals to roam outside his Development Envelope; or in any other way interfering with or damaging the Conservation Area which adjoins his Development Envelope.

(2) Application and Restoration of Deposit. Upon the discovery of any such encroachment, the Conservation Steward shall use the Security Deposit of the defaulting Owner to the full extent necessary to: restore the Development Envelope Markers to their proper position; remove any Improvements or take any other action necessary or appropriate to remove and remediate the effects of the encroachment; and, if necessary, initiate and pay attorneys fees for any legal action against the defaulting Owner for restoration, remediation, enforcement and money damages: To the extent that the defaulting Owner's entire Security Deposit is insufficient to pay the remediation costs, the Conservation Steward shall then, to the extent necessary, collect the remainder of the costs from the defaulting Owner. Whenever any part of his/her Security Deposit is used by the Conservation Steward, the defaulting Owner shall be required to immediately restore his Security Deposit to \$15,000.00.

(3) Refund and Replacement of Security Deposit. Whenever an Owner (other than Declarant) transfers title to his Lot, he shall be entitled to a refund of his \$15,000.00 Security Deposit (but not any interest) through the escrow used to consummate the transfer conditioned upon (a) the transferring Owner's obtaining a written confirmation from the Conservation Steward that there is no encroachment with respect to such Lot and (b) obtaining from the transferee Owner a replacement Security Deposit to be forwarded to the Conservation Steward in exchange for the refunded Security Deposit. The Conservation Steward shall be obligated to furnish the written confirmation statement referred to in clause (a) within 10 days of receiving a request for it from the Owner or Escrow Holder involved in a pending transfer of the Lot. **In the event that title to a Lot is transferred by foreclosure, or deed in lieu thereof, the Security Deposit shall remain in the Conservation Steward's trust fund and shall be credited to a successor Owner who acquires title through the foreclosing lender."**

2.2 Conservation Steward's Enforcement Rights. Section 4.5 of the Grant sets for the rights of the Conservation Steward with respect to enforcement actions which include, without limitation:

(a) The Conservation Steward shall have the right, after notifying the Association, to bring an action in its own right and its own name, to enjoin any violation or enforce the provisions of the Grant.

(b) If the violation pertains to the WPE/Conservation Area, the Conservation Steward may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Agreement, to enjoin the violation *ex parte*, as necessary, by temporary or permanent injunction to recover any damages to which the Conservation Steward may be entitled for violation of the terms of this Agreement, or injury to any Conservation Values, and to require the restoration of the WPE/Conservation Area to the condition that existed before any such injury.

(c) The Conservation Steward, in its sole discretion, may apply damages recovered to the cost of undertaking any corrective action on the WPE/Conservation Area.

(d) If Conservation Steward prevails in any such action, it shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement. Such liquidated damages shall be a sum equal to 50% of (and in addition to) its reasonable attorneys' fees which represents a reasonable estimate of the costs that will be sustained by the Conservation Steward from undertaking an enforcement action, including administrative and other overhead costs.

2.3 Establishment and Administration of the Enforcement Fund. The Conservation Steward shall establish and keep records of the Enforcement Fund as follows:

(a) Upon each close of escrow through which the Conservation Steward receives a Security Deposit as required under Section 2.02, paragraph C of the Declaration as quoted above, the Conservation Steward shall enter such Security Deposit into the Enforcement Fund records by noting the date of receipt, the Lot number, street address and Owner's name with respect to such Security Deposit.

(b) If any remediation or enforcement action is necessary or appropriate with respect to a Lot (as described in Section 2.2 above or Section 2.02, paragraph C(2) of the Declaration) the Conservation Steward shall send, by overnight courier or registered mail with return receipt requested, a written notice ("**Enforcement Notice**") to the Owner of the Lot in question. The Enforcement Notice

To Grantee: Wildlife Heritage Foundation
Attn: Patrick J. Shea
P.O.Box818
Rancho Cordova, CA 95741-0818

To Association: Sierra de Montserrat Owners Association
c/l Westwood Montserrat Ltd.
11231 Gold Express Drive, Suite 108
Gold River, CA 95670

3.2 Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable federal laws.

3.3 Successors. The covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assignees and shall continue as servitudes running in perpetuity with the Conservation Areas and the Lots.

3.4 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not part of this instrument and shall have no effect on construction or interpretation.

3.5 Third-Party Beneficiary. Declarant and Conservation Steward acknowledge that the Association is a third-party beneficiary of this Agreement with respect to the right to receive the annual reports described in Section 2.4.

IN WITNESS WHEREOF, Declarant, as owner of the fee interest in the Property shown in Exhibit A and Conservation Steward, as holder of the WPE and OCE easements shown in Exhibit A and of the Enforcement Fund, referred to herein have executed this Agreement the day and year first above written.

DECLARANT :

Westwood Montserrat, Ltd.

By: _____

CONSERVATION STEWARD:

Wildlife Heritage Foundation, a California
Nonprofit Corporation

By: _____

***** End of Exhibit E to Conservation Easement; attachments not included *****

EXHIBIT F

Section 10 - Financial Summary

PIUJefy r & Sierra de Montsemit-Westwood Homes Dalaset: CA005 PAR ID: MONTSER 11.03/2005

| PAR(159 ac.) | | |
|--|-----------|----------------|
| | Rate % | Total \$ |
| INITIAL FINANCIAL REQUIREMENTS | | |
| I&C Revenue | | 0 |
| I & C Management Coses | | 1,846 |
| I & C Contingency Expens41 | 10.00 | 185 |
| Total I & C Management Costs | | 2,031 |
| I & C Adminlstralve Casis of Total I & C Management C051s | 18.00 | 366 |
| T<Call & C Costs | | 2,397 |
| Net I & C Management and Adminislvlve C<ists | | 2,397 |
| ANNVAL ONGOING FINANCIAL REQUIREMENTS | | |
| Ongoing Costs | | 8,096 |
| Ongoing Con ngency Exp«,se | 10.00 | 810 |
| Total Ongoing Management Costs | | 8,906 |
| Ongoing AdminimUve ts of Total Ongoing Management costs | 18.00 | 1,603 |
| Total Ongoing Costs | | 10,509 |
| ENOOWMENT REQUIREMENTS FOR ONGOING STEWARDSHIP | | |
| Endowment to Prolride Income of S 10,509 | | 233,533 |
| Endowment per Acre Is \$ 1,472. | | |
| Ongoing Management C0,1s Based on 4.50% of t per Year. | | |
| Ongong Management Funding is S 10,509 par Year Resullng in S66 per Aae p « Year. | | |
| TOTAL CONTRIBUTION | | 235,930 |

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Westwood Montserrat, Ltd.
Attn: Curtis A. Westwood
11231 Gold Express Drive
Gold River, CA 95670

CERTIFIED TO BE A TRUE COPY
RECORDED Ja. 1, 0 <..o
-BNtt-CI!.J<f... 31Z-fO)
SERIESNo. 200<e:at?r}. -\q1
STEWART TITLE OF PLACER
BY SE?Si

SUPPLEMENTAL DECLARATION AND AGREEMENT
REGARDING ENFORCEMENT FUND

THIS SUPPLEMENTAL DECLARATION AND REEMENT REGARDING
ENFORCEMENT FUND ("Agreement") is made this f/L day of I lijl 006, by
WESTWOOD MONTSERRAT, LTD., a California limited partnership ("Declarant"), and WILDLIFE
HERITAGE FOUNDATION, a California nonprofit corporation under 501(cX3) of the Internal Revenue
Code ("Conservation Steward") between themselves and for the benefit of the SIERRA DE
MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation ("Association").

1. BACKGROUND

1.1 Development. Declarant is the sole owner, in fee, of certain real property
"Development") located in the Town of Loomis, County of Placer, State of California, commonly known
as "Sierra de Montserrat" as shown on the final subdivision map thereof recorded on January 18, 2006 in
Book AA of Maps, beginning at page 92, Official Records of Placer County, California (the "Final
Map"), a reduced copy of which subdivision map is attached hereto as Exhibit A.

1.2 Declaration. The Development is within the definition of a plan;ted
development project under Section 1351(k) of the California Civil Code and shall be governed in
accordance with that certain Declaration of Covenants, Conditions, Restrictions and Easements for Sierra
de Montserrat ("Declaration") which Declaration was recorded against the Development on
Febtr S, 2006 as Document No. Joo, 1'319S"D Official Records of Plaber County,
California. The definitions contained in Article 1 of the Declaration shall have the same meaning when
used in this Agreement and are attached hereto as Exhibit B.

1.3 Conservation Easements. Declarant has, or prior to the first conveyance of any
Lot in the Development shall, grant certain Conservation Easements to the Association for the
maintenance of Vineyards, Landscaped Areas and Conservation Facilities within the Subdivision.
Declarant also has, or prior to the first conveyance of any Lot in the Development shall, record the Grant
and Agreement Regarding Perpetual Conservation Easements (referred to herein as nGrait") by which
Declarant grants to the Conservation Steward a Wetland Preservation Easement ("WPE") and an Oak .
Woodland Conservation Easement ("OCE") in and to each of the areas shown as such on the Final Map
attached hereto as Exhibit A.

1.4 Security Deposits. Section 2.02 of the Declaration provides, among other
things, for each purchaser of a Lot to pay \$15,000 which is to be held by the Conservation Steward as
security to enforce the Owner's covenant to confine his improvements to the Development Envelope of
his Lot, not to encroach into any WPE or OCE or other Conservation Easement area, and to pay the cost

of restoration or other enforcement action if such covenant is breached. The aggregate of such Security Deposits means and is referred to herein as the "Enforcement Fund."

1.5 Purpose. The purpose of this Agreement is to supplement the provisions of the Declaration by setting forth how the Conservation Steward will maintain, use and account for the Enforcement Fund.

2. ENFORCEMENT FUND

2.1 General Provisions Regarding Security Deposits. Section 2.02, paragraph C of the Declaration provides the framework with respect to the collection, use and refund of Security Deposits as follows:

"Security Deposit to Prevent/Repair Encroachment. Upon the close of escrow through which each Lot is initially transferred from Declarant to a Builder or other Owner, and subsequently upon the transfer of such Lot from the Builder to another Owner or from the Owner to a successor Owner, such new Owner shall put up, in cash, a Security Deposit of \$15,000.00. Such amount shall be paid over to the Conservation Steward to be held in trust as security to be used in the event that such Owner defaults in his covenant not to encroach upon the Conservation Areas which surround his Development Envelope.

(1) Encroachment. As used in this paragraph "encroachment" into a Conservation Area includes, but is not limited to an Owner doing or permitting another person to do any of the following actions: relocating or attempting to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope; depositing any trash, organic material, liquids, construction materials, personal property or any other items outside of his Development Envelope; parking any vehicles outside his Development Envelope; or in any other way interfering with or damaging the Conservation Area which adjoins his Development Envelope.

(2) Application and Restoration of Deposit. Upon the discovery of any such encroachment, the Conservation Steward shall use the Security Deposit of the defaulting Owner to the full extent necessary to: restore the Development Envelope Markers to their proper position; remove any Improvements or take any other action necessary or appropriate to remove and remediate the effects of the encroachment; and, if necessary, initiate and pay attorneys fees for any legal action against the defaulting Owner for restoration, remediation, enforcement and money damages. To the extent that the defaulting Owner's entire Security Deposit is insufficient to pay the remediation costs, the Conservation Steward shall then, to the extent necessary, collect the remainder of the costs from the defaulting Owner. Whenever any part of his/her Security Deposit is used by the Conservation Steward, the defaulting Owner shall be required to immediately restore his Security Deposit to \$15,000.00.

(3) Refund and Replacement of Security Deposit. Whenever an Owner (other than Declarant) transfers title to his Lot, he shall be entitled to a refund of his \$15,000.00 Security Deposit (but not any interest) through the escrow used to consummate the transfer conditioned upon (a) the transferring Owner's obtaining a written confirmation from the Conservation Steward that there is then no encroachment

with respect to such Lot and (b) obtaining from the transferee Owner a replacement Security Deposit to be forwarded to the Conservation Steward in exchange for the refunded Security Deposit. The Conservation Steward shall be obligated to furnish the written confirmation statement referred to in clause (a) within 10 days of receiving a request for it from the Owner or Escrow Holder involved in a pending transfer of the Lot. In the event that title to a Lot is transferred by foreclosure, or deed in lieu thereof, the Security Deposit shall remain in the Conservation Steward's trust fund and shall be credited to a successor Owner who acquires title through the foreclosing lender."

2.2 Conservation Steward's Enforcement Rights. Section 4.5 of the Grant sets forth the rights of the Conservation Steward with respect to enforcement actions which include, without limitation:

(a) The Conservation Steward shall have the right, after notifying the Association, to bring an action in its own right and its own name, to enjoin any violation or enforce the provisions of the Grant.

(b) If the violation pertains to the WPE/Conservation Area, the Conservation Steward may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Agreement, to enjoin the violation *ex parte*, as necessary, by temporary or permanent injunction to recover any damages to which the Conservation Steward may be entitled for violation of the terms of this Agreement, or injury to any Conservation Values, and to require the restoration of the WPE/Conservation Area to the condition that existed before any such injury.

(c) The Conservation Steward, in its sole discretion, may apply damages recovered to the cost of undertaking any corrective action on the WPE/Conservation Area.

(d) If Conservation Steward prevails in any such action, it shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement. Such liquidated damages shall be a sum equal to 50% of (and in addition to) its reasonable attorneys' fees which represents a reasonable estimate of the costs that will be sustained by the Conservation Steward from undertaking an enforcement action, including administrative and other overhead costs.

2.3 Establishment and Administration of the Enforcement Fund. The Conservation Steward shall establish and keep records of the Enforcement Fund as follows:

(a) Upon each close of escrow through which the Conservation Steward receives a Security Deposit as required under Section 2.02, paragraph C of the Declaration as quoted above, the Conservation Steward shall enter such Security Deposit into the Enforcement Fund records by noting the date of receipt, the Lot number, street address and Owner's name with respect to such Security Deposit

(b) If any remediation or enforcement action is necessary or appropriate with respect to a Lot (as described in Section 2.2 above or Section 2.02, paragraph C(2) of the Declaration) the Conservation Steward shall send, by overnight courier or registered mail with return receipt requested, a written notice ("Enforcement Notice") to the Owner of the Lot in question. The Enforcement Notice shall specify the encroachment, the correction required and the cure period which shall be not less than 10 nor more the 30 days from the date when the Enforcement Notice is sent) within which the Owner may effect the correction at his/her own expense. Such Enforcement Notice shall also state that, if the Owner does not begin and diligently proceed to complete the required correction within the cure period, the Conservation Steward will proceed to do so and will charge all costs thereof against the Security Deposit

of the Owner in question and such Owner will then be liable for the amount necessary to restore the Security Deposit to \$15,000 and for the full amount, if any, by which the total cost of correction, any enforcement action and liquidated damages (as described in subparagraph (d) above) exceeds \$15,000. The Conservation Steward may enforce each Owner's obligation to maintain his/her \$15,000 Security Deposit by legal action as for the collection of a debt in Small Claims Court or otherwise and the Owner shall be liable for any attorneys' fees and costs in addition to the amount owed for restoration of his Security Deposit and correction costs.

(c) The Conservation Steward shall, within 10 business days of any request by any Owner or any escrow agent or broker involved in the sale or other transfer of a Lot, provide the confirmation of the status of the Security Deposit for the Lot in question as described in Section 2.02, subparagraph C(3) of the Declaration.

2.4 Fund Investment and Reporting to the Association Board. The Conservation Steward shall act as a trustee of the Enforcement Fund and shall cause the total to be invested in accordance with the investment policy of the Conservation Steward's Board of Directors. The interest earned on the Enforcement Fund shall be added to the principal but may be used to pay the Conservation Steward's cost of performing any and all of enforcement actions and proceedings. In the event that the total balance of the Enforcement Fund, including interest earned thereon, exceeds \$1.2 million, the amount in excess of \$1.2 million shall be used in the following priority as determined by the Conservation Steward: (i) first, for repairs and/or replacement of the post and cable fencing which is adjacent to the WPE area as such repairs become necessary; (ii) second, for restoration work which will enhance the esthetics, safety and wildlife habitat of the Conservation Areas as jointly determined by the Conservation Steward, the Board of Directors of the Association and the Corps, if applicable as determined by the Conservation Steward

The Conservation Steward shall send a written report to the Association Board annually during the month of October. The report shall show: (a) by Owner's name and Lot number, each Security Deposit received or refunded and replaced during the previous 12 months beginning October 1 and ending September 30; (b) the total of all Security Deposits as of September 30; (c) the total interest earned thereon since the previous September 30; (d) the total of amounts expended by the Conservation Steward during the previous 12-month period; (e) the amount, if any, by which the then current total exceeds \$1.2 million; and (f) any amount in excess of \$1.2 million which the Conservation Steward proposes to use in consultation with the Association for restoration work as described in clause (ii) of the first paragraph of this Section 2.4.

3. MISCELLANEOUS

3.1 **Notices.** Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either serviced personally or sent by first-class mail, postage prepaid, addressed as follows:

To Declarant: Westwood Montserrat, Ltd.
Attn: Curtis Westwood
11231 Gold Express Dr., Ste. 108
Gold River, CA 95670

To Grantee: Wildlife Heritage Foundation
Attn: Patrick J. Shea
P.O. Box 818
Rancho Cordova, CA 95741-0818

To Association: Sierra de Montserrat Owners Association
ell Westwood Montserrat Ltd.
11231 Gold Express Drive, Suite 108
Gold River, CA 95670

3.2 Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable federal laws.

3.3 Successors. The covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assignees and shall continue as servitudes running in perpetuity with the Conservation Areas and the Lots.

3.4 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not part of this instrument and shall have no effect on construction or interpretation.

3.5 Third-Party Beneficiary. Declarant and Conservation Steward acknowledge that the Association is a third-party beneficiary of this Agreement with respect to the right to receive the annual reports described in Section 2.4.

IN WITNESS WHEREOF, Declarant, as owner of the fee interest in the Property shown in Exhibit A and Conservation Steward, as holder of the WPE and OCE easements shown in Exhibit A and of the Enforcement Fund referred to herein have executed this Agreement the day and year first above written.

CONSERVATION STEWARD:

Wildlife Heritage Foundation, a California
Nonprofit Corporation

By: Valerie
tietik Jlr-4v/lf7

- AND -

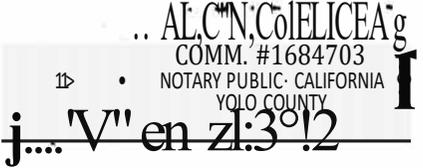
STATE OF CALIFORNIA

County of 011

On DeL. 1^t y 20ou; before me, f\\C\ft 3/4 \lt>\t- 1, c. o
Date Name and Title of Officer (Notary Public)

Personally appeared YZ'?"-C. ;5tt,e\Jn s'ne
Name of Signer

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



Place Notary Seal Above

WITNESS my hand and official seal.
OJ. W. Aied! : x
Signature of Notary Public

STATE OF CALIFORNIA

County of

On , before me,
Date Name and Title of Officer (Notary Public)

Personally appeared
Name(s) of Signer(s)

 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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

Place Notary Seal Above

WITNESS my hand and official seal.

Signature of Notary Public

DECLARANT:

WESTWOOD MONTSERRAT, LTD.,
a California limited partnership

By: WESTWOOD HOMES, INC.,

[Handwritten signature]
Title: *pll?Sd1Px f*

As Owner of Lot 27 of the Dejlopment

[Handwritten signature]
Curtis A. Westwood

& , 1 *[Handwritten signature]*
Deborah A. We

As Owner of Lot 62 of the Development

WESTWOOD HOMES, INC.,
a California corporation

[Handwritten signature]
By: _____
Name: _____
Title: *PRESIDENT*

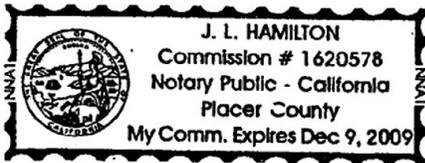
STATE OF CALIFORNIA

County of Del Norte

On 11/13/09, before me, J. L. Hamilton,
Date Name and Title of Officer (Notary Public)

Personally appeared S. A. Hamilton (Name(s) of Signer(s))

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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature of Notary Public

STATE OF CALIFORNIA

County of _____

On _____, before me, _____
Date Name and Title of Officer (Notary Public)

Personally appeared _____
Name(s) of Signer(s)

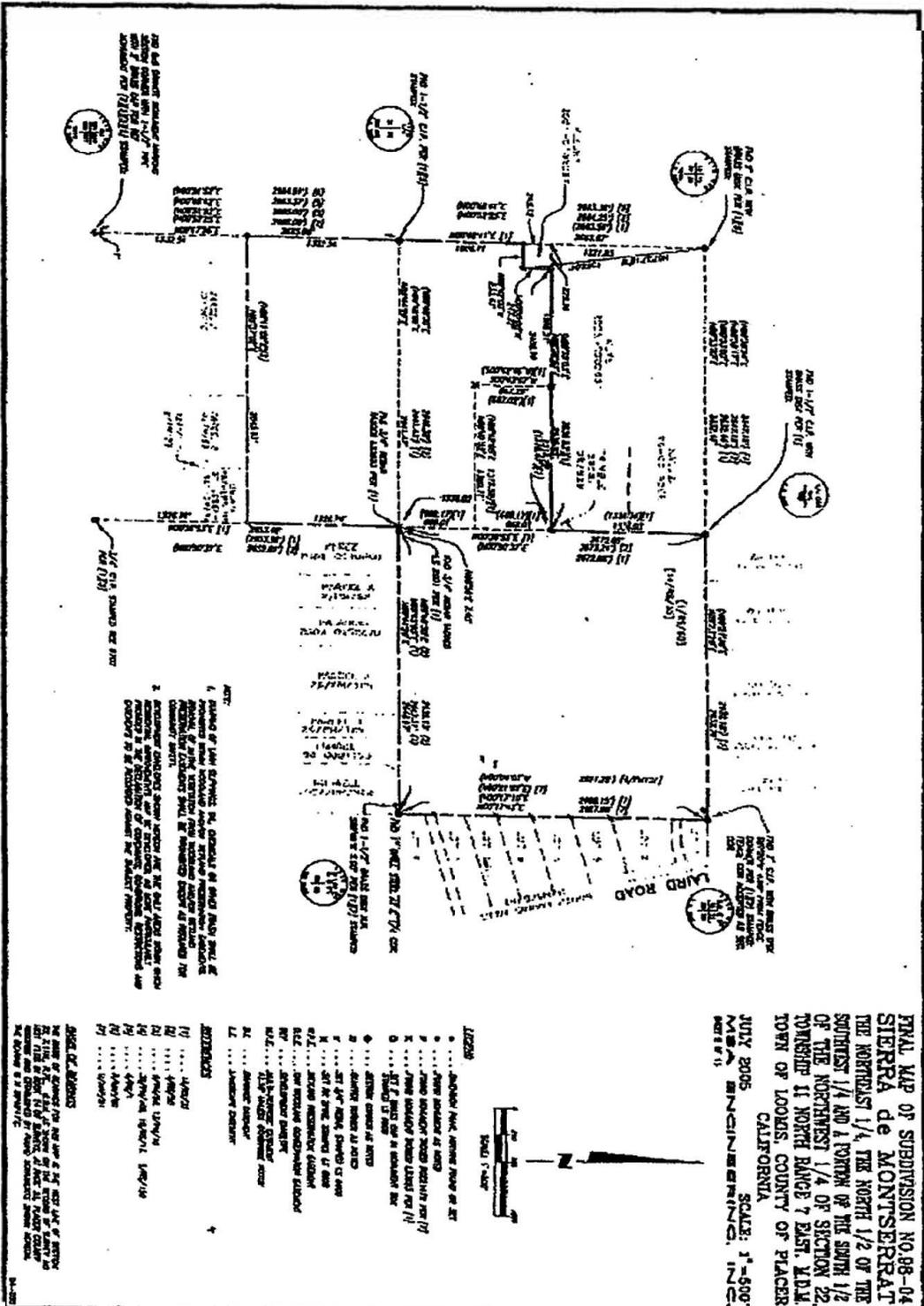
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on this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

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

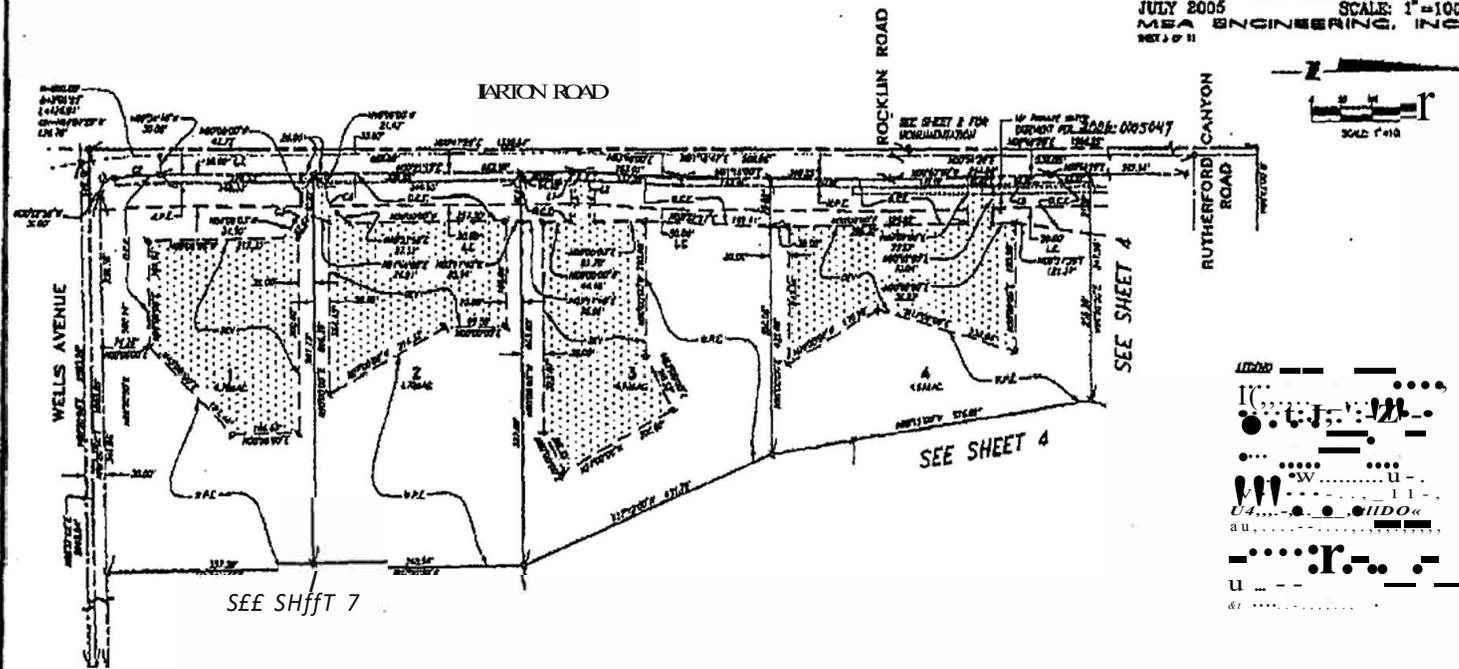
FINAL MAP OF SUBDIVISION NO. 08-04
 SIERRA de MONTSERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND 1/4 TOWN OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST, T.11N.
 R.07E. OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA
 JULY 2005 SCALE: 1"=500'
 MCM INC. INCUMBENT, INC.
 MCM 11

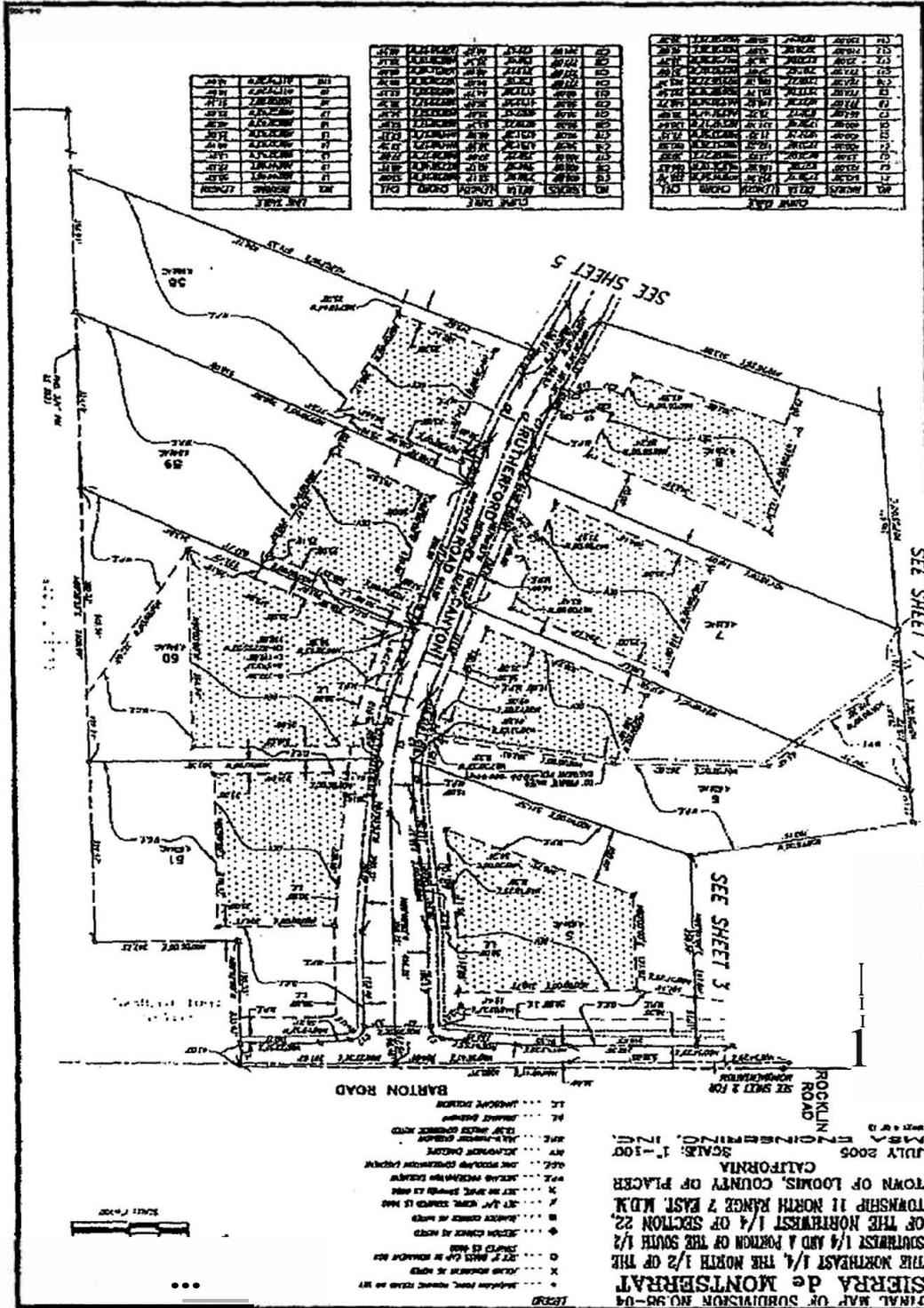


h11111111i -

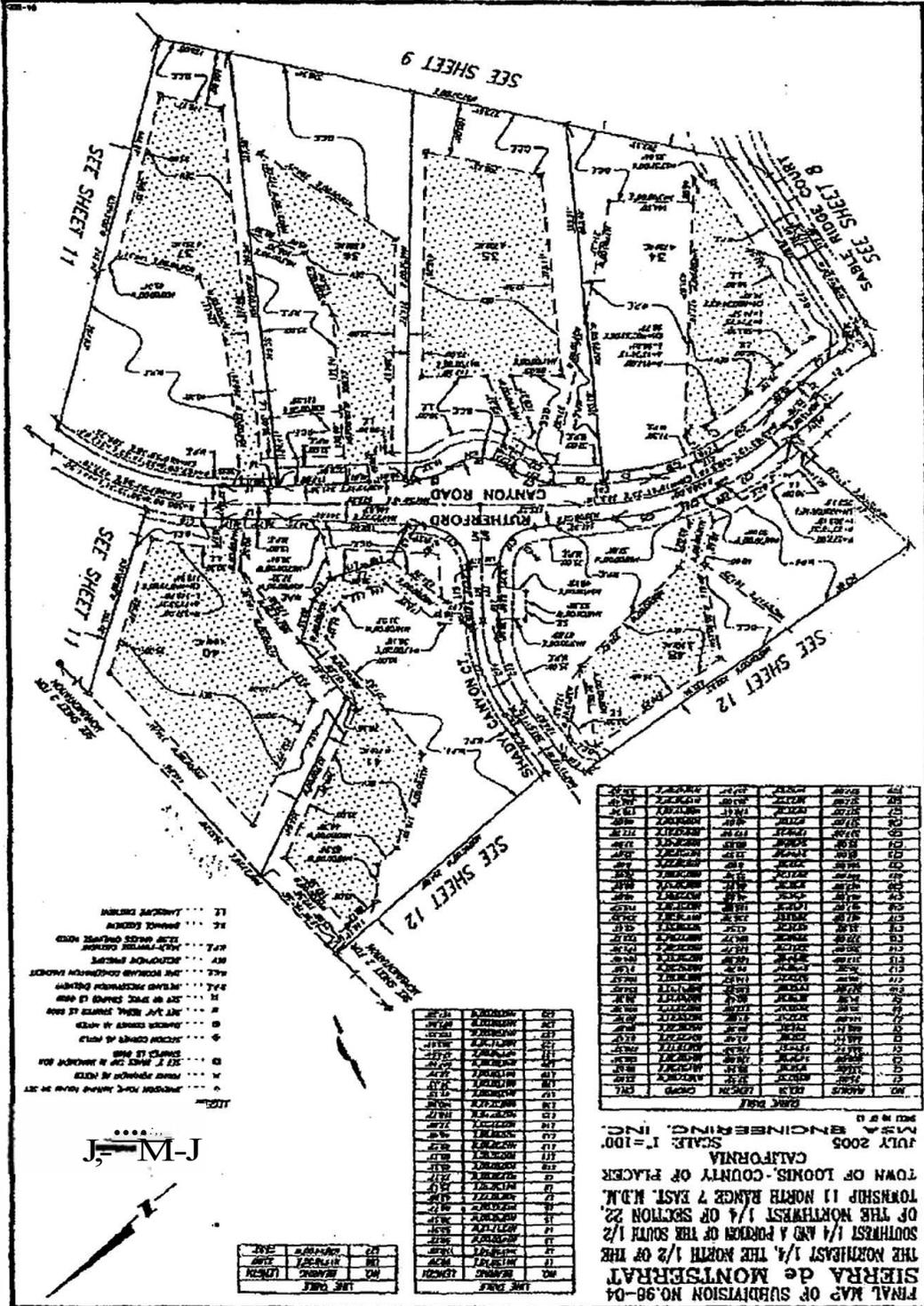
FINAL MAP OF SUBDIVISION NO. 98-04
SIERRA de MONTSERRAT
THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
OF THE NORTHWEST 1/4 OF SECTION 22
TOWNSHIP 11 NORTH RANGE 7 EAST, M.D.M.
TOWN OF LOOMIS, COUNTY OF PLACER
CALIFORNIA

JULY 2005 SCALE: 1"=100'
MEA ENGINEERING, INC.
REV. 2 OF 11



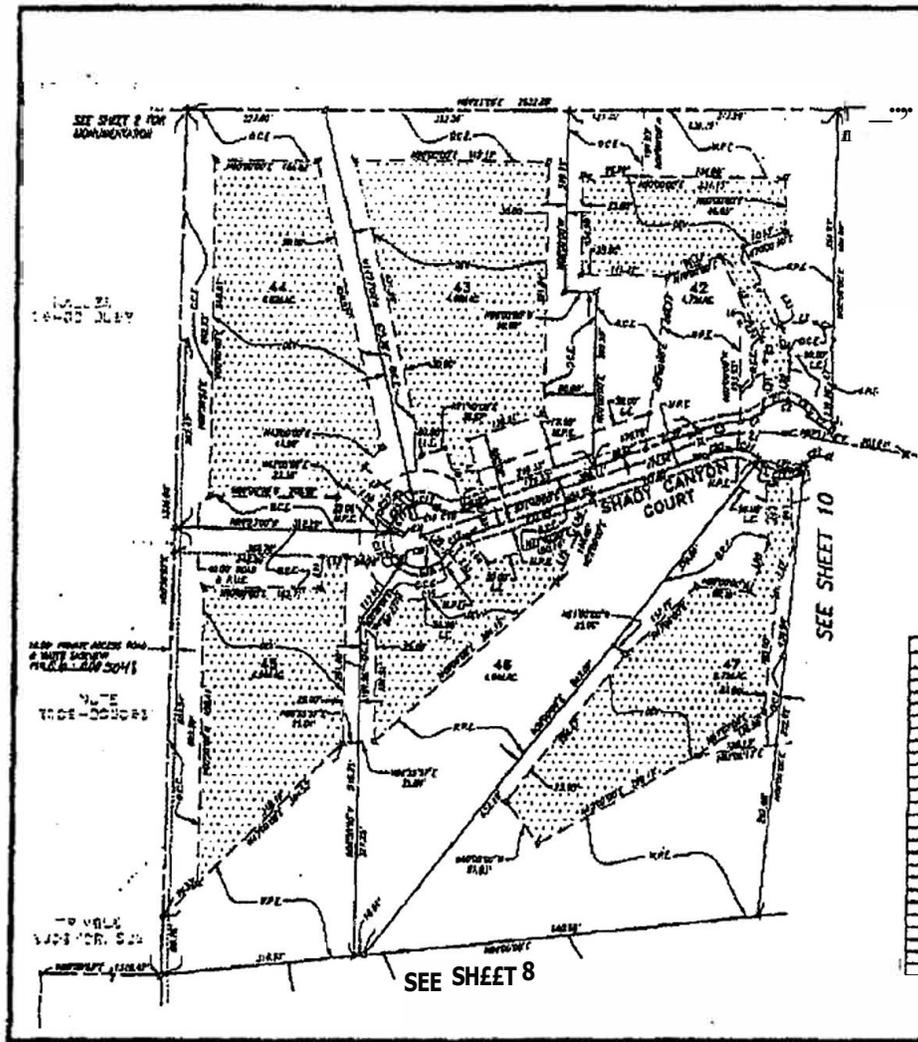


BOOK 11 OF MAPS PAGE 77



| NO. | ADDRESS | ACRES | OWNER |
|-----|---------|-------|-------|
| 1 | ... | ... | ... |
| 2 | ... | ... | ... |
| 3 | ... | ... | ... |
| 4 | ... | ... | ... |
| 5 | ... | ... | ... |
| 6 | ... | ... | ... |
| 7 | ... | ... | ... |
| 8 | ... | ... | ... |
| 9 | ... | ... | ... |
| 10 | ... | ... | ... |
| 11 | ... | ... | ... |
| 12 | ... | ... | ... |
| 13 | ... | ... | ... |
| 14 | ... | ... | ... |
| 15 | ... | ... | ... |
| 16 | ... | ... | ... |
| 17 | ... | ... | ... |
| 18 | ... | ... | ... |
| 19 | ... | ... | ... |
| 20 | ... | ... | ... |
| 21 | ... | ... | ... |
| 22 | ... | ... | ... |
| 23 | ... | ... | ... |
| 24 | ... | ... | ... |
| 25 | ... | ... | ... |
| 26 | ... | ... | ... |
| 27 | ... | ... | ... |
| 28 | ... | ... | ... |
| 29 | ... | ... | ... |
| 30 | ... | ... | ... |
| 31 | ... | ... | ... |
| 32 | ... | ... | ... |
| 33 | ... | ... | ... |
| 34 | ... | ... | ... |
| 35 | ... | ... | ... |
| 36 | ... | ... | ... |
| 37 | ... | ... | ... |
| 38 | ... | ... | ... |
| 39 | ... | ... | ... |
| 40 | ... | ... | ... |
| 41 | ... | ... | ... |
| 42 | ... | ... | ... |
| 43 | ... | ... | ... |
| 44 | ... | ... | ... |
| 45 | ... | ... | ... |
| 46 | ... | ... | ... |
| 47 | ... | ... | ... |
| 48 | ... | ... | ... |
| 49 | ... | ... | ... |
| 50 | ... | ... | ... |
| 51 | ... | ... | ... |
| 52 | ... | ... | ... |
| 53 | ... | ... | ... |
| 54 | ... | ... | ... |
| 55 | ... | ... | ... |
| 56 | ... | ... | ... |
| 57 | ... | ... | ... |
| 58 | ... | ... | ... |
| 59 | ... | ... | ... |
| 60 | ... | ... | ... |
| 61 | ... | ... | ... |
| 62 | ... | ... | ... |
| 63 | ... | ... | ... |
| 64 | ... | ... | ... |
| 65 | ... | ... | ... |
| 66 | ... | ... | ... |
| 67 | ... | ... | ... |
| 68 | ... | ... | ... |
| 69 | ... | ... | ... |
| 70 | ... | ... | ... |
| 71 | ... | ... | ... |
| 72 | ... | ... | ... |
| 73 | ... | ... | ... |
| 74 | ... | ... | ... |
| 75 | ... | ... | ... |
| 76 | ... | ... | ... |
| 77 | ... | ... | ... |
| 78 | ... | ... | ... |
| 79 | ... | ... | ... |
| 80 | ... | ... | ... |
| 81 | ... | ... | ... |
| 82 | ... | ... | ... |
| 83 | ... | ... | ... |
| 84 | ... | ... | ... |
| 85 | ... | ... | ... |
| 86 | ... | ... | ... |
| 87 | ... | ... | ... |
| 88 | ... | ... | ... |
| 89 | ... | ... | ... |
| 90 | ... | ... | ... |
| 91 | ... | ... | ... |
| 92 | ... | ... | ... |
| 93 | ... | ... | ... |
| 94 | ... | ... | ... |
| 95 | ... | ... | ... |
| 96 | ... | ... | ... |
| 97 | ... | ... | ... |
| 98 | ... | ... | ... |
| 99 | ... | ... | ... |
| 100 | ... | ... | ... |

00 AA OF MAPS PAGE 42



FINAL MAP OF COUNTY NO. 116
 SIERRA Co. CALIF. SERRA
 THE 1/4th 1/4th SECTION
 TOWNSHIP 11 NORTH
 RANGE 10 EAST
 COUNTY OF SIERRA
 STATE OF CALIFORNIA
 SCALE 1"=100'



LINE TABLE

| AC | SECTION | FRONT |
|----|---------|--------|
| 1 | 116 | 120.00 |
| 2 | 116 | 120.00 |
| 3 | 116 | 120.00 |
| 4 | 116 | 120.00 |
| 5 | 116 | 120.00 |
| 6 | 116 | 120.00 |
| 7 | 116 | 120.00 |
| 8 | 116 | 120.00 |
| 9 | 116 | 120.00 |
| 10 | 116 | 120.00 |
| 11 | 116 | 120.00 |
| 12 | 116 | 120.00 |
| 13 | 116 | 120.00 |
| 14 | 116 | 120.00 |
| 15 | 116 | 120.00 |
| 16 | 116 | 120.00 |
| 17 | 116 | 120.00 |
| 18 | 116 | 120.00 |
| 19 | 116 | 120.00 |
| 20 | 116 | 120.00 |
| 21 | 116 | 120.00 |
| 22 | 116 | 120.00 |
| 23 | 116 | 120.00 |
| 24 | 116 | 120.00 |
| 25 | 116 | 120.00 |
| 26 | 116 | 120.00 |
| 27 | 116 | 120.00 |
| 28 | 116 | 120.00 |
| 29 | 116 | 120.00 |
| 30 | 116 | 120.00 |

CLARK TABLE

| AC | SECTION | FRONT | DEPTH | AREA | FRONT | DEPTH | AREA |
|----|---------|--------|--------|----------|--------|--------|----------|
| 1 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 2 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 3 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 4 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 5 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 6 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 7 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 8 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 9 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 10 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 11 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 12 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 13 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 14 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 15 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 16 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 17 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 18 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 19 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 20 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 21 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 22 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 23 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 24 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 25 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 26 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 27 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 28 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 29 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |
| 30 | 116 | 120.00 | 120.00 | 14400.00 | 120.00 | 120.00 | 14400.00 |

EXHIBIT B

ARTICLE 1. DEFINITIONS.

- 1.01. The "Articles" mean the Association's Articles of Incorporation and their amendments.
- 1.02. "Assessment" means any Regular or Special Assessment made or assessed by the Association against Owners' Lots in accordance with the provisions of Article 7 of this Declaration, and any Compliance Assessment or Damage Reimbursement Assessment charged to an Owner in accordance with Section 7.04 of this Declaration.
- 1.03. The "Association" means SIERRA de MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain Articles of Incorporation to directly or indirectly maintain and administer the Conservation Area, and to administer and enforce these covenants, conditions and restrictions.
- 1.04. "Association Rules" mean the rules and regulations adopted by the Board from time to time as provided in Article 6.
- 1.05. The "Board" means the Board of Directors of the Association.
- 1.06. "Builder" refers to a person or company which is a licensed professional builder of custom homes and which acquires a Lot for the purpose of building a Residence for or to be sold to another Owner.
- 1.07. The "Bylaws" mean and refer to the Association's Bylaws and their amendments.
- 1.08. "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the common benefit of all Owners. Common Expenses shall include all costs and expenses incurred by the Association in connection with the following: (a) owning, insuring, maintaining, managing, operating, repairing and replacing all Conservation Facilities and Maintenance Areas; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, budget preparers, attorneys, viticulturalist and other consultants and any Association employees and all general office and administrative costs and expenses incurred by the Design Review Committee; (c) paying for utilities and other services to the Association Maintenance Areas, for insurance coverage and fidelity bonds as provided for herein, for reasonable out-of-pocket expenses actually incurred by the members of the Board of Directors and officers of the Association in performing their duties as provided herein; and for all other goods and services reasonably required by the Association to perform its powers and duties as set forth herein. The Common Expenses shall also include adequate reserves as the Board shall determine to be appropriate for the repair and/or replacement of those elements of the Maintenance Areas which must be repaired or replaced on a periodic basis, rather than a regular annual basis.
- 1.09. "Conservation Easements" means, collectively, the Wetland Preservation Easement, the Oak Woodland Conservation Easement and the Agricultural Conservation Easement. Such easements exist in all the areas within the Development which are subject to the easement held by the Conservation Steward to conserve Woodlands, Wetlands, and other environmentally protected assets of the Property or the easement held by the Association to conserve and maintain the Vineyards and Landscaped Areas of the Property.

A. **"Woodlands"** means the area of the Development characterized by trees, dense brush and rocky outcroppings including areas of dense vegetation near wetland areas or protected or endangered habitat or buffer zones for such areas, which portions are to be protected from access or active use by Owners or others and which are subject to other restrictions as more particularly provided in Article 2 below. The Woodlands areas are shown on the subdivision map with the designation "O.C.E."

B. **"Wetlands"** means those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include perennial or seasonal swamps, marshes, bogs and similar areas. The Wetlands are within the areas shown on the subdivision map with the designation "W.P.E."

C. **"Vineyards"** means all of the area within the Development which is not Woodlands, Wetlands, Landscaped Area, Driveway or Development Envelope and which, from time to time, is used for growing grapes and associated cover crops.

D. **"Landscaped Areas"** means the portions of the Development which are planted by design and maintained by the Association for erosion control, esthetic and environmental reasons.

1.10. **"Conservation Facilities"** means the elements and facilities used by the Association in connection with operating and maintaining the Vineyards and Landscaped Areas including: ground lighting and related electrical systems, irrigation systems including pumps, pipes, sprinklers and equipment, ponds, fences, berms, plants of all kinds and other facilities constructed or installed within or connecting to the Vineyards and Landscaped Areas.

1.11. **"Conservation Steward"** means the Wildlife Heritage Foundation which will monitor and maintain all Conservation Areas except for the Vineyard and Landscape Areas which are managed by the Association.

1.12. The **"Corps"** shall mean the U.S. Army Corps of Engineers, whose local address is Department of the Army, U.S. Army Engineer District, Sacramento, Corps of Engineers, 1325 J Street, Sacramento, California 95814-2922.

1.13. The **"Declarant"** means Westwood Montserrat, Ltd., and its successors and assigns, if such successors or assigns should acquire five or more undeveloped Lots from Declarant for the purpose of development and sale and be designated as a successor Declarant in a recorded instrument.

1.14. **"Declaration"** shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.

1.15. **"Design Guidelines"** refers to those certain architectural standards, landscape standards, guidelines, procedures and criteria initially established by Declarant for the Development for the use by the Owner of a Lot in the preparation of plans and specifications for Improvements to be initially built, constructed, erected, planted, or otherwise installed within the Development Envelope of his Lot as further described in Section 4.04. The Design Review Committee shall use the Design Guidelines as the basis for its review of all of such plans and specifications and for review of any proposed additions or alterations after initial construction of any Residence Unit. The Design Guidelines may be supplemented and revised from time to time as provided in the Article herein entitled "Design Review and Control." A copy of the Design Guidelines may be obtained from the Design Review Committee.

1.16. "Design Review Committee" shall mean and refer to the committee formed by Declarant and the Board pursuant to Article 4 and pursuant to the Bylaws.

1.17. The "Development" means all that certain real property which is described on Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.18. "Development Envelope" shall mean the area delineated as "Development Envelope" within a particular Lot as shown on the final map for Sierra de Montserrat within which residential Improvements and landscaping may be developed. The corners of each Development Envelope shall be marked on the ground by granite posts or other permanent markers.

1.19. "Driveway" means the private drive connecting the Development Envelope on a Lot to the public street adjoining the Lot, which Driveway must be located within the Driveway extension of each Development Envelope as shown on the final subdivision map of the Development

1.20. "Fuel Reduction Zones" means any area from which dry or overgrown vegetation is to be cut back or cleared for fire break purposes.

1.21. "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, the Design Guidelines and the Association Rules.

1.22. "Homesite" means the portion of a Development Envelope improved with a single-family home and other structural Improvements used in connection with the home such as a garage, patio, swimming pool, pool house and the like.

1.23. "Improvement" shall mean any change from natural grade, all structures, landscaping and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, paths, sprinkler pipes, irrigation systems, storm drainage systems, garages, swimming pools, hot tubs, spas, tennis courts and other recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, plantings, planted trees and shrubs, fire breaks, poles, signs, exterior air conditioning fixtures or equipment, solar equipment, and exterior paint or other surfacing material.

1.24. "Individual Charges" means those charges assessed against an Owner to compensate the Association for costs of special repair or compliance actions as provided in Section 7.04.

1.25. A "Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development.

1.26. "Maintenance Areas" shall mean and refer collectively to the following areas (and any Improvements constructed thereon) which, although not owned by the Association, will be maintained by the Association with the costs and expenses of such maintenance to be included within the Common Expenses of the Association:

A. Vineyards;

B. Any entry monuments and landscaped areas or features near such monuments and other Landscaped Areas.

The Maintenance Areas within the Development are generally identified in Exhibit F attached hereto.

1.27. A "Manager" means any professional managing agent to whom the Board has delegated certain powers, duties and responsibilities to manage and maintain the Development and administer the provisions of the Governing Documents.

1.28. A "Member" means a person entitled to membership in the Association as provided in this Declaration.

1.29. A "Mortgage" means a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgagee" and "Mortgage Holder" shall include the beneficiary under a Mortgage and any guarantor or insurer of a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan Association, or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency. A "first" Mortgage or "first" Mortgagee is one having priority as to all Mortgages or holders of Mortgages encumbering the same Lot.

1.30. The "Owner" means the record owner, whether one or more person or entity, of a fee simple title to any Lot which is part of the Development. Any reference to "him" or "his" in connection with an Owner (e.g., "Each Owner and the members of his family ...") is intended to and shall be deemed to include the feminine, neuter and plural pronouns (e.g., she, her, its, their) as appropriate to the nature of the Owner entity. If the Lot is subject to a recorded Land Installment Sale Contract, "Owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.31. "Permanent Protective Fencing" shall mean fencing installed by Declarant and the replacement of such fencing for the purpose of protecting any Conservation Areas which the Town, the Conservation Steward or the Association determines should be protected by fencing.

1.32. "Record" means, with respect to any document, the recordation or filing of such document in the Office of the County Recorder.

1.33. A "Residence Unit" or sometimes simply "Residence" means and refers to the living quarters portion of a Homesite.

1.34. "Security Deposit" means the \$15,000 payment to be held by the Conservation Steward as security against Owner encroachments into Conservation Areas.

1.35. "Single-Family Residential Use" means occupancy and use of a Residence for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning and other applicable laws or governmental regulations limiting the number of persons who may occupy single-family residential dwellings.

1.36. "Voting Power" means the total votes outstanding and vested in Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

1.37. "Wetlands" shall mean the Seasonal Wetland, Riparian Wetland, Freshwater Marsh, and similar areas, the location of which is generally shown in **Exhibit B**, to be protected by the Wetland Preservation Easements.

1.38. "Wetland Preservation Easements" refers to the restrictions applicable to any portions of the Development so designated on the final subdivision map of the Development, which restrictions are for the purpose of protecting and preserving wetland/stream corridor habitats.

Section 8 - Initial & Capital Tasks and Costs

Property Title: Sierra de Montserrat--Westwood Homes Dataset: CA005

PAR ID: MONTSER

11/03/2005

Budget: PAR

| Task list | Specificaton | Unit | Number of Units | Cost/ Unit | Annual Cost | Times Years | Total Cost |
|---|----------------------|---------|-----------------|------------|-------------|-------------|------------|
| BIOTIC SURVEYS | | | | | | | |
| Project Management | Supervise/coordinate | L Hours | 8.00 | 115.00 | 920.00 | 1.0 | 920.00 |
| Sub-Total | | | | | | | 920.00 |
| REPORTING | | | | | | | |
| Photodocumentation | Field Survey | L Hours | 20.00 | 45.00 | 900.00 | 1.0 | 900.00 |
| Photo Materials | Film/Process | Roll | 2.00 | 13.00 | 26.00 | 1.0 | 26.00 |
| Sub-Total | | | | | | | 926.00 |
| CONTINGENCY & ADMINISTRATION | | | | | | | |
| Contingency | | | | | | | 184.60 |
| Administration | | | | | | | 365.51 |
| Sub-Total | | | | | | | 550.11 |
| Total | | | | | | | 2,396.11 |

Section 9 - Ongoing Tasks and Costs

Property Title: Sierra de Montserrat--Westwood Homes

Dataset: CA005

PAR ID: MONTSER

11/03/2005

Budget: PAR

| Task list | Specificaton | Unit | Number of Units | Cost / Unit | Annual Cost | Divide Years | Total Cost |
|---|-------------------------------|---------|-----------------|-------------|-------------|--------------|------------------|
| SITE CONSTRUCTION/MAINT. | | | | | | | |
| Fence - Installed | Inspection - fence/signage | L Hours | 10.00 | 30.00 | 300.00 | 1 | 300.00 |
| Sub-Total | | | | | | | 300.00 |
| BIOTIC SURVEYS | | | | | | | |
| Project Management | Supervise/coordinate | L Hours | 8.00 | 115.00 | 920.00 | 1 | 920.00 |
| Wetland Specialist | Field Svy. & Reports | L Hours | 16.00 | 75.00 | 1,200.00 | 1 | 1,200.00 |
| Other | Fuel Specialists - Survey/Rpt | L Hours | 10.00 | 75.00 | 750.00 | 1 | 750.00 |
| Sub-Total | | | | | | | 2,870.00 |
| HABITAT MAINTENANCE | | | | | | | |
| Exotic Plant Control | Monitoring (fuels & exotics) | L Hours | 10.00 | 50.00 | 500.00 | 1 | 500.00 |
| Sub-Total | | | | | | | 500.00 |
| PUBLIC SERVICES | | | | | | | |
| Community Outreach | HOA | L Hours | 5.00 | 115.00 | 575.00 | 1 | 575.00 |
| Sub-Total | | | | | | | 575.00 |
| REPORTING | | | | | | | |
| Photodocumentation | Field Survey | L Hours | 20.00 | 45.00 | 900.00 | 1 | 900.00 |
| Photo Materials | Film/Process | Roll | 2.00 | 13.00 | 26.00 | 1 | 26.00 |
| Agency Report | Annual Report | L Hours | 15.00 | 75.00 | 1,125.00 | 1 | 1,125.00 |
| Report Production | Labor | L Hours | 15.00 | 45.00 | 675.00 | 1 | 675.00 |
| Sub-Total | | | | | | | 2,726.00 |
| OPERATIONS | | | | | | | |
| Project Accounting | Setup and maintain | L Hours | 15.00 | 75.00 | 1,125.00 | 1 | 1,125.00 |
| Sub-Total | | | | | | | 1,125.00 |
| CONTINGENCY & ADMINISTRATION | | | | | | | |
| Contingency | | | | | | | 809.60 |
| Administration | | | | | | | 1,603.01 |
| Sub-Total | | | | | | | 2,412.61 |
| Total | | | | | | | 10,508.61 |

Section 10 - Financial Summary

Property Title: Sierra de Montserrat--Westwood Homes Dataset: CA005

PAR ID: MONTSER 11/03/2005

PAR(159 ac.)

| | Rate % | Total \$ |
|---|-----------|----------------|
| INITIAL FINANCIAL REQUIREMENTS | | |
| I & C Revenue | | 0 |
| I & C Management Costs | | 1,846 |
| I & C Contingency Expense | 10.00 | 185 |
| Total I & C Management Costs | | 2,031 |
| I & C Administrative Costs of Total I & C Management Costs | 18.00 | 366 |
| Total I & C Costs | | 2,397 |
| Net I & C Management and Administrative Costs | | 2,397 |
| ANNUAL ONGOING FINANCIAL REQUIREMENTS | | |
| Ongoing Costs | | 8,096 |
| Ongoing Contingency Expense | 10.00 | 810 |
| Total Ongoing Management Costs | | 8,906 |
| Ongoing Administrative Costs of Total Ongoing Management costs | 18.00 | 1,603 |
| Total Ongoing Costs | | 10,509 |
| ENDOWMENT REQUIREMENTS FOR ONGOING STEWARDSHIP | | |
| Endowment to Provide Income of \$ 10,509 | | 233,533 |
| Endowment per Acre is \$ 1,472. | | |
| Ongoing Management Costs Based on 4.50% of Endowment per Year. | | |
| Ongoing Management Funding is \$ 10,509 per Year Resulting in \$66 per Acre per Year. | | |
| TOTAL CONTRIBUTION | | 235,930 |

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Westwood Montserrat, Ltd.
Attn: Curtis A. Westwood
11231 Gold Express Drive
Gold River, CA 95670

CERTIFIED TO BE A TRUE COPY
RECORDED 1d, 1-0-06 eR
CJ 02 0/2-1-01
SERIES No. 2-X-91
STEWART TITLE OF PLACER
BY " " " "

SUPPLEMENTAL DECLARATION AND AGREEMENT
REGARDING ENFORCEMENT FUND

THIS SUPPLEMENTAL DECLARATION AND AGREEMENT REGARDING ENFORCEMENT FUND ("Agreement") is made this E day of b "11, 2006, by WESTWOOD MONTSERRAT, LTD., a California limited partnership ("Declarant"), and WILDLIFE HERITAGE FOUNDATION, a California nonprofit corporation under 501(c)(3) of the Internal Revenue Code ("Conservation Steward") between themselves and for the benefit of the SIERRA DE MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation ("Association").

1. BACKGROUND

1.1 Development. Declarant is the sole owner, in fee, of certain real property (the "Development") located in the Town of Loomis, County of Placer, State of California, commonly known as "Sierra de Montserrat" as shown on the final subdivision map thereof recorded on January 18, 2006 in Book AA of Maps, beginning at page 92, Official Records of Placer County, California (the "Final Map"), a reduced copy of which subdivision map is attached hereto as Exhibit A.

1.2 Declaration. The Development is within the definition of a planned development project under Section 1351(k) of the California Civil Code and shall be governed in accordance with that certain Declaration of Covenants, Conditions, Restrictions and Easements for Sierra de Montserrat ("Declaration") which Declaration was recorded against the Development on December 1, 2006 as Document No. 1M - 1319S-Q Official Records of Placer County, California. The definitions contained in Article 1 of the Declaration shall have the same meaning when used in this Agreement and are attached hereto as Exhibit B.

1.3 Conservation Easements. Declarant has, or prior to the first conveyance of any Lot in the Development shall, grant certain Conservation Easements to the Association for the maintenance of Vineyards, Landscaped Areas and Conservation Facilities within the Subdivision. Declarant also has, or prior to the first conveyance of any Lot in the Development shall, record the Grant and Agreement Regarding Perpetual Conservation Easements (referred to herein as "Grant") by which Declarant grants to the Conservation Steward a Wetland Preservation Easement ("WPE") and an Oak Woodland Conservation Easement ("OCE") in and to each of the areas shown as such on the Final Map attached hereto as Exhibit A.

1.4 Security Deposits. Section 2.02 of the Declaration provides, among other things, for each purchaser of a Lot to pay \$15,000 which is to be held by the Conservation Steward as security to enforce the Owner's covenant to confine his improvements to the Development Envelope of his Lot, not to encroach into any WPE or OCE or other Conservation Easement area, and to pay the cost

of restoration or other enforcement action if such covenant is breached. The aggregate of such Security Deposits means and is referred to herein as the "Enforcement Fund."

1.5 Purpose. The purpose of this Agreement is to supplement the provisions of the Declaration by setting forth how the Conservation Steward will maintain, use and account for the Enforcement Fund.

2. ENFORCEMENT FUND

2.1 General Provisions Regarding Security Deposits. Section 2.02, paragraph C of the Declaration provides the framework with respect to the collection, use and refund of Security Deposits as follows:

"Security Deposit to Prevent/Repair Encroachment. Upon the close of escrow through which each Lot is initially transferred from Declarant to a Builder or other Owner, and subsequently upon the transfer of such Lot from the Builder to another Owner or from the Owner to a successor Owner, such new Owner shall put up, in cash, a Security Deposit of \$15,000.00. Such amount shall be paid over to the Conservation Steward to be held in trust as security to be used in the event that such Owner defaults in his covenant not to encroach upon the Conservation Areas which surround his Development Envelope.

(1) Encroachment. As used in this paragraph "encroachment" into a Conservation Area includes, but is not limited to an Owner doing or permitting another person to do any of the following actions: relocating or attempting to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope; depositing any trash, organic material, liquids, construction materials, personal property or any other items outside of his Development Envelope; parking any vehicles outside his Development Envelope; or in any other way interfering with or damaging the Conservation Area which adjoins his Development Envelope.

(2) Application and Restoration of Deposit. Upon the discovery of any such encroachment, the Conservation Steward shall use the Security Deposit of the defaulting Owner to the full extent necessary to: restore the Development Envelope Markers to their proper position; remove any Improvements or take any other action necessary or appropriate to remove and remediate the effects of the encroachment; and, if necessary, initiate and pay attorneys fees for any legal action against the defaulting Owner for restoration, remediation, enforcement and money damages. To the extent that the defaulting Owner's entire Security Deposit is insufficient to pay the remediation costs, the Conservation Steward shall then, to the extent necessary, collect the remainder of the costs from the defaulting Owner. Whenever any part of his/her Security Deposit is used by the Conservation Steward, the defaulting Owner shall be required to immediately restore his Security Deposit to \$15,000.00.

(3) Refund and Replacement of Security Deposit. Whenever an Owner (other than Declarant) transfers title to his Lot, he shall be entitled to a refund of his \$15,000.00 Security Deposit (but not any interest) through the escrow used to consummate the transfer conditioned upon (a) the transferring Owner's obtaining a written confirmation from the Conservation Steward that there is then no encroachment

with respect to such Lot and (b) obtaining from the transferee Owner a replacement Security Deposit to be forwarded to the Conservation Steward in exchange for the refunded Security Deposit. The Conservation Steward shall be obligated to furnish the written confirmation statement referred to in clause (a) within 10 days of receiving a request for it from the Owner or Escrow Holder involved in a pending transfer of the Lot. In the event that title to a Lot is transferred by foreclosure, or deed in lieu thereof, the Security Deposit shall remain in the Conservation Steward's trust fund and shall be credited to a successor Owner who acquires title through the foreclosing lender."

2.2 Conservation Steward's Enforcement Rights. Section 4.5 of the Grant sets forth the rights of the Conservation Steward with respect to enforcement actions which include, without limitation:

(a) The Conservation Steward shall have the right, after notifying the Association, to bring an action in its own right and its own name, to enjoin any violation or enforce the provisions of the Grant.

(b) If the violation pertains to the WPE/Conservation Area, the Conservation Steward may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Agreement, to enjoin the violation *ex parte*, as necessary, by temporary or permanent injunction to recover any damages to which the Conservation Steward may be entitled for violation of the terms of this Agreement, or injury to any Conservation Values, and to require the restoration of the WPE/Conservation Area to the condition that existed before any such injury.

(c) The Conservation Steward, in its sole discretion, may apply damages recovered to the cost of undertaking any corrective action on the WPE/Conservation Area.

(d) If Conservation Steward prevails in any such action, it shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement. Such liquidated damages shall be a sum equal to 50% of (and in addition to) its reasonable attorneys' fees which represents a reasonable estimate of the costs that will be sustained by the Conservation Steward from undertaking an enforcement action, including administrative and other overhead costs.

2.3 Establishment and Administration of the Enforcement Fund. The Conservation Steward shall establish and keep records of the Enforcement Fund as follows:

(a) Upon each close of escrow through which the Conservation Steward receives a Security Deposit as required under Section 2.02, paragraph C of the Declaration as quoted above, the Conservation Steward shall enter such Security Deposit into the Enforcement Fund records by noting the date of receipt, the Lot number, street address and Owner's name with respect to such Security Deposit.

(b) If any remediation or enforcement action is necessary or appropriate with respect to a Lot (as described in Section 2.2 above or Section 2.02, paragraph C(2) of the Declaration) the Conservation Steward shall send, by overnight courier or registered mail with return receipt requested, a written notice ("Enforcement Notice") to the Owner of the Lot in question. The Enforcement Notice shall specify the encroachment, the correction required and the cure period which shall be not less than 10 nor more than 30 days from the date when the Enforcement Notice is sent) within which the Owner may effect the correction at his/her own expense. Such Enforcement Notice shall also state that, if the Owner does not begin and diligently proceed to complete the required correction within the cure period, the Conservation Steward will proceed to do so and will charge all costs thereof against the Security Deposit

of the Owner in question and such Owner will then be liable for the amount necessary to restore the Security Deposit to \$15,000 and for the full amount, if any, by which the total cost of correction, any enforcement action and liquidated damages (as described in subparagraph (d) above) exceeds \$15,000. The Conservation Steward may enforce each Owner's obligation to maintain his/her \$15,000 Security Deposit by legal action as for the collection of a debt in Small Claims Court or otherwise and the Owner shall be liable for any attorneys' fees and costs in addition to the amount owed for restoration of this Security Deposit and correction costs.

(c) The Conservation Steward shall, within 10 business days of any request by any Owner or any escrow agent or broker involved in the sale or other transfer of a Lot, provide the confirmation of the status of the Security Deposit for the Lot in question as described in Section 2.02, subparagraph C(3) of the Declaration.

2.4 Fund Investment and Reporting to the Association Board. The Conservation Steward shall act as a trustee of the Enforcement Fund and shall cause the total to be invested in accordance with the investment policy of the Conservation Steward's Board of Directors. The interest earned on the Enforcement Fund shall be added to the principal but may be used to pay the Conservation Steward's cost of performing any and all of enforcement actions and proceedings. In the event that the total balance of the Enforcement Fund, including interest earned thereon, exceeds \$1.2 million, the amount in excess of \$1.2 million shall be used in the following priority as determined by the Conservation Steward: (i) first, for repairs and/or replacement of the post and cable fencing which is adjacent to the WPE area as such repairs become necessary; (ii) second, for restoration work which will enhance the esthetics, safety and wildlife habitat of the Conservation Areas as jointly determined by the Conservation Steward, the Board of Directors of the Association and the Corps, if applicable as determined by the Conservation Steward

The Conservation Steward shall send a written report to the Association Board annually during the month of October. The report shall show: (a) by Owner's name and Lot number, each Security Deposit received or refunded and replaced during the previous 12 months beginning October 1 and ending September 30; (b) the total of all Security Deposits as of September 30; (c) the total interest earned thereon since the previous September 30; (d) the total of amounts expended by the Conservation Steward during the previous 12-month period; (e) the amount, if any, by which the then current total exceeds \$1.2 million; and (f) any amount in excess of \$1.2 million which the Conservation Steward proposes to use in consultation with the Association for restoration work as described in clause (ii) of the first paragraph of this Section 2.4.

3 MISCELLANEOUS

3.1 Notices. Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either serviced personally or sent by first-class mail, postage prepaid, addressed as follows:

To Declarant : Westwood Montserrat, Ltd.
Attn: Curtis Westwood
11231 Gold Express Dr., Ste. 108
Gold River, CA 95670

To Grantee: Wildlife Heritage Foundation
Attn: Patrick J. Shea
P.O. Box 818
Rancho Cordova, CA 95741-0818

To Association: Sierra de Montserrat Owners Association
ell Westwood Montserrat Ltd.
11231 Gold Express Drive, Suite 108
Gold River, CA 95670

3.2 Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable federal laws.

3.3 Successors. The covenants, terms, conditions, and restrictions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assignees and shall continue as servitudes running in perpetuity with the Conservation Areas and the Lots.

3.4 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not part of this instrument and shall have no effect on construction or interpretation.

3.5 Third-Party Beneficiary. Declarant and Conservation Steward acknowledge that the Association is a third-party beneficiary of this Agreement with respect to the right to receive the annual reports described in Section 2.4.

IN WITNESS WHEREOF, Declarant, as owner of the fee interest in the Property shown in Exhibit A and Conservation Steward, as holder of the WPE and OCE easements shown in Exhibit A and of the Enforcement Fund referred to herein have executed this Agreement the day and year first above written.

CONSERVATION STEWARD:

Wildlife Heritage Foundation, a California
Nonprofit Corporation

By, Malcolm J. ...
Gettler, A.V./IPV
z

- A N D -

STATE OF CALIFORNIA

County 00+Q") b

On 11/20/2001, before me, Eric N. Little
Date Name and Title of Officer (Notary Public)

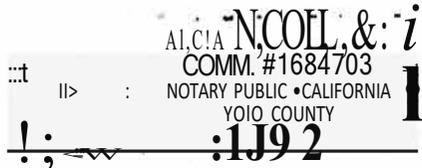
Personally appeared Pz, r.c, i ("3t6epn -Sne
Name of Signer

I personally known to me or proved to me on the basis of satisfactory evidence to be the person(n whose name) subscribed to the within instrument and acknowledged to me that he/she/it executed the same in his/her/their authorized capacity, and that by his/her/their signature on this instrument the person, or the entity on behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

JCU
Signature of Notary Public



STATE OF CALIFORNIA

County of _____

On _____; before me, _____
Date Name and Title of Officer (Notary Public)

Personally appeared _____
Name(s) of Signer(s)

I 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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

DECLARANT;

WESTWOOD MONTSEERRAT, LTD.,
a California limited partnership

By: WESTWOOD HOMES, INC.,
a California corporation, its General Partner

By *Curtis A. Westwood*
Name: CURTIS A. WESTWOOD
Title: (P.S.D.) x f

As Owner of Lot 27 of the Development

Curtis A. Westwood
Curtis A. Westwood

Deborah A. Westwood
Deborah A. Westwood

As Owner of Lot 62 of the Development

WESTWOOD HOMES, INC.,
a California corporation

By *Curtis A. Westwood*
Name: CURTIS A. WESTWOOD
Title: (P.S.D.) x f

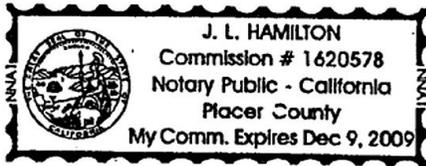
STATE OF CALIFORNIA

County of Cr. III

On 1/15/09, before me, J. L. Hamilton, Notary Public
Date Name and Title of Officer (Notary Public)

Personally appeared CIA + S.A. + S.P. + A f S e b i . . h A - L J r
Name(s) of Signer(s)

— personally known to me C. 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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

[Handwritten Signature]
Signature of Notary Public

STATE OF CALIFORNIA

County of _____

On _____, before me, _____
Date Name and Title of Officer (Notary Public)

Personally appeared _____
Name(s) of Signer(s)

— 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 this instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

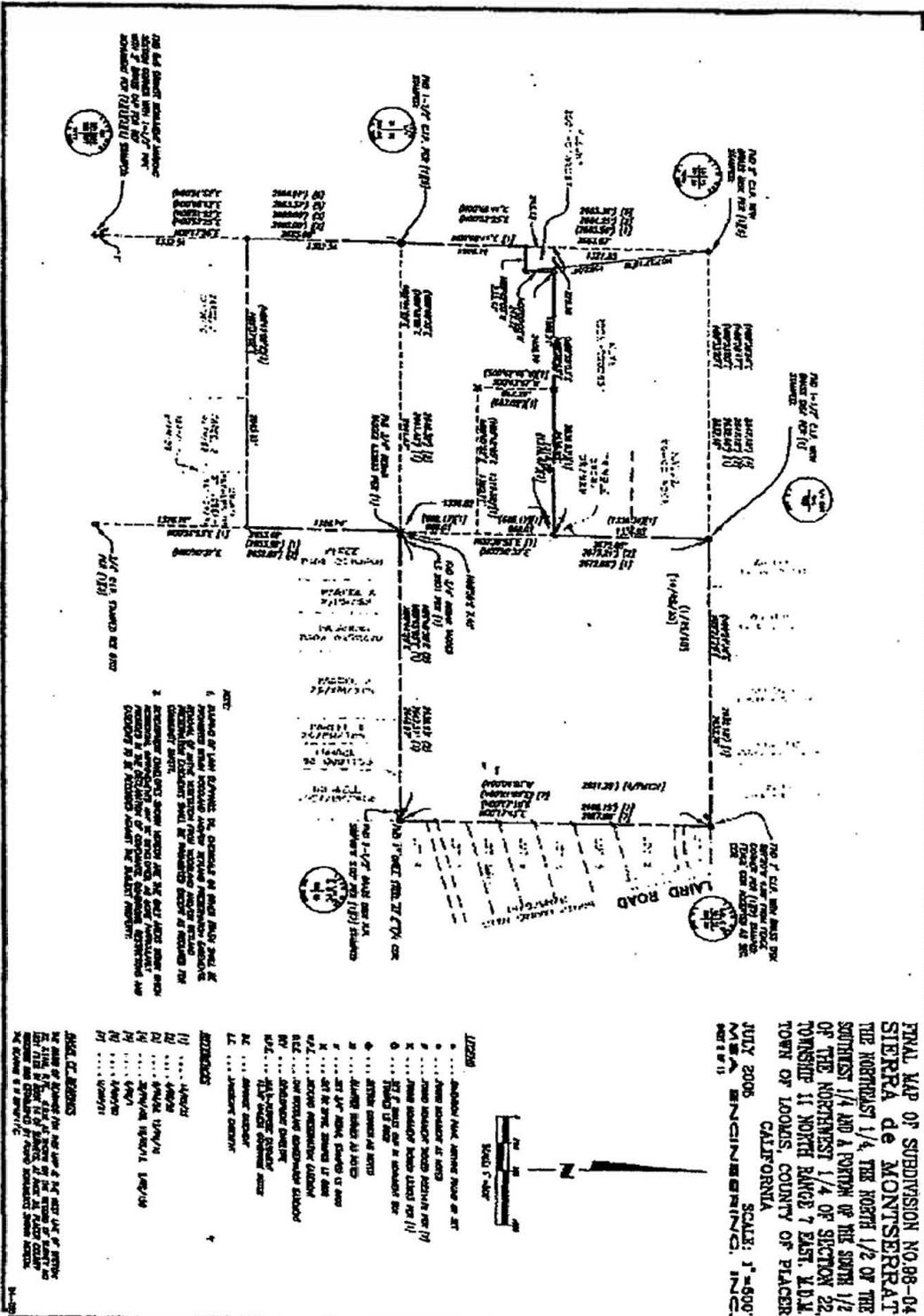
Place Notary Seal Above

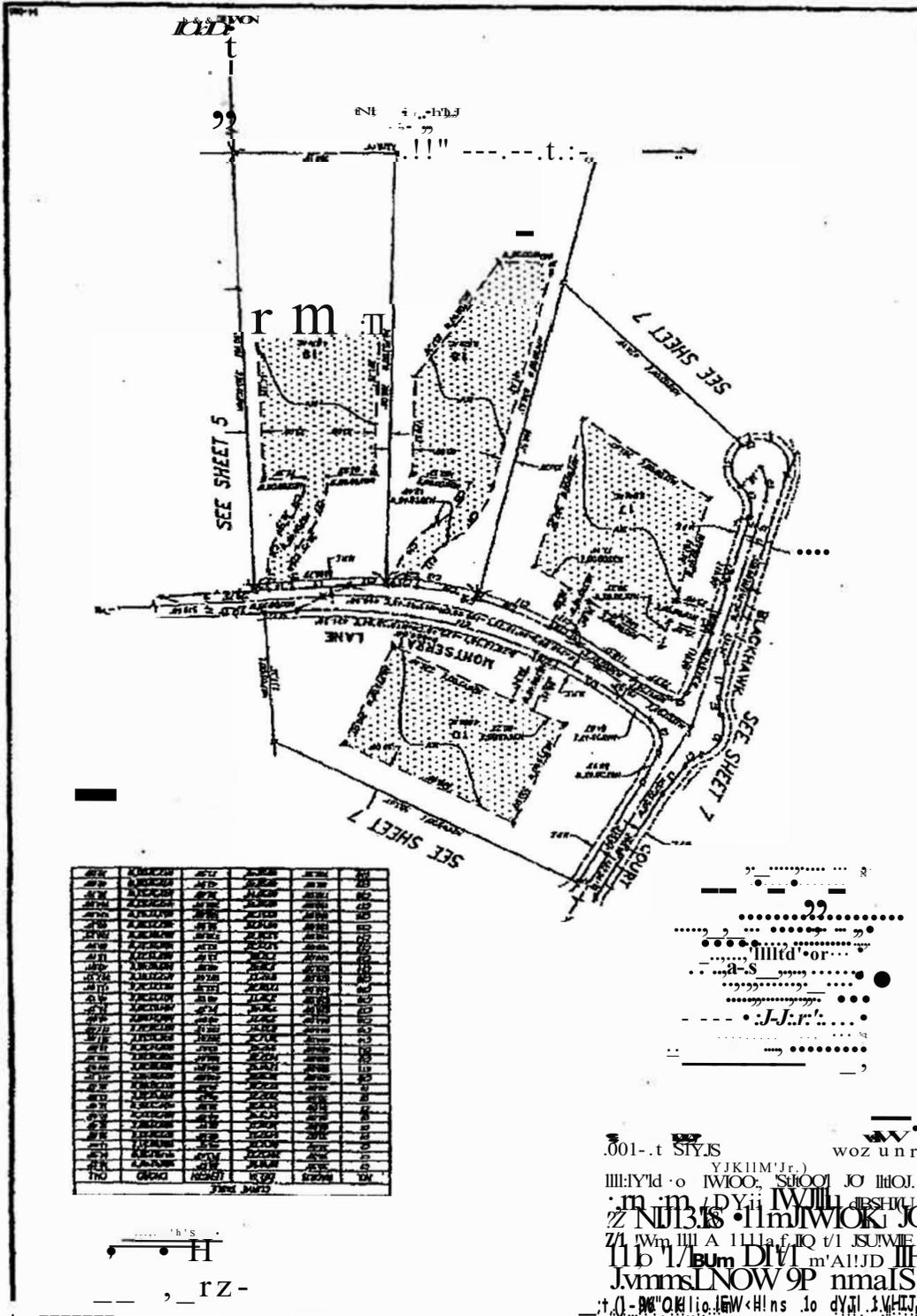
Signature of Notary Public

EXHIBIT <

FINAL MAP or SUBDIVISION (O. 88-01)
SIERRA de MONTERRAT
 THE PORTLAND 1/4 M 11-01mf 1/2 OF THE
 SOOMR//, JU or m SW// 1/4
 OF m NO1111ff1 m //, or SEC012Z
 TOWNSHIP II, NORTH JIFF:CC 7 UST. 11.D.11.
 TOWN OF LOOMIS, COMM OF PUCJR
 CALIFORNIA
 rot.Y ZO!!
 NLA ANGINBI INC. INC.
 NHU

FINAL MAP OF SUBDIVISION NO. 88-04
 SIERRA de MONTSERRAT
 THE NORTHEAST 1/4 THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST T.11N.
 TOWN OF LOOMIS COUNTY OF PLACER
 CALIFORNIA
 JULY 2008 SCALE: 1"=500'
 MVA ENGINEERING, INC.
 (METS)





| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 |
| 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 |
| 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 |
| 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 |
| 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 |
| 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 |
| 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 |
| 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 |
| 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 |
| 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 |
| 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 |
| 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 |
| 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 |
| 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 |
| 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 |
| 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 |
| 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 |
| 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 |
| 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 |
| 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 |
| 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 |
| 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 |
| 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 |
| 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 |
| 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 |
| 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 |
| 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 |
| 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 |
| 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 |
| 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 |
| 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 |
| 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 |
| 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 |
| 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 |
| 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 |
| 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 |
| 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 |
| 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 |
| 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 |
| 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 |
| 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 |
| 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 |
| 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530 |
| 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540 |
| 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550 |
| 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560 |
| 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570 |
| 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580 |
| 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590 |
| 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600 |
| 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610 |
| 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620 |
| 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630 |
| 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640 |
| 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650 |
| 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660 |
| 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670 |
| 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680 |
| 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690 |
| 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700 |
| 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710 |
| 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720 |
| 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730 |
| 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740 |
| 741 | 742 | 743 | 744 | 745 | 746 | 747 | 748 | 749 | 750 |
| 751 | 752 | 753 | 754 | 755 | 756 | 757 | 758 | 759 | 760 |
| 761 | 762 | 763 | 764 | 765 | 766 | 767 | 768 | 769 | 770 |
| 771 | 772 | 773 | 774 | 775 | 776 | 777 | 778 | 779 | 780 |
| 781 | 782 | 783 | 784 | 785 | 786 | 787 | 788 | 789 | 790 |
| 791 | 792 | 793 | 794 | 795 | 796 | 797 | 798 | 799 | 800 |
| 801 | 802 | 803 | 804 | 805 | 806 | 807 | 808 | 809 | 810 |
| 811 | 812 | 813 | 814 | 815 | 816 | 817 | 818 | 819 | 820 |
| 821 | 822 | 823 | 824 | 825 | 826 | 827 | 828 | 829 | 830 |
| 831 | 832 | 833 | 834 | 835 | 836 | 837 | 838 | 839 | 840 |
| 841 | 842 | 843 | 844 | 845 | 846 | 847 | 848 | 849 | 850 |
| 851 | 852 | 853 | 854 | 855 | 856 | 857 | 858 | 859 | 860 |
| 861 | 862 | 863 | 864 | 865 | 866 | 867 | 868 | 869 | 870 |
| 871 | 872 | 873 | 874 | 875 | 876 | 877 | 878 | 879 | 880 |
| 881 | 882 | 883 | 884 | 885 | 886 | 887 | 888 | 889 | 890 |
| 891 | 892 | 893 | 894 | 895 | 896 | 897 | 898 | 899 | 900 |
| 901 | 902 | 903 | 904 | 905 | 906 | 907 | 908 | 909 | 910 |
| 911 | 912 | 913 | 914 | 915 | 916 | 917 | 918 | 919 | 920 |
| 921 | 922 | 923 | 924 | 925 | 926 | 927 | 928 | 929 | 930 |
| 931 | 932 | 933 | 934 | 935 | 936 | 937 | 938 | 939 | 940 |
| 941 | 942 | 943 | 944 | 945 | 946 | 947 | 948 | 949 | 950 |
| 951 | 952 | 953 | 954 | 955 | 956 | 957 | 958 | 959 | 960 |
| 961 | 962 | 963 | 964 | 965 | 966 | 967 | 968 | 969 | 970 |
| 971 | 972 | 973 | 974 | 975 | 976 | 977 | 978 | 979 | 980 |
| 981 | 982 | 983 | 984 | 985 | 986 | 987 | 988 | 989 | 990 |
| 991 | 992 | 993 | 994 | 995 | 996 | 997 | 998 | 999 | 1000 |

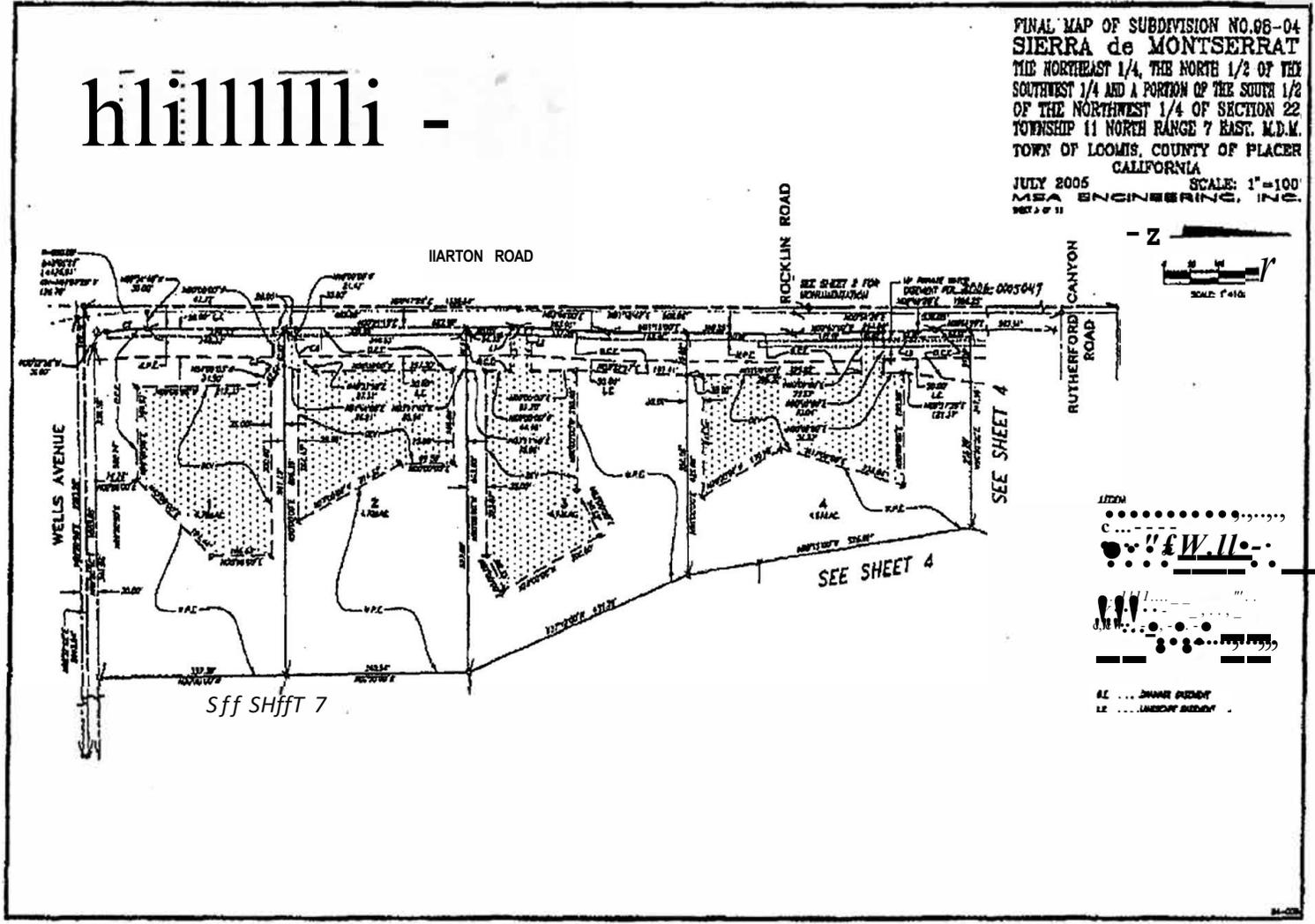
BOOK AA

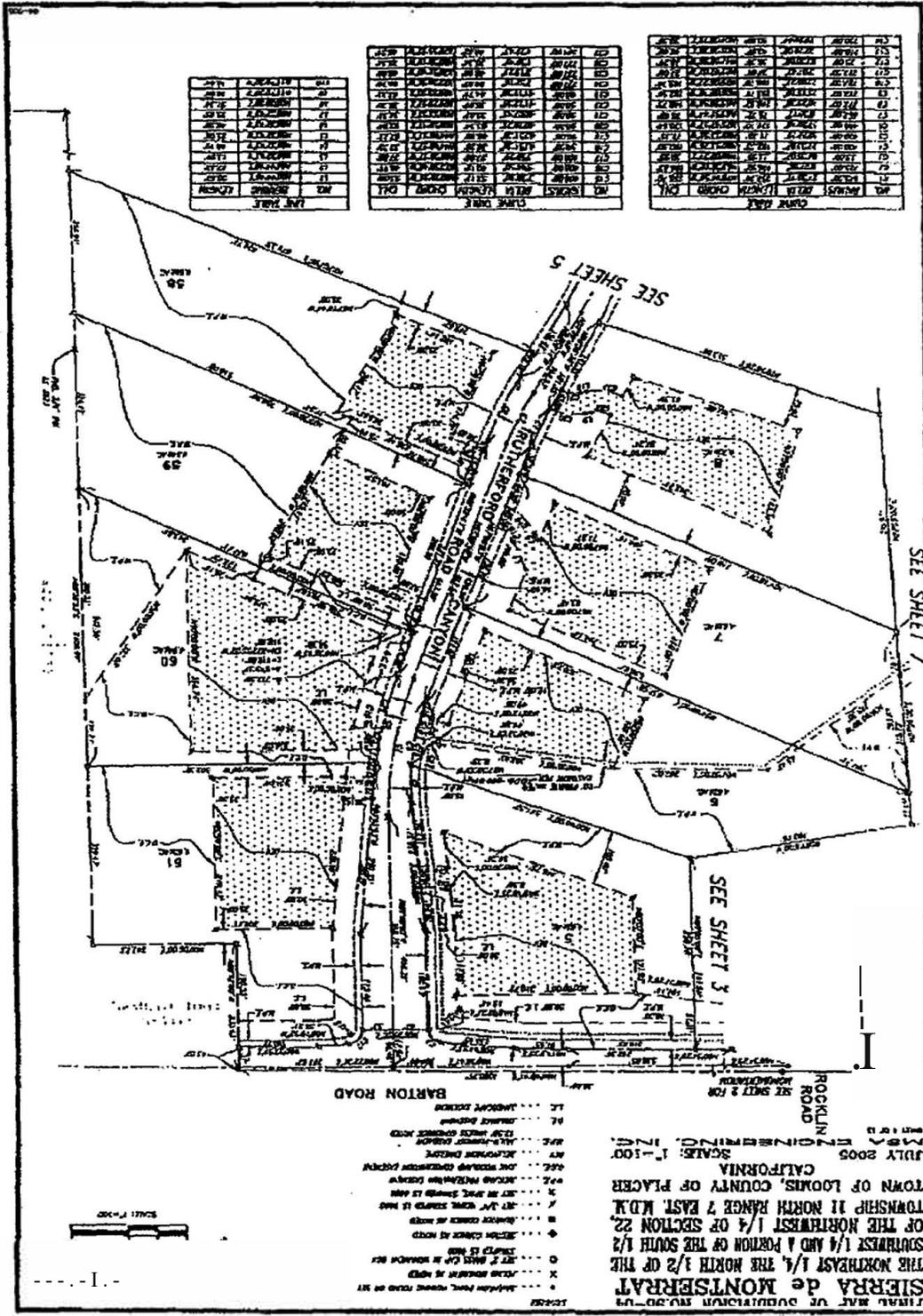
001-t STYJS
 YJK11M(Jr.)
 woZ unr
 III:Y'd o IWIOO, SUCOJ JO lidOJ.
 :m m /DY:; IWIII JESHIC
 Z NI3:8 :1imIWOK JO
 ZI Wm III A 1111a f IQ t/1 JSUWIE
 11 b 1/ Bum DIV m'AI!JD IIII
 JvmsLNOW 9P nmaIS
 .t.(1-00"0K!io.1EW<H!ns .lo dYdI.1.VH1J, JIJ

BOOK M OF MAPS PAGE 1

hlilllllli -

FINAL MAP OF SUBDIVISION NO.98-04
 SIERRA de MONTSERRAT
 THE NORTHEAST 1/4, THE NORTH 1/2 OF THE
 SOUTHWEST 1/4 AND A PORTION OF THE SOUTH 1/2
 OF THE NORTHWEST 1/4 OF SECTION 22,
 TOWNSHIP 11 NORTH RANGE 7 EAST, M.D.M.
 TOWN OF LOOMIS, COUNTY OF PLACER
 CALIFORNIA
 JULY 2005 SCALE: 1"=100'
 MHA ENGINEERING, INC.





| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 |
| 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 |
| 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 |
| 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 |
| 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 |
| 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 |
| 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 |
| 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 |
| 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 |
| 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 |

| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 |
| 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 |
| 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 |
| 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 |
| 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 |
| 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 |
| 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 |
| 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 |
| 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 |
| 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 |

| | | | | | | | | | |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 |
| 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 |
| 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 |
| 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 |
| 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 |
| 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 |
| 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 |
| 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 |
| 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 |
| 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 |

OF MAPS PAGE 22

EXHIBIT B

ARTICLE 1. DEFINITIONS.

- 1.01. The "Articles" mean the Association's Articles of Incorporation and their amendments.
- 1.02. "Assessment" means any Regular or Special Assessment made or assessed by the Association against Owners' Lots in accordance with the provisions of Article 7 of this Declaration, and any Compliance Assessment or Damage Reimbursement Assessment charged to an Owner in accordance with Section 7.04 of this Declaration.
- 1.03. The "Association" means SIERRA de MONTSERRAT OWNERS ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain Articles of Incorporation to directly or indirectly maintain and administer the Conservation Area, and to administer and enforce these covenants, conditions and restrictions.
- 1.04. "Association Rules" mean the rules and regulations adopted by the Board from time to time as provided in Article 6.
- 1.05. The "Board" means the Board of Directors of the Association.
- 1.06. "Builder" refers to a person or company which is a licensed professional builder of custom homes and which acquires a Lot for the purpose of building a Residence for or to be sold to another Owner.
- 1.07. The "Bylaws" mean and refer to the Association's Bylaws and their amendments.
- 1.08. "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the common benefit of all Owners. Common Expenses shall include all costs and expenses incurred by the Association in connection with the following: (a) owning, insuring, maintaining, managing, operating, repairing and replacing all Conservation Facilities and Maintenance Areas; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, budget preparers, attorneys, viticulturalist and other consultants and any Association employees and all general office and administrative costs and expenses incurred by the Design Review Committee; (c) paying for utilities and other services to the Association Maintenance Areas, for insurance coverage and fidelity bonds as provided for herein, for reasonable out-of-pocket expenses actually incurred by the members of the Board of Directors and officers of the Association in performing their duties as provided herein; and for all other goods and services reasonably required by the Association to perform its powers and duties as set forth herein. The Common Expenses shall also include adequate reserves as the Board shall determine to be appropriate for the repair and/or replacement of those elements of the Maintenance Areas which must be repaired or replaced on a periodic basis, rather than a regular annual basis.
- 1.09. "Conservation Easements" means, collectively, the Wetland Preservation Easement, the Oak Woodland Conservation Easement and the Agricultural Conservation Easement. Such easements exist in all the areas within the Development which are subject to the easement held by the Conservation Steward to conserve Woodlands, Wetlands, and other environmentally protected assets of the Property or the easement held by the Association to conserve and maintain the Vineyards and Landscaped Areas of the Property.

A "Woodlands" means the area of the Development characterized by trees, dense brush and rocky outcroppings including areas of dense vegetation near wetland areas or protected or endangered habitat or buffer zones for such areas, which portions are to be protected from access or active use by Owners or others and which are subject to other restrictions as more particularly provided in Article 2 below. The Woodlands areas are shown on the subdivision map with the designation "O.C.E."

B. "Wetlands" means those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include perennial or seasonal swamps, marshes, bogs and similar areas. The Wetlands are within the areas shown on the subdivision map with the designation "W.P.E."

C. "Vineyards" means all of the area within the Development which is not Woodlands, Wetlands, Landscaped Area, Driveway or Development Envelope and which, from time to time, is used for growing grapes and associated cover crops.

D. "Landscaped Areas" means the portions of the Development which are planted by design and maintained by the Association for erosion control, esthetic and environmental reasons.

1.10. "Conservation Facilities" means the elements and facilities used by the Association in connection with operating and maintaining the Vineyards and Landscaped Areas including: ground lighting and related electrical systems, irrigation systems including pumps, pipes, sprinklers and equipment, ponds, fences, berms, plants of all kinds and other facilities constructed or installed within or connecting to the Vineyards and Landscaped Areas.

1.11. "Conservation Steward" means the Wildlife Heritage Foundation which will monitor and maintain all Conservation Areas except for the Vineyard and Landscape Areas which are managed by the Association.

1.12. The "Corps" shall mean the U.S. Army Corps of Engineers, whose local address is Department of the Army, U.S. Army Engineer District, Sacramento, Corps of Engineers, 1325 J Street, Sacramento, California 95814-2922.

1.13. The "Declarant" means Westwood Montserrat, Ltd., and its successors and assigns, if such successors or assigns should acquire five or more undeveloped Lots from Declarant for the purpose of development and sale and be designated as a successor Declarant in a recorded instrument.

1.14. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.

1.15. "Design Guidelines" refers to those certain architectural standards, landscape standards, guidelines, procedures and criteria initially established by Declarant for the Development for the use by the Owner of a Lot in the preparation of plans and specifications for Improvements to be initially built, constructed, erected, planted, or otherwise installed within the Development Envelope of his Lot as further described in Section 4.04. The Design Review Committee shall use the Design Guidelines as the basis for its review of all of such plans and specifications and for review of any proposed additions or alterations after initial construction of any Residence Unit. The Design Guidelines may be supplemented and revised from time to time as provided in the Article herein entitled "Design Review and Control." A copy of the Design Guidelines may be obtained from the Design Review Committee.

1.16. "Design Review Committee" shall mean and refer to the committee formed by Declarant and the Board pursuant to Article 4 and pursuant to the Bylaws.

1.17. The "Development" means all that certain real property which is described on Exhibit A and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.18. "Development Envelope" shall mean the area delineated as "Development Envelope" within a particular Lot as shown on the final map for Sierra de Montserrat within which residential Improvements and landscaping may be developed. The corners of each Development Envelope shall be marked on the ground by granite posts or other permanent markers.

1.19. "Driveway" means the private drive connecting the Development Envelope on a Lot to the public street adjoining the Lot, which Driveway must be located within the Driveway extension of each Development Envelope as shown on the final subdivision map of the Development.

1.20. "Fuel Reduction Zones" means any area from which dry or overgrown vegetation is to be cut back or cleared for fire break purposes.

1.21. "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, the Design Guidelines and the Association Rules.

1.22. "Homesite" means the portion of a Development Envelope improved with a single-family home and other structural Improvements used in connection with the home such as a garage, patio, swimming pool, pool house and the like.

1.23. "Improvement" shall mean any change from natural grade, all structures, landscaping and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, paths, sprinkler pipes, irrigation systems, storm drainage systems, garages, swimming pools, hot tubs, spas, tennis courts and other recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, plantings, planted trees and shrubs, fire breaks, poles, signs, exterior air conditioning fixtures or equipment, solar equipment, and exterior paint or other surfacing material.

1.24. "Individual Charges" means those charges assessed against an Owner to compensate the Association for costs of special repair or compliance actions as provided in Section 7.04.

1.25. A "Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development.

1.26. "Maintenance Areas" shall mean and refer collectively to the following areas (and any Improvements constructed thereon) which, although not owned by the Association, will be maintained by the Association with the costs and expenses of such maintenance to be included within the Common Expenses of the Association:

A. Vineyards;

B. Any entry monuments and landscaped areas or features near such monuments and other Landscaped Areas.

The Maintenance Areas within the Development are generally identified in Exhibit F attached hereto.

1.27. A "Manager" means any professional managing agent to whom the Board has delegated certain powers, duties and responsibilities to manage and maintain the Development and administer the provisions of the Governing Documents.

1.28. A "Member" means a person entitled to membership in the Association as provided in this Declaration.

1.29. A "Mortgage" means a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgag" and "Mortgage Holder" shall include the beneficiary under a Mortgage and any guarantor or insurer of a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan Association, or established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency. A "first" Mortgage or "first" Mortgagee is one having priority as to all Mortgages or holders of Mortgages encumbering the same Lot.

1.30. The "Owner" means the record owner, whether one or more person or entity, of a fee simple title to any Lot which is part of the Development. Any reference to "him" or "his" in connection with an Owner (e.g., "Each Owner and the members of his family ...") is intended to and shall be deemed to include the feminine, neuter and plural pronouns (e.g., she, her, its, their) as appropriate to the nature of the Owner entity. If the Lot is subject to a recorded Land Installment Sale Contract, "Owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.31. "Permanent Protective Fencing" shall mean fencing installed by Declarant and the replacement of such fencing for the purpose of protecting any Conservation Areas which the Town, the Conservation Steward or the Association determines should be protected by fencing.

1.32. "Record" means, with respect to any document, the recordation or filing of such document in the Office of the County Recorder.

1.33. A "Residence Unit" or sometimes simply "Residence" means and refers to the living quarters portion of a Homesite.

1.34. "Security Deposit" means the \$15,000 payment to be held by the Conservation Steward as security against Owner encroachments into Conservation Areas.

1.35. "Single-Family Residential Use" means occupancy and use of a Residence for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning and other applicable laws or governmental regulations limiting the number of persons who may occupy single-family residential dwellings.

1.36. "Voting Power" means the total votes outstanding and vested in Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

1.37. "Wetlands" shall mean the Seasonal Wetland, Riparian Wetland, Freshwater Marsh, and similar areas, the location of which is generally shown in Exhibit B, to be protected by the Wetland Preservation Easements.

1.38. "Wetland Preservation Easements" refers to the restrictions applicable to any portions of the Development so designated on the final subdivision map of the Development, which restrictions are for the purpose of protecting and preserving wetland/stream corridor habitats.

RECORDING REQUESTED B y
AND WHEN RECORDED MAJL T o:

Westwood Montserrat, Ltd.
Attn: Curtis A. Westwood
1 1231 Gold Express Drive
Gold River, CA 95670

CERTIFIED TO BE A TRUE COPY
RECORDED 111111 OLP (P
899K L:51 PJ16e" S r l: 17
SERIES No. Z10<Z-01:2:>JG;So
PLACER

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
SIERRA de MONTSERRAT

by WESTWOOD MONTSERRAT, LTD.,
a California limited partnership

Declarant

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
SIERRA de MONTSERRAT
TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| ARTICLE 1. DEFINITIONS | 1 |
| ARTICLE 2. PROPERTY RIGHTS; DEVELOPMENT ENVELOPES, EASEMENTS AND OTHER LIMITATIONS | 5 |
| 2.01. General | 5 |
| 2.02. Development Envelopes | 6 |
| 2.03. Easements In Favor of Conservation Steward | 7 |
| 2.04. Easements In Favor of the Association | 9 |
| 2.05. Additional Limitations on Owners' Property Rights | 10 |
| 2.06. Ownership Subject to Governing Documents and Easements, | 10 |
| 2.07. Obligations Incident to Ownership | 12 |
| 2.08. Duty and Time to Construct a Residence | 13 |
| 2.09. Disclosures; Disclaimer and Release | 14 |
| ARTICLE 3. USE RESTRICTIONS | 16 |
| 3.01. Residential Use | 16 |
| 3.02. Antennae, External Fixtures, Solar Panels, Other Equipment | 16 |
| 3.03. Outside Drying, Laundering and Window Coverings | 16 |
| 3.04. Additional Structures or Division | 17 |
| 3.05. Fences | 17 |
| 3.06. Fireplaces | 17 |
| 3.07. Trash; No Open Burning; Hazardous Material | 17 |
| 3.08. Drilling | 17 |
| 3.09. Water Softeners | 17 |
| 3.10. Parking; Vehicles | 17 |
| 3.11. Offensive Activities; Nuisances and Noise; Outdoor Lighting | 18 |
| 3.12. Compliance with Laws, etc | 18 |
| 3.13. Interference with Access | 18 |
| 3.14. Restrictions and Requirements for Owners' Landscaping | 18 |
| 3.15. Animals | 19 |
| 3.16. Miscellaneous Notices and Restrictions | 19 |
| 3.17. Development Notebook and Other Information, | 20 |
| 3.18. Winery Prospect; Lots I and 62 | 20 |
| ARTICLE 4. DESIGN REVIEW AND CONTROL | 20 |
| 4.01. Purposes and Requirement of Design Review | 20 |
| 4.02. Design Review Committee | 21 |
| 4.03. Approval Required | 22 |
| 4.04. Design Guidelines | 22 |
| 4.05. Approval By Design Review Committee | 23 |
| 4.06. Meetings of the Committee | 25 |
| 4.07. Compliance with Town Planning and Permit Regulations | 25 |
| 4.08. Nonliability of Declarant, the Committee or Association | 26 |

| | | |
|------------|---|-----------|
| 4.09. | Appeals | 26 |
| 4.10. | Exemption of Declarant | 26 |
| 4.11. | No Waiver of Future Approvals | 26 |
| 4.12. | Inspection of Work | 26 |
| 4.13. | Variances | 27 |
| 4.14. | Enforcement | 28 |
| ARTICLES. | OWNER AND ASSOCIATION OBLIGATIONS | 29 |
| SOL | Association Maintenance Obligations | 29 |
| 5.02. | Public Improvements | 29 |
| 5.03. | Owner Indemnification | 30 |
| 5.04. | Owners' Maintenance Obligations | 30 |
| 5.05. | Property Taxes and Assessments | 32 |
| 5.06. | Insurance | 32 |
| 5.07. | Replacement or Repair | 34 |
| 5.08. | Condemnation of Lots | 34 |
| ARTICLE 6. | OWNERS ASSOCIATION | 34 |
| 6.01. | Formation | 34 |
| 6.02. | Membership in Association | 34 |
| 6.03. | Membership Classes and Voting Rights | 35 |
| 6.04. | Termination of Class B Membership | 35 |
| 6.05. | Association Action | 35 |
| 6.06. | Powers; Delegation | 36 |
| 6.07. | Association Rules | 36 |
| 6.08. | Limitations on Authority of Board | 36 |
| 6.09. | Personal Liability | 37 |
| ARTICLE 7. | ASSESSMENTS AND DISCIPLINARY CHARGES | 37 |
| 7.01. | Agreement to Pay and Assessments Generally | 37 |
| 7.02. | Regular Assessments | 38 |
| 7.03. | Special Assessments | 39 |
| 7.04. | Special Individual Assessments | 40 |
| 7.05. | Special Exceptions or Exemptions | 41 |
| 7.06. | Maintenance of Assessment Funds | 41 |
| 7.07. | Estoppel Certificate | 42 |
| 7.08. | Delinquent Assessments | 42 |
| 7.09. | Effect of Delinquent Assessments | 43 |
| 7.10. | Transfer of Lot by Sale or Foreclosure | 45 |
| 7.11. | Priorities | 46 |
| 7.12. | Waiver of Exemptions | 46 |
| ARTICLE 8 | ASSOCIATION ENFORCEMENT; REMEDIES | 46 |
| 8.01. | Right of Enforcement | 46 |
| 8.02. | Fines and Penalties- | 47 |
| 8.03. | Definition of "Violation" | 47 |
| 8.04. | Remedy at Law Inadequate | 47 |
| 8.05. | Nuisance | 47 |
| 8.06. | Cumulative Remedies | 47 |
| 8.07. | Costs and Attorneys' Fees | 47 |
| 8.08. | Failure Not a Waiver | 47 |
| 8.09. | Limitations on Disciplinary Rights | 48 |
| 8.10. | Notices | 49 |

| | | |
|-------------|--|----|
| 8.11. | Alternative Dispute Resolution; General Policy and Bound Parties | 49 |
| 8.12. | Claims | 49 |
| 8.13. | Required Procedures | 50 |
| 8.14. | Amendment of Sections 8.11 through 8.14 | 52 |
| ARTICLE 9. | PROTECTION OF MORTGAGEES | 52 |
| 9.01. | Mortgage Permitted | 52 |
| 9.02. | Priority of Mortgages | 52 |
| 9.03. | Curing Defaults | 52 |
| 9.04. | Resale | 52 |
| 9.05. | Relationship with Assessment Liens | 52 |
| 9.06. | Notice to First Mortgagees Upon Request | 53 |
| 9.07. | Rights to Inspect, Receive Statements, Attend Meetings | 53 |
| 9.08. | Right of First Refusal | 53 |
| 9.09. | Mortgagees' Right to Cure Defaults | 53 |
| 9.10. | Conflicts | 54 |
| 9J 1. | Distribution Rights | 54 |
| ARTICLE 10. | LIMITATION OF RESTRICTIONS ON DECLARANT | 54 |
| 10.01. | Completion and Sale of the Development | 54 |
| 10.02. | Creation of Easements | 54 |
| 10.03. | Assignment of Rights | 54 |
| ARTICLE 11. | MISCELLANEOUS PROVISIONS | 55 |
| 11.01. | Severability | 55 |
| 11.02. | Teml | 55 |
| 11.03. | Amendment | 55 |
| 11.04. | Mergers and Consolidations | 55 |
| 11.05. | Annexation | 55 |
| 11.06. | Enforcement of Bonded Obligations | 56 |
| ARTICLE 12. | TERMINATION OF ANY RESPONSIBILITY OF DECLARANT. | 56 |

EXHIBITS

- A Legal Description
- B Wetland and Riparian Map
- C List of Prohibited Plants
- D Copy of Tree Removal/Mitigation Plan Approved by Town
- E Fuels Reduction/Fire Safe Plan
- E-1 Fire Resistant Landscaping Plant List
- F Sierra de Montserrat Maintenance Areas

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
SIERRA de MONTSEERRAT

THIS DECLARATION is made as of the date when it is recorded by WESTWOOD MONTSEERRAT, LTD., a California limited partnership, referred to herein as "Declarant"

WITNESSETH:

A. Declarant together with Declarant affiliates, Curtis A Westwood and Deborah A. Westwood, husband and wife, and Westwood Homes, Inc., a California corporation, are the Owners of all that certain property in the Town of Loomis, County of Placer, State of California, which is more particularly described in **Exhibit A** attached hereto and incorporated herein.

B. Declarant has established a general plan, set forth in this Declaration, for the subdivision and development of the real property, preserving open space and environmentally protected areas within the real property, and desires to implement development of the real property in accordance with the plan and Agricultural Residential zoning applicable to the real property.

Declarant hereby declares that all the real property is, and shall be, held, conveyed, hypothecated, encumbered, subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a planned development as described in California Civil Code Sections 1350, fil -, for the subdivision, improvement, protection, maintenance and sale of portions of the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code Section 1354.

ARTICLE 1 DEFINITIONS.

1.01. The "Articles" mean the Association's Articles of Incorporation and their amendments.

1.02. "Assessment" means any Regular or Special Assessment made or assessed by the Association against Owners' Lots in accordance with the provisions of Article 7 of this Declaration, and any Compliance Assessment or Damage Reimbursement Assessment charged to an Owner in accordance with Section 7.04 of this Declaration.

1.03. The "Association" means SIERRA de MONTSEERRAT OWNERS ASSOCIATION, a California nonprofit corporation, created and functioning pursuant to certain Articles of Incorporation to directly or indirectly maintain and administer the Conservation Area, and to administer and enforce these covenants, conditions and restrictions,

1.04. "Association Rules" mean the rules and regulations adopted by the Board from time to time as provided in Article 6.

1.05. The "Board" means the Board of Directors of the Association.

1.06. "Builder" refers to a person or company which is a licensed professional builder of custom homes and which acquires a Lot for the purpose of building a Residence for or to be sold to another Owner.

1.07. The "Bylaws" mean and refer to the Association's Bylaws and their amendments.

1.08. "Common Expenses" shall mean and refer to the actual and estimated costs to be paid by the Association for the common benefit of all Owners. Common Expenses shall include all costs and expenses incurred by the Association in connection with the following: (a) owning, insuring, maintaining, managing, operating, repairing and replacing all Conservation Facilities and Maintenance Areas; (b) managing and administering the Association, including, but not limited to, compensation paid by the Association to managers, accountants, budget preparers, attorneys, viniculturalist and other consultants and any Association employees and all general office and administrative costs and expenses incurred by the Design Review Committee; (c) paying for utilities and other services to the Association Maintenance Areas, for insurance coverage and fidelity bonds as provided for herein, for reasonable out-of-pocket expenses actually incurred by the members of the Board of Directors and officers of the Association in performing their duties as provided herein; and for all other goods and services reasonably required by the Association to perform its powers and duties as set forth herein. The Common Expenses shall also include adequate reserves as the Board shall determine to be appropriate for the repair and/or replacement of those elements of the Maintenance Areas which must be repaired or replaced on a periodic basis, rather than a regular annual basis.

1.09. "Conservation Easements" means, collectively, the Wetland Preservation Easement, the Oak Woodland Conservation Easement and the Agricultural Conservation Easement. Such easements exist in all the areas within the Development which are subject to the easement held by the Conservation Steward to conserve Woodlands, Wetlands, and other environmentally protected assets of the Property or the easement held by the Association to conserve and maintain the Vineyards and Landscaped Areas of the Property.

A "Woodlands" means the areas of the Development characterized by trees, dense brush and rocky outcroppings including areas of dense vegetation near wetland areas or protected or endangered habitat or buffer zones for such areas, which portions are to be protected from access or active use by Owners or others and which are subject to other restrictions as more particularly provided in Article 2 below. The Woodlands areas are shown on the subdivision map with the designation "O.C.E."

B "Wetlands" means those areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include perennial or seasonal swamps, marshes, bogs and similar areas. The Wetlands are within the areas shown on the subdivision map with the designation "W.P.E."

C. "Vineyards" means all of the area within the Development which is not Woodlands, Wetlands, Landscaped Area, Driveway or Development Envelope and which, from time to time, is used for growing grapes and associated cover crops.

D. "Landscaped Areas" means the portions of the Development which are planted by design and maintained by the Association for erosion control, esthetic and environmental reasons.

1.10. "Conservation Facilities" means the elements and facilities used by the Association in connection with operating and maintaining the Vineyards and Landscaped Areas including: ground lighting and related electrical systems, irrigation systems including pumps, pipes, sprinklers and equipment, ponds, fences, berms, plants of all kinds and other facilities constructed or installed within or connecting to the Vineyards and Landscaped Areas.

1.11. "Conservation Steward" means the Wildlife Heritage Foundation which will monitor and maintain all Conservation Areas except for the Vineyard and Landscape Areas which are managed by the Association.

1.12. The "Corps" shall mean the U.S. Army Corps of Engineers, whose local address is Department of the Army, U.S. Army Engineer District, Sacramento, Corps of Engineers, 1325 J Street, Sacramento, California 95814-2922.,

1.13. The "Declarant" means Westwood Montserrat, Ltd., and its successors and assigns, if such successors or assigns should acquire five or more undeveloped Lots from Declarant for the purpose of development and sale and be designated as a successor Declarant in a recorded instrument

1.14. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and its amendments, modifications or supplements.

1.15. "Design Guidelines" refers to those certain architectural standards, landscape standards, guidelines, procedures and criteria initially established by Declarant for the Development for the use by the Owner of a Lot in the preparation of plans and specifications for Improvements to be initially built, constructed, erected, planted, or otherwise installed within the Development Envelope of his Lot as further described in Section 4.04. The Design Review Committee shall use the Design Guidelines as the basis for its review of all of such plans and specifications and for review of any proposed additions or alterations after initial construction of any Residence Unit. The Design Guidelines may be supplemented and revised from time to time as provided in the Article herein entitled "Design Review and Control." A copy of the Design Guidelines may be obtained from the Design Review Committee.

1.16. "Design Review Committee" shall mean and refer to the committee formed by Declarant and the Board pursuant to Article 4 and pursuant to the Bylaws.

1.17. The "Development" means all that certain real property which is described on **Exhibit A** and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.18. "Development Envelope" shall mean the area delineated as "Development Envelope" within a particular Lot as shown on the final map for Siena de Montserrat within which residential Improvements and landscaping may be developed. The corners of each Development Envelope shall be marked on the ground by granite posts or other permanent markers.

1.19. "Driveway" means the private drive connecting the Development Envelope on a Lot to the public street adjoining the Lot, which Driveway must be located within the Driveway extension of each Development Envelope as shown on the final subdivision map of the Development

1.20. "Fuel Reduction Zones" means any area from which dry or overgrown vegetation is to be cut back or cleared for fire break purposes.

1.21. "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles, the Bylaws, the Design Guidelines and the Association Rules,

1.22. "Homesite" means the portion of a Development Envelope improved with a single-family home and other structural Improvements used in connection with the home such as a garage, patio, swimming pool, pool house and the like,

1.23. "Improvement" shall mean any change from natural grade, all structures, landscaping and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, paths, sprinkler pipes, irrigation systems, storm drainage systems, garages, swimming pools, hot tubs, spas, tennis courts and other recreational facilities, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, hedges, plantings, planted trees and shrubs, fire breaks, poles, signs, exterior air conditioning fixtures or equipment, solar equipment, and exterior paint or other surfacing material.

1.24. "Individual Charges" means those charges assessed against an Owner to compensate the Association for costs of special repair or compliance actions as provided in Section 7.04.

1.25. A "Lot" means any of the separate plots of land shown upon any recorded subdivision map of the Development

1.26. "Maintenance Areas" shall mean and refer collectively to the following areas (and any Improvements constructed thereon) which, although not owned by the Association, will be maintained by the Association with the costs and expenses of such maintenance to be included within the Common Expenses of the Association:

A. Vineyards;

B. Any entry monuments and landscaped areas or features near such monuments and other Landscaped Areas.

The Maintenance Areas within the Development are generally identified in **Exhibit F** attached hereto.

1.27. A "Manager" means any professional managing agent to whom the Board has delegated certain powers, duties and responsibilities to manage and maintain the Development and administer the provisions of the Governing Documents.

1.28. A "Member" means a person entitled to membership in the Association as provided in this Declaration.

1.29. A "Mortgage" means a mortgage or deed of trust encumbering a Lot or other portion of the Development. A "Mortgagee" and "Mortgage Holder" shall include the beneficiary under a Mortgage and any guarantor or insurer of a Mortgage. An "Institutional Mortgagee" or "Institutional Holder" is a Mortgagee that is a bank or savings and loan Association, or established mortgage company or other

entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency. A "first" Mortgage or "first" Mortgagee is one having priority as to all Mortgages or holders of Mortgages encumbering the same Lot.

1.30. The "Owner" means the record owner, whether one or more person or entity, of a fee simple title to any Lot which is part of the Development. Any reference to "him" or "his" in connection with an Owner (e.g., "Each Owner and the members of his family ...") is intended to and shall be deemed to include the feminine, neuter and plural pronouns (e.g., she, her, its, their) as appropriate to the nature of the Owner entity. If the Lot is subject to a recorded Land Installment Sale Contract, "Owner" shall mean and refer to the contract vendee. "Owner" shall not include those having any such interest merely as security for the performance of an obligation.

1.31. "Permanent Protective Fencing" shall mean fencing installed by Declarant and the replacement of such fencing for the purpose of protecting any Conservation Areas which the Town, the Conservation Steward or the Association determines should be protected by fencing.

1.32. "Record" means, with respect to any document, the recordation or filing of such document in the Office of the County Recorder.

1.33. A "Residence Unit" or sometimes simply "Residence" means and refers to the living quarters portion of a Homesite.

1.34. "Security Deposit" means the \$15,000 payment to be held by the Conservation Steward as security against Owner encroachments into Conservation Areas.

1.35. "Single-Family Residential Use" means occupancy and use of a Residence for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning and other applicable laws or governmental regulations limiting the number of persons who may occupy single-family residential dwellings.

1.36. "Voting Power" means the total votes outstanding and vested in Members who are eligible to vote for the election of directors or with respect to any other matter, issue or proposal properly presented to the Members for approval at the time any determination of voting power is made.

1.37. "Wetlands" shall mean the Seasonal Wetland, Riparian Wetland, Freshwater Marsh, and similar areas, the location of which is generally shown in **Exhibit B**, to be protected by the Wetland Preservation Easements.

1.38. "Wetland Preservation Easements" refers to the restrictions applicable to any portions of the Development so designated on the final subdivision map of the Development, which restrictions are for the purpose of protecting and preserving wetland/stream corridor habitats.

ARTICLE 2. PROPERTY RIGHTS; DEVELOPMENT ENVELOPES, EASEMENTS AND OTHER LIMITATIONS.

2.01. General Siena de Montserrat is predominantly a Conservation Area. While all the Lots are large (at least 4.6 acres), only a fraction of each Lot may be used for residential and landscaping Improvements making it a Development in which individual Homesites are widely separated by Vineyard, Woodlands and other landscaped or natural areas. Homes and associated Improvements and the private access drive leading to the same must be confined to the Development Envelope and Driveway Area specifically identified on each Lot. The remaining area of each Lot is subject to an easement or, in

some cases, more than one easement for preservation and use of such area as Woodland, Wetland, Vineyard or Landscaping as more specifically provided in this Declaration, Generally, the portions of the Conservation Area that are to be simply preserved in their natural condition are subject to an easement in favor of the Conservation Steward; whereas the portions that are to be actively planted and managed are subject to an easement in favor of the Association.

2.02. Development Envelopes. The Development Envelope of each Lot is the area Declarant has identified within which Improvements may be constructed. The general location of each Development Envelope is shown on the final subdivision map of the Development and is shown in greater detail together with the Driveway location in the Development Notebook which Declarant shall prepare for each Lot. The Development Notebook will include a drawing of each Lot which will show: the dimensions and location of the Development Envelope in relation to the boundaries and the Driveway Area within which a single private Driveway may be located leading from the public road to the Development Envelope; the general location of any heritage oak trees that must be protected, the location of any tree replacement to occur on that Lot, or dense trees or brush that may require trimming for fire safety purposes; any seasonal or riparian Wetland; or similar features that should be taken into account in connection with planning Improvements to be located within the Development Envelope on that Lot. Any Improvements of any kind including not only a residential structure, but any associated structures like garages, patios, recreation facilities such as tennis court, swimming pool, gazebo or pool house, landscaping or grading for any purpose whether practical or esthetic and installation or any outdoor lighting, fencing, walls, or terraces shall be strictly confined to and located wholly within the Development Envelope. Vehicular access and roadway Improvements for such access between the public road and the Development Envelope shall be confined to the Driveway Area located as shown in the Development Notebook.

A. Development Envelope Markers. Declarant shall mark the corners of each Development Envelope on the ground by placement of granite posts, boulders or concrete markers or a combination thereof which shall not be movable. The Development Envelope shall be the multi-sided space that would be encompassed if a straight line were drawn from one Development Envelope Marker to the next, although there shall be no actual fence or wall connecting the Development Envelope Markers.

B. Disclaimer of Use Rights Outside Development Envelopes. Each Owner, by acceptance of a deed to any Lot within the Development, shall be deemed to acknowledge and agree that such Owner's fee title shall be subject to the various conservation and other easements described in this Declaration as to the entire area of the Lot, excepting only the Development Envelope and the Driveway. While an Owner shall have fee title to his entire Lot, he/she shall be deemed to have waived any right of access or use of the portion of his Lot which lies outside of the Development Envelope and the Driveway. Any right that may be implied by the general law of easements to the effect that an easement area may be used for any purpose which does not interfere with exercise of the easement rights is disclaimed. Except for certain areas of certain Lots as specified in Section 2.03A(2), any use of any conservation easement of any kind by any individual Owner, as opposed to the grantee of the easement, shall automatically be deemed to be an unpermitted encroachment inconsistent with the easement rights.

C. Security Deposit to Prevent/Repair Encroachment. Upon the close of escrow through which each Lot is initially transferred from Declarant to a Builder or other Owner, and subsequently upon the transfer of such Lot from the Builder to another Owner or from the Owner to a successor Owner, such new Owner shall put up, in cash, a Security Deposit of \$15,000.00. Such amount shall be paid over to the Conservation Steward to be held in trust as security to be used in the event that such Owner defaults in his covenant not to encroach upon the Conservation Areas which surround his Development Envelope.

(1) Encroachment As used in this paragraph "encroachment" into a Conservation Area includes, but is not limited to an Owner doing or permitting another person to do any of the following actions: relocating or attempting to relocate any Development Envelope Marker so as to enlarge or otherwise modify his/her Development Envelope; building or causing to be built any Improvements of any kind outside of his Development Envelope; doing or causing to be done any digging, planting, pruning, clearing or other landscaping outside of his Development Envelope (except as specified in Section 2.03A(2) below); depositing any trash, organic material, liquids, construction material, personal property or any other items outside of his Development Envelope; introducing or keeping any animals or allowing any animals to roam outside his Development Envelope; parking any vehicle outside his Development Envelope; or in any other way interfering with or damaging the Conservation Area which adjoins his Development Envelope,

(2) Application and Restoration of Deposit Upon the discovery of any such encroachment, the Conservation Steward shall use the Security Deposit of the defaulting Owner to the full extent necessary to: restore the Development Envelope Markers to their proper position; remove any Improvements or take any other action necessary or appropriate to remove and remediate the effects of the encroachment; and, if necessary, initiate and pay attorneys fees for any legal action against the defaulting Owner for restoration, remediation, enforcement and money damages. To the extent that the defaulting Owner's entire Security Deposit is insufficient to pay the remediation costs, the Conservation Steward shall then, to the extent necessary, collect the remainder of the costs from the defaulting Owner. Whenever any part of his/her Security Deposit is used by the Conservation Steward, the defaulting Owner shall be required to immediately restore his Security Deposit to \$15,000.00.

(3) Refund and Replacement of Security Deposit Whenever an Owner (other than Declarant) transfers title to his Lot, he shall be entitled to a refund of his \$15,000.00 Security Deposit (but not any interest) through the escrow used to consummate the transfer conditioned upon (a) the transferring Owner's obtaining a written confirmation from the Conservation Steward that there is then no encroachment with respect to such Lot and (b) obtaining from the transferee Owner a replacement Security Deposit to be forwarded to the Conservation Steward in exchange for the refunded Security Deposit. The Conservation Steward shall be obligated to furnish the written confirmation statement referred to in clause (a) within 10 days of receiving a request for it from the Owner or Escrow Holder involved in a pending transfer of the Lot. In the event that title to a Lot is transferred by foreclosure, or deed in lieu thereof, the Security Deposit shall remain in the Conservation Steward's trust fund and shall be credited to a successor Owner who acquires title through the foreclosing lender.

D, Amendment of This Section. None of the provisions of this Section 2.02 may be amended except with the prior consent of the Conservation Steward and execution on behalf of the Conservation Steward of any document evidencing such amendment

2.03. Easements In Favor of Conservation Steward. Prior to the first transfer of a Lot by Declarant to an Owner, Declarant shall have granted to the Conservation Steward an easement for monitoring, maintaining and preserving all Wetlands and Woodlands areas of the Development including the right to inspect the same periodically to ensure that no Owner is committing an encroachment of or from his Development Envelope into any adjoining Wetlands or Woodlands and that the Association is

not committing an encroachment of or from any Vineyard, Landscaped Area or Conservation Facilities into any adjoining Wetlands or Woodlands.

A. Terms of Conservation Easement. The specific terms, conditions, rights and obligations of the Conservation Steward shall be set forth in a written easement agreement (the "Conservation Easement") which Declarant shall grant to the Conservation Steward and record, concurrently with the recordation of this Declaration. The Conservation Steward may act as, if qualified, or may engage a competent biologist (the "Consulting Biologist"), professionally trained in matters related to the conservation and preservation of natural resource values to undertake an annual field review and prepare an annual report with respect to the status of the Woodland and Wetland Conversation Areas, The Conservation Steward may also act as, if qualified, or may engage an arborist to serve as a monitor (the "Arborist") with respect to the Woodlands and any heritage oak trees or replacement habitat within the Woodlands. Except for any remediation or enforcement costs payable out of the Security Deposits as described in Section 2.02, the fees and expenses of the Conservation Steward shall be paid through an endowment established by Declarant pursuant to a separate agreement with the Conversation Steward.

(1) The portions of the Development encumbered by the Conservation Easement in favor of the Conservation Steward shall necessarily be outside of the Development Envelope of each Lot and therefore shall not be subject to any use or maintenance activity by any Owner, except as provided in paragraph (2) of this Section 2.03A. Maintenance activity on that portion of any Lot which is subject to the Conservation Easement shall be undertaken only by or at the direction of the Conservation Steward and shall be allowed only for the benefit of fish, wildlife, fire protection and water quality resources, and for the elimination of diseased growth, or as otherwise permitted by the Conservation Easement.

(2) Within Lots 1 - 5, 21 - 26, 28 - 53, 59, 60 and 61, the 50-foot landscape easement (shown as "LE" on the subdivision map of the Development) adjoins the public roadway. The Owner of each such Lot shall assist the Conservation Steward in maintaining both fire safety and natural appearance by: (i) periodically cutting dry grasses, weeds and underbrush; and (ii) subject to approval of the Design Review Committee, planting drought resistant and fire resistant trees and shrubs. Such limited landscaping and landscape maintenance within this 50-foot LE shall be an exception to the general prohibition of any activity outside of the Development Envelope and shall not be considered an encroachment into the Conservation Area provided that such landscape installation and maintenance within the LE shall be subject to the Design Guidelines and, if deemed appropriate by the Design Review Committee, consultation with the Conservation Steward, recognizing that these roadside LE areas are part of the O. C. E. Conservation Area, but will require regular management and maintenance more appropriately given by the Lot Owner rather than the Conservation Steward.

B, Conservation Steward's Enforcement Rights. The Conservation Steward shall have standing to bring an action in its own right to enjoin any violation or enforce the provisions of the Conservation Easement. If the Conservation Steward determines that Declarant is in violation of the terms of the Conservation Easement or that a violation is threatened, the Conservation Steward shall give written notice to Declarant *or its successors which shall include the Owner of the Lot with respect to which an encroachment or other violation has occurred or is threatened*, specifying such violation and demanding corrective action sufficient to cure the violation. The Conservation Steward shall send a copy of such violation notice to the Board of the Association. ~~When~~ the violation involves injury to Wetlands and such violation is not cured within 30 days, the Conservation Steward shall report the violation and inaction to the Corps and any other appropriate governing agency, The Conservation Steward may bring

an action at law or in equity in a court of competent jurisdiction to enforce the terms of the Conservation Easement, to enjoin the violation by temporary or permanent injunction, to recover any damages for violation of the terms of the Conservation Easement or injury to any Wetlands and to require the restoration of the Wetlands to the condition that existed prior to any such injury. The Conservation Steward's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of Civil Code § 815 et seq. are incorporated herein by this reference and the Conservation Easement is made subject to all of the rights and remedies set forth therein. In any such action, the Conservation Steward; if it prevails, shall be entitled to its reasonable attorneys' fees and liquidated damages for the burden and expense of enforcement the exact amount of which is difficult to ascertain. Such liquidated damages shall be 50% of (and in addition to) its reasonable attorneys' fees. Nothing contained in the Conservation Easement shall be construed to entitle the Conservation Steward to bring any action against Declarant, the Association or any Owner for any injury to or change in the Wetlands or Woodlands resulting from causes beyond their control, including, without limitation, fire, flood, storm or earth movement. As provided in Section 11.03, no amendment of this section or termination of this Declaration shall be effective without the written consent of the Conservation Steward, the Town of Loomis and the U.S. Army Corps of Engineers.

2.04. Easements In Favor of the Association. All of the Conservation Easements which are not in favor of the Conservation Steward shall be easements in favor of the Association for the maintenance of the Vineyards, other Landscaped Areas and the Conservation Facilities which are necessary or incidental to the Vineyards and Landscaped Areas.

A. Vineyards. In keeping with the Agricultural/Residential zoning of the Property, Declarant's development plan contemplates that Declarant will plant and establish grape vines in all the areas not restricted to another use, all such areas combined being referred to herein as the Vineyard. Declarant intends that approximately 45 acres of the Development will be Vineyard and that a substantial portion of Lots in the west half of the Development and some portion of Lots in the southern part of the east half of the Development will be established as Vineyard. The entire Vineyard will be subject to an easement in favor of Declarant to complete the planting and the Association to maintain the same. If a winery is developed on Lot 62, the Association shall also grant to the Owner of such Lot an easement to harvest the grapes sold to the winery.

B. Landscaped Areas. The Landscaped Areas, other than Vineyard, consist of areas to be planted, irrigated and maintained by the Association. These shall include certain areas along the streets (including cul-de-sacs) and along the multi-use pathway which will be installed along one side of the public right-of-way throughout the Development, plus median areas within the streets, minor plantings within Rutherford Road at the entrances at the east and west end of the Development and some areas around the ponds on Lots 9 and 20 where managed-landscaping is appropriate. Declarant may also create a fallow area or landscaped buffer zone where Vineyard adjoins Wetlands.

C. Conservation Facilities. The Conservation Facilities consist of Improvements which are installed to maintain and protect portions of the Conservation Areas and include, but are not limited to: pipes, lines, electrical connections and conduits, timers and other elements of the systems for delivering irrigation water to Vineyards and Landscaped Areas; ponds which serve as an esthetic feature and reservoir for Vineyard irrigation and pumps, fertilization or filtration equipment used in connection with the delivery of irrigation water. Lots which are subject to easements in favor of the Declarant for installation and the Association for maintenance of Conservation Facilities include:

- (1) Lot 9 which shall include a pond in the northeast corner; Lot 20 which shall include a pond in the northwest corner and within or near Lots 9 and/or 20 there

shall be a pumps, fertilization and filtration system used in connection with the ponds; and

(2) Lots 24 and 25 along the common boundary of which will be an underground pipeline which will continue along the side of Lot 28 and carry irrigation water north within the right-of-way of Sable Ridge Court and Rutherford Road and then northwesterly in Shady Canyon Road.

2.05. Additional Limitations on Owners' Property Rights. Each Owner's property rights shall also be subject to the following provisions:

A Penalties. The right of the Association to impose reasonable monetary fines or penalties and/or suspend the voting rights of an Owner for any period during which the Assessment against his Lot remains unpaid, subject to due process requirements described in Article 7;

B Dedications. The right of the Association to dedicate parts of the Conservation Facilities or access thereto to any public agency, authority or utility for such purposes and subject to such conditions as are consistent with the purposes of this Declaration or may be agreed to by the Members. No such dedication or transfer shall be effective unless it has the prior written authorization of a majority of each class of Members and a written instrument evidencing such dedication and such written authorization has been recorded in the County; provided, however, no such dedication shall impair the ingress and egress to any individual Homesite within the Development;

C. Easements. The right of the Association to grant permits, licenses and easements over the Vineyards, Landscaped Areas or Conservation Facilities for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development; and

D. Waiver of Any Right to Purchase Water. If and to the extent that any Lot in the Development has a right to purchase from the Placer County Water Agency ("PCWA") any water for irrigation purposes, such right is waived. Since the Association will be providing the system to deliver irrigation water and will be responsible for irrigating the Vineyard and Landscaped Area as provided in Section 2.04, the Association, rather than any Owner, shall have and exercise any right to purchase water from PCWA.

2.06. Ownership Subject to Governing Documents and Easements. Ownership of any Lot within the Development is subject to the covenants, restrictions and easements referred to in this Declaration, including the following:

A Association Easements for Maintenance and Repair. The Association shall have an easement in and to every Lot within the Development for performance of any of its management and maintenance responsibilities; for cleaning, repairing, replacing and otherwise maintaining or causing to be maintained service in underground utility lines in the event that the Owner fails to maintain or cause to be maintained such utility lines; for enforcing the Design Guidelines and Controls as set forth in Article 4; and for entry upon individual Development Envelopes, for admittance of such authorized persons as are reasonably necessary in the event of an emergency. Except in the case of an emergency, the Association shall give affected Owners at least 24 hours' notice before performing any maintenance or repair work within such Owners' Development Envelope.

R Utility Maintenance and Repair Easements. Wherever sanitary sewer connections or water connections or electricity, gas, telephone, or cable lines or drainage facilities, or Driveways are installed in or through two or more Lots within the Development, each Owner of any Lot

served by such connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter any other Lot where such connections are located or to have utility companies enter therein, to repair, replace and generally maintain such connections as and when the same may be necessary. All utility companies having easements on the Development covered by this Declaration shall have easements for cleaning, repairing, extending, upgrading, replacing and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into a Development Envelope or Improvement constructed within a Development Envelope for uncovering any such lines. Any Owner or utility company exercising the rights granted in this section shall be obligated to restore the area disturbed to substantially its former condition.

C. Cross-Lot Drainage Easements. Since only limited grading within each Development Envelope will be permitted in accordance with a drainage plan approved by the Design Review Committee, the majority of each Lot will be left ungraded and subject to natural drainage patterns. All Lots are automatically subject to easements in favor of adjoining and uphill Lots for the purpose of cross-lot and downhill surface drainage. Development Envelopes shall not be excavated, filled or recontoured and no slope or swale shall be altered so as to impede or redirect the natural flow of drainage on any Lot except when a drainage plan designed to divert water away from a Homesite has been approved by the Design Review Committee.

D. Persons Subject to Governing Documents. All present and future Owners, tenants and occupants of Lots within the Properties shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.). The acceptance of a deed to any Lot, the entering into a lease, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon him and that he will observe and comply within the Governing Documents.

E. Leasing of Residences. Any rental or lease of a Homesite shall be only of the entire Residence Unit or any separate granny flat for Single Family Use, not for any transient use or for a period of less than 30 days, and shall be subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the Lease or rental agreement. Each Owner-lessor shall provide any tenant or lessee with a current copy of all Governing Documents and shall be responsible for compliance by the tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Homesite.

F. Discipline of Lessees. Subject to paragraph F, below, if any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances which may include the imposition of fines and penalties against the Owner or tenant.

G. Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction of the Properties or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner-lessor (or the Owner's lessee or tenant) on account of the misconduct of the Owner's lessee or tenant unless and until the following conditions have been satisfied: (1) the Owner has received written notice from the Board, the Association's property manager or an authorized committee of the Board detailing the nature of the lessee's/tenant's alleged infraction or misconduct and advising the Owner of his right to a hearing on the matter in the event the Owner believes that remedial or

disciplinary action is unwarranted or unnecessary; (2) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and (3) the Owner has failed to prevent or correct the tenant's objectionable actions or misconduct. Any hearing requested hereunder shall be conducted in accordance with Section 8.09 hereof.

2.07. Obligations Incident to Ownership.

A. Payment of Assessments and Compliance with Rules. Each Owner shall pay, when due, all Assessments levied against the Owner and his Lot and shall observe, comply with and abide by any and all rules and regulations set forth in, or promulgated by the Association pursuant to, any Governing Document for the purpose of protecting the interests of all Owners or protecting the Conservation Area and any Conservation Facilities.

B. Discharge of Assessment Liens. Each Owner shall promptly discharge any Assessment lien that may become a charge against his Lot.

C. Notification Regarding Governing Documents. As more particularly provided in Section 1368 of the California Civil Code, as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Lot, the Owner thereof must give the prospective purchaser:

(1) A copy of the Governing Documents;

(2) The Association's most recent financial statement;

(3) A true statement in writing from an authorized representative of the Association as to: (i) the amount of any unpaid Assessments, together with inflation relating to late charges, attorneys' fees, interest, and costs of collection which, as of the date the statement is issued, are or may become a lien on the Lot being sold ("delinquency statement"); and (ii) the amount of the Association's current Regular and Special Assessments and fees; and

(4) 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 the information is provided.

Within 10 days of its receipt of a written request for any information described in above, the Association shall provide the Owner with copies of the requested items. The Association shall be entitled to impose a fee for providing the requested items equal to (but not more than) the reasonable cost of preparing and reproducing the requested items.

D. Joint Ownership of Lots. In the event of joint ownership of any Lot, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several as to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments.

K. No Avoidance of Obligations. No Owner, by nonuse of the Common Area or Common Facilities, abandonment of the Owner's Lot or otherwise may avoid the burdens and obligations imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments.

F. Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments levied with respect to such Lot which become due after the date of Recording of the deed evidencing the transfer and, upon such Recording, all Association membership rights possessed by the transferor by virtue of the ownership of the Lot shall automatically cease.

2.08. Duty and Time to Construct a Residence. Each Owner of a Lot (other than Declarant) shall cause a Residence Unit to be constructed within the Development Envelope of his Lot within the time period set forth herein.

A. Completion of Construction. Subject to extensions of time for "Unavoidable Delay," each Owner of a Lot shall complete construction of the Residence thereon in substantial compliance with the plans and specifications approved by the Design Review Committee within three years after his Acquisition Date. For purposes of the foregoing, construction of the Residence shall be deemed "complete" only at such time as such Owner has obtained from the Town of Loomis a valid certificate of occupancy or approved final inspection so as to permit human occupancy of the Residence. The term "Acquisition Date" shall mean the date a grant deed is recorded which first transfers title to a Lot on which no Residence has yet been constructed to such Owner from Declarant, or any other entity (including, but not limited to, any previous Owner). The Board shall have the right, but not the obligation, in its sole and absolute discretion, to extend the completion of construction deadline prescribed in this section for any Owner.

B. Unavoidable Delay. Any prevention, delay or stoppage in the completion of construction of the Residence caused by any matter beyond the reasonable control of such Owner (collectively, "Unavoidable Delay") shall extend the completion of construction deadline prescribed in this section for a period equal to any period(s) of such prevention, delay or stoppage, but not to exceed in the aggregate one year- A matter shall be deemed beyond the reasonable control of such Owner only when the matter (e.g., acts of God, war, labor strike) would affect any person similarly situated, but a matter shall not be beyond the reasonable control of such Owner when it is peculiar to such Owner (e.g., the inability to obtain construction or permanent financing, change in architects, contractors or other consultants or failure to order building materials sufficiently in advance). Nothing herein shall excuse the prompt performance of any act which is made difficult solely because of the financial condition of such Owner. In no event shall any extension of any period of time for Unavoidable Delay be deemed to have occurred unless such Owner shall have given written notice to the Board within 15 days of the commencement of the Unavoidable Delay, setting forth the facts giving rise to such delay, the anticipated period of delay and the steps being taken by Owner to mitigate the effects of any such delay. In the event of any such delay, the period of time to exercise the Association's rights and remedies shall be commensurately extended.

C. Rights and Remedies of the Association. In the event an Owner breaches his obligations under this section, after Notice and Hearing, the Association shall have the right, but not the obligation, to clear the Development Envelope of all weeds and debris and to landscape and irrigate it at the expense of such Owner, and/or to impose discipline against such Owner (including, but not limited to, the imposition of an individual Assessment (Compliance Assessment and/or Damage Reimbursement Assessment) against such Owner and the suspension of such Owner's voting rights).

D. Rights of Declarant Declarant reserves the right to record against any Lot an instrument which establishes, among other things, the obligation on the part of the Owner of such Lot to commence and/or complete construction of a Residence within his Development Envelope within a specified deadline and rights of Declarant to enforce such obligations against such Owner. Any obligation to commence and/or complete construction of a Residence and any rights to enforce such

obligations established by Declarant in any such recorded instrument are separate and independent from the obligation to complete construction of a Residence and the rights of enforcement by the Association set forth in this section. While the Board of the Association under this section, or Declarant under such other recorded instrument, may in its sole and absolute discretion, grant an extension of its respective required deadline(s), the other may continue to enforce its original deadline(s).

E. Access Limited to Driveway and Development Envelope. During construction as well as after construction each Owner must comply with and have their respective contractors, tradesmen and consultants or other agents comply with, and must confine access, activity, parking and storage of materials to the Development Envelope and Driveway Area of such Owner's Lot. Such restrictions apply to pre-construction work (i.e., geotechnical investigations) as well as construction of Improvements, including landscaping.

2.09. Disclosures: Disclaimer and Release. Declarant makes the following disclosure of conditions that exist or may exist within the Development with the effect described in paragraph C

A. Soil Conditions. Certain portions of the Development have expansive soils which can undergo significant volume changes (shrinking and swelling) due to variations in soil moisture content. Changes in soil moisture content could result from rainfall, irrigation, leaking utilities or roof drains and may cause unacceptable settlement or heave of structural elements supported on these materials. The Development also contains dredger tailings and rocky outcroppings and metavolcanic bedrock at varying depths. Depending on the extent and location of bedrock below finished subgrade, these soils conditions can have a detrimental effect on construction. Prior to any construction, each Builder and each Owner is advised to conduct appropriate additional investigations into the soils and other conditions which may have an impact on such construction. Each Owner who acquires a Lot on which such Owner intends to build a Residence shall obtain a geotechnical report in connection with his building plans.

B. Nearby Non-Residential Uses. At the time of Recordation of this Declaration, Lots 29 and 30 are adjacent to land presently used or permitted to be used for non-residential uses, such as schools. Owners and occupants of Residences within the Development are advised that such non-residential uses may result in noise which particular residents consider excessive. Owners and occupants of Residences within the Development are advised that the Town or other appropriate governmental agency may rezone or otherwise permit other uses on properties outside of but adjoining the Development at any time. Nothing in this Declaration is a representation, express or implied, regarding the continuance or discontinuance of any use of any nearby property. It is also possible that Lots 1 and 62 within the Development may receive use permits for winery or winery-related use as described in Section 3.18.

C. Plants, Animals and Wildlife. The Property includes, and borders, natural open space areas which provide habitat for various forms of wildlife (including, but not limited to, mountain lions, coyotes, snakes, raccoons, possums, skunks, rabbits, squinels and mice) and poisonous vegetation (e.g., poison oak, etc.). Animal wildlife may venture from the open space areas into the Development, including Development Envelopes. The open space areas are not intended for recreational purposes, and in any case, may be hazardous. In addition, certain types of vegetation and wildlife within the Woodlands and Wetlands are protected species pursuant to federal and state environmental laws and pursuant to agreements or other arrangements with the Conservation Steward. Owners are advised to keep domestic pets within their Residence to protect them from being attacked by wildlife as well as to prevent them from preying on endangered species in the Wetlands and Woodlands.

D. No Guarantee of Views. The Development Envelope of some lots may enjoy some unique view potential. The view, if any, a Homesite will enjoy is subject to the limitations and

disclaimers set forth herein. However, there are no express or implied easements for views or for the passage of light and air to any Development Envelope. Although the provisions regarding Design Review may have some effect on preserving views from and providing for the passage of light and air to an individual Development Envelope, Declarant, the Board and the Design Review Committee, and the directors, officers, employees, consultants, agents and contractors of the foregoing, do not make any representations or warranties, express or implied, concerning the view, if any, that a particular Development Envelope will enjoy. Each Owner, by accepting a deed to his respective Lot expressly acknowledges and agrees that any view which any portion of his Lot may enjoy as of the date of purchase may be impaired or obstructed by the installation of trees, other landscaping or other types of barriers, the growth or relocation of landscaping, the construction or other installation of Improvements in the Property, applicable laws, codes, ordinances and regulations, and each Owner expressly consents to any such obstructions. Each Owner further understands that the provisions of this Declaration establish certain architectural and landscaping controls applicable to the Property, and that each Owner has the right to enforce such controls.

E. Toxics Removed from Lots 9, 10 and 56. With respect to some portions of Lots 9, 10 and 56, Declarant discloses that the previous owner of the Property removed toxic materials including lead, arsenic, DDT residue and PCB's. The cleanup of these Lots was done voluntarily pursuant to a Removal Plan approved by the Department of Toxic Substances Control (DTSC). Completion of the Removal Plan is evidenced by a certification of the DTSC

F. Individual Sewer Pumping Systems. The following Lots: 12, 13, 45, 46, 49 through 56 and 58 through 61, all have Development Envelopes which are situated below the elevation which would permit gravity-flow sewage lines. Therefore, sewer drainage from the Homesites on those Lots will require installation of a private pumping system including backflow preventers as part of the initial construction of the Residence Unit within each such Development Envelope. The following additional Lots may also require such systems depending on the exact location of the Residence Unit within the Development Envelope: 5, 14, 15, 28, 39, 40, 41, 42, 43 and 57. Additional Lots may require backflow valves. All such special requirements will be reflected in the Development Notebook for each affected Lot

G. Disclosures Regarding Vineyard Operations. While the Vineyard will be an aesthetic feature of the Development; its operation will, from time to time, involve some noise, dust, chemicals and activities which should be taken into account by the Owners of Development Envelopes which adjoin the Vineyard. The Vineyard shall be operated in accordance with typical vineyard management practices as determined by the Vineyard Manager whom the Association is required to engage. In operating the Vineyard it may be appropriate, from time to time, to burn pruning remains instead of mulching such remains or to perform weed control using propane burners. Such burning or burners may be used when warranted under the supervision of the Vineyard Manager and the Board and such supervised practice shall be an exception to the general prohibition against open burning anywhere within the Development. Additionally, standard practice is likely to include mulching and composting within the Vineyard with pruning remains and/or byproducts from the wine making operation and the application of chemical fertilizers and weed suppressants. Since grape harvesting must take place in cool weather conditions, such activity may occur at daybreak or during evening to nighttime hours, possibly including weekends. Lights will be used if harvesting occurs at night. The Vineyard Manager shall exercise his discretion in determining the extent to which grape production is maximized or pruning should be used to reduce tonnage but enhance the quality of the grapes produced. In operating the Vineyard, neither the Vineyard Manager nor the Association shall be required to maximize the yield or value of the grape crop and do not represent that any net profit will be derived by the Association from the operation of the Vineyard. The Vineyard Manager and the Association shall be obligated only to use

reasonable judgment in the selection and care of the grape variety(ies) planted giving appropriate consideration to the conditions of the Vineyard.

H. Lots 44 and 45. The subdivision map of the Development includes an irrevocable offer of dedication ("IOD") for an access way along the boundary of Lots 44 and 45 to the west property line of the Development. Within the area of the IOD no fencing, structures or other Improvements shall be installed.

L. Disclaimer: Release. The provisions of paragraphs A through G are specifically intended to disclose special conditions in the Development which may impact an individual's decision to build and/or reside within the Development. These disclosures are made in good faith, based upon such information as Declarant possesses as of the date of this Declaration. Prior to the purchase of any Lot, and prior to any construction, each Builder and each Owner is advised to conduct appropriate additional investigations into these and other conditions which may have an impact on the decisions to purchase and/or construct. To the full extent permitted by law, by accepting a deed to a Lot within the Development, each Owner, for himself; his successors in interest and assigns, thereby releases Declarant, and each of its officers, agents, shareholders and employees from any and all liability for any and all damage, loss or prejudice suffered or claimed which, in any way, relates to the information disclosed in paragraphs A through H above or any other information relating to the Development which such Owner alleges would have affected such Owner's decision to purchase a Lot and/or construct a Residence in the Development.

ARTICLE 3. USE RESTRICTIONS.

3.01. Residential Use. With the possible exception of Lots 1 and 62 as described in Section 3.18, no Development Envelope shall be developed and used for any purpose other than Single-Family Residential Use. Except as otherwise provided in this Declaration, no Development Envelope shall be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, mining, drilling or other such nonresidential purpose. This restriction is not, however, intended to preclude the use, within an individual Residence Unit, of computers, fax machines or telecommuting devices for business purposes not involving any customer, client, agent or employee visitation to the Residence.

3.02. Antennae, External Fixtures, Solar Panels, Other Equipment. No television or radio pole, antenna, satellite dish, flag pole, clothesline, basketball standard or other exterior fixture, other than those originally installed by Declarant or any Builder, and any replacements, shall be constructed, erected or maintained on any Development Envelope or any structure on it if such fixture is visible from any street within the Development unless the same has first been reviewed and approved as to size and placement by the Design Review Committee. The Committee may not prohibit any video or television antenna or satellite dish which has a diameter or diagonal measurement of 36 inches or less and which is installed so as to not be visible from any public roadway. Except for any chimneys, vent stacks, or other items upon or projecting from the roof which are installed by Declarant or any Builder as part of the initial Improvements, and their duplicate replacements, no such item shall be constructed, erected or maintained upon the roof of any building on the Property unless the same has been determined not to be visible from any street or otherwise specifically approved by the Design Review Committee. Regarding any possible chimney or vent, Owners are also advised that the installation of any wood-burning device within a Residence Unit is limited to one which is Phase II EPA certified. Any fireplace must have EPA-certified Phase II inserts,

3.03. Outside Drying, Laundering and Window Coverings. No exterior clothesline shall be erected or maintained on any Development Envelope. No laundering, clothes drying or related activity

shall be permitted outside any building. Neither sheets nor aluminum foil may be used as window coverings.

3.04. **Additional Structures or Division.** No structures of a temporary character, trailer, tent, shack or barn, shall be used on any Development Envelope at any time as a Residence, either temporarily or permanently. Each Development Envelope shall be used for only one single-family Residence although a "Granny Flat" or guest cottage may also be constructed within a Development Envelope if the same is approved by the Design Review Committee. No Development Envelope may be further subdivided for any purpose or reason.

3.05. **Fences.** No fences, hedges, walls or other installation in the nature of a fence shall be installed at the perimeter of a Lot. An Owner shall install a fence around an outdoor swimming pool as required by building codes or around other Improvements within a portion of the Development Envelope subject to the Design Guidelines and approval of the Design Review Committee. Permanent Protective Fencing installed by Declarant and located alongside Conservation Areas shall not be removed or altered except by the Association with the approval of the Conservation Steward. Subject to approval of the Design Review Committee, fencing, screening or similar covering shall be installed around any elevated deck or balcony the underside of which would otherwise be open and accessible. Deer fencing may be installed to protect the Vineyard if necessary and approved by the Design Review Committee.

3.06. **Fireplaces.** All interior fireplaces shall be fitted only with gas-fired ceramic logs. No open wood-burning fireplaces shall be permitted. Each Residence shall be limited to just one wood-burning stove and that must be certified to comply with NSPS Phase II requirements.

3.07. **Trash; No Open Burning; Hazardous Material.** All garbage and trash shall be placed and kept in covered containers, generally in an enclosed area, except as may reasonably be necessary in connection with the collection thereof by the garbage collector.. No portion of any Development Envelope shall be used for the storage of building materials or other materials except in connection with approved construction. No trash, building material, leaves or other refuse of any kind shall be burned and there shall be no open bonfires within the Development. No hazardous waste, substance or material (as defined in any federal, state or local law, ordinance or regulation) shall be stored or permitted upon any portion of the Property, except in compliance with all applicable laws, ordinances and regulations. Without limiting the generality of the foregoing, the Property is subject to all federal, state and local requirements of the National Pollutant Discharge Elimination System ("NPDES") adopted pursuant to the Federal Clean Water Act. In accordance therewith, the Association, and all Owners may not dispose of any hazardous waste, substance or material into any storm drain or other drainage device located anywhere within the Property in violation of NPDES or any other applicable laws, ordinances or regulations.

3.08. **Drilling.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted within the Development, nor shall oil wells, tanks or mineral excavations be permitted upon or within the Development. No derrick or other structure designed for use in boring for oil, water or natural gas shall be erected, maintained or permitted upon the surface of any portion of the Property.

3.09. **Water Softeners.** No water softener system of any kind shall be permitted on any Lot, unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of all Public Agencies and the Design Review Committee,

3.10. **Parking; Vehicles.** Each Owner shall generally make use of the garage and parking area which is developed within his Development Envelope for parking any vehicle(s) which he and his family

and guests bring to the Development. Driveways shall be kept free for the passage of vehicles and shall not be used for parking.

3.11. Offensive Activities; Nuisances and Noise; Outdoor Lighting. No noxious or offensive activity shall be carried on within the Development, nor shall anything be done or placed thereon which may be or become a nuisance or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the enjoyment of their Residence Unit. Without limiting any of the foregoing, no Owner shall permit noise, including but not limited to, the barking of dogs and the excessive playing of music systems, to emanate from such Owner's Development Envelope, which would unreasonably disturb another Member's quiet enjoyment of his Development Envelope or of the Common Area. However, cultivation, harvesting and other activities required in the Vineyard shall not be considered a nuisance, nor shall operation of a winery on Lot 62 and winery-related activities of Lot 1, if permitted and developed for those uses, be deemed a nuisance. Since construction activities undertaken pursuant to a building permit or grading permit can reasonably be expected to generate construction noise, such activities shall be prohibited on Sundays and generally recognized holidays and shall be conducted only Monday through Friday not earlier than 7:00 a.m. and not later than 7:00 p.m. and Saturday, not earlier than 8:00 a.m. or later than 5:00 p.m. Any outdoor lighting installed by an Owner shall not be placed on the top of any structure, but shall be located and directed so that it does not shine into the Homesite of any adjoining Owner.

3.12. Compliance with Laws, etc. Nothing shall be done or kept in any Development Envelope or Residence Unit that might increase the rate of, or cause the cancellation of insurance on the Development, or any portion of the Development, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Development Envelope that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal body.

3.13. Interference with Access. No one shall interfere with or otherwise restrict the free right of passage of the Owners, their agents, servants, tenants, guests and employees over any Driveway.

3.14. Restrictions and Requirements for Owners' Landscaping.

A. Generally. No Owner shall: (a) alter the grade of the land within his Development Envelope, except with respect to installation of a spa or swimming pool facility for which approval of the Design Review Committee and building and grading permits have been duly obtained; or (b) do any landscaping or landscape maintenance outside of his Development Envelope.

B. Prohibited Plants. Certain plants have been deemed to constitute a danger to the integrity and conservation values. These plants are listed on **Exhibit C**. No Owner of any Development Envelope or the Association shall plant or permit any of the species listed on **Exhibit C** (the "Prohibited Plants") anywhere within the Development.

C. Tree Removal or Replacement Generally, the Development Envelopes are located where Improvements can be constructed with the least amount of clearing and grading work. An Owner's removal of any tree within a Development Envelope shall be permitted only in accordance with the Tree Planting and Replacement provisions a copy of which is attached to this Declaration as **Exhibit D** and any other applicable provisions of Chapter 13.54 of the Codes of the Town of Loomis. Each Owner shall be responsible for payment of any tree mitigation fee that may be assessed by the Town in connection with any permitted tree removal. Declarant installed the streets and other subdivision improvements in accordance with a Tree Protection/Mitigation Program which was approved by the Town. That Program provides for onsite mitigation of tree removal by planting within the Oak Conservation Easement Area and within the Landscape Easement area along the streetfront of some Lots

(see Section 2.03 above), In connection with any improvements requiring the prior approval of the Design Review Committee (see Article 4), the Committee shall review any proposed tree removal and shall identify replacement requirements which shall be consistent with **Exhibit D** and with the Tree Protection/Mitigation Program followed by the Declarant.

D. Duty to Install Landscaping. Unless installed by Declarant or Custom Builder, the Owner of a Custom Lot shall, at his own cost and expense, cause the area around his Residence Unit within his Development Envelope to be fully landscaped in accordance with plans and specifications approved by the Design Review Committee within 120 days after the initial issuance of a certificate of occupancy or other final approval allowing the Residence constructed thereon to be occupied. In all cases, all landscaping and other Improvements shall comply with the provisions of the Design Guidelines. The Owner of a Lot shall maintain the landscaping within his Development Envelope in a neat, clean, safe, sanitary, healthy and attractive condition at all times.

3.15. Animals. Except as provided in this Section with respect to Lots 1, 2, 3 and 4, no farm animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot that is subject to any Conservation Easement (whether Wetland, Woodland or Vineyard). In Lots 1, 2, 3 and 4 not more than two horses shall be allowed, provided that they are stabled within the Development Envelope on such Lots and are not allowed access to any Conservation Area anywhere within the Development. Dogs, cats or other conventional household pets may be kept on the Homesites, provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers as determined by the Board applying reasonable judgment and giving appropriate consideration to the density of Residential Units in the Development. Notwithstanding the foregoing, no animals or fowl may be kept on the Property which result in an annoyance or are obnoxious to residents in the vicinity. No dogs shall be allowed to run loose within the Development. Any amendment to this Section shall require the prior approval of the Town of Loomis.

3.16. Miscellaneous Notices and Restrictions. Each Owner or prospective Owner is hereby notified of the following conditions and/or restrictions which may impact the use, maintenance or further Improvement of the Development Envelope:

A. Water Conservation. The Town encourages all its residents to observe water conservation practices. The Declarant shall furnish to each Owner who purchases a Development Envelope from it educational materials regarding conventional water conservation practices and surface water quality protection. Each Owner shall review such material, use reasonable efforts and judgment to comply and shall advise any subsequent purchaser of his Development Envelope of the need to comply with such practices and protections.,

R. Adjoining Agricultural Use. Properties adjoining the Development may be developed and used for agricultural uses, which may include livestock, that could involve noises, dust and odors. The Vineyard will also be actively cultivated and managed which may involve pesticides, fungicides and fertilizers, over-spray from irrigation, periodic noise from planting, harvesting and cultivating, dust, and sulfur treatments.

C. Height Restrictions. Construction on Lots 7, 8, 9, 11, 12, 18, 19 and 21 shall be limited so that the highest elevation does not exceed the natural elevation of the knoll(s) included on or adjacent to such Lots. No Improvements on any of those Development Envelopes shall be initially constructed or replaced or altered so as to exceed this height restriction,

3.17. Development Notebook and Other Information. To promote understanding of and compliance with certain specific restrictions in this Declaration and general environmental concerns, Declarant shall provide to each Owner who purchases a Development Envelope from Declarant:

A. Development Notebook A copy of the pages in Declarant's Development Notebook which apply to the Development Envelope in question, including plot plans, use restrictions, easement areas, tree removal and replacement restrictions and similar information.

B. Informational Materials. Information materials which Declarant shall have obtained for distribution concerning open burning, wood burning, agricultural burning, air pollution and transportation control measures such as ridesharing.

3.18. Winery Prospect; Lots 1 and 62. The Agricultural/Residential zoning applicable to the Development allows for establishment of a winery, upon issuance of a special use permit. Declarant is therefore reserving Lot 62 on Wells Road as the possible location of a winery either in lieu of or in addition to a residence. If Declarant or a prospective purchaser of Lot 62 obtains the required use permit, the Improvements within the Development Envelope of that Lot may include facilities for crushing grapes and making wine plus storage and management areas. If developed, such Improvements will be operated as a for-profit business separate from the Association. However (i) the Owner thereof shall have the right to buy from the Association some or all of the grapes grown in the Vineyard provided the purchase price to be paid per ton shall be equal to the 60th percentile of price paid for like varieties in the District 10 Area (Sierra Foothills) as reported by the California Department of Food and Agriculture in the annual Grape Crush Report for the previous year. For example, the price to be paid for the 2010 harvest of Zinfandel grapes per ton shall be the same as what was paid as reported in the 2009 report. The price is inclusive of harvesting and delivery to the winery; (ii) the yield will be determined jointly by the Vineyard Manager and the wine maker however in any event the vines shall be pruned to grow approximately 4 tons per acre in order to generate better fruit; and (iii) the Owner may use the name of the Development in its labeling and advertising. If constructed on Lot 62, winery Improvements shall be subject to the Design Guidelines, Design Review and Controls stated in Article 4 in the same way as other Improvements within the Development

If, and only if, a winery is built on Lot 62, then Lot 1 (which lies immediately to the west of Lot 62) may be developed with improvements that could be used for wine tasting and sales and special events that might be held indoors or in outdoor areas near the wine-tasting facilities. Such use and development of Lot 1 would require issuance of a special use permit. Any such Improvements shall also be subject to the Design Guidelines and Design Review process stated in Article 4 of this Declaration. However, such use and development of Lot 1 shall not occur and Lot 1 shall instead be limited to residential Improvements and use unless adjoining Lot 62 has been or is concurrently being improved with a winery.

ARTICLE 4. DESIGN REVIEW AND CONTROL.

4.01. Purposes and Requirement of Design Review. It is intended that the Property be initially developed by Declarant or other Builders with various Improvements that are architecturally compatible with the general character of the Development and aesthetically pleasing, consistent with the Design Guidelines and the conditions of approval specified by the planning commission of the Town in its approval of the subdivision map. After the Property is initially improved, it is intended that those initial Improvements be maintained in essentially the same condition and appearance as originally developed for the duration of the term of this Declaration. The Design Guidelines, the design review process and the use controls set forth herein are to facilitate those intentions and purposes and are to be construed consistent therewith. Except for purposes of proper maintenance and repair, no Owner shall

build, construct, erect, plant or otherwise install any Improvement, without first: (i) submitting appropriate plans and specifications for such Improvement to the Design Review Committee; (ii) obtaining the express written approval of such plans and specifications by the Design Review Committee; (iii) obtaining any necessary permits from any applicable Public Agency; and (iv) thereafter complying with all applicable provisions of the governing Documents, any conditions imposed by the Design Review Committee, and with all requirements imposed by any Public Agency.

A. Style Alternatives. As more particularly described and detailed in the Design Guidelines, there shall be four basic architectural styles that are regarded as compatible with the natural and Vineyard setting of the Development: Early California/Mission, Rural Italian, Provence and Rural Andalusian. Examples of each style and the architectural elements of each shall be as set forth in the Design Guidelines.

B. Size Requirements. The minimum size of a single-story Residence shall be 3,800 square feet; the minimum for a two-story Residence shall be 4,400 square feet. The square footage minimums shall apply to living area and shall not include garage or ancillary Improvements,

4.02. Design Review Committee. The initial design of Improvements within the Property and any subsequent alterations thereof shall be subject to prior review and approval by the Design Review Committee.

A. Jurisdiction of Design Review Committee. The Design Review Committee established pursuant to this Section 4.02A (the "Committee") shall have jurisdiction over initial design and construction of Improvements within each Development Envelope, and shall have jurisdiction over all replacements and alterations. The Committee shall have three members. The initial members of the Committee shall be Curtis A. Westwood, Craig Laukkanen and Deborah A. Westwood or any other person appointed by the Declarant to replace one or more of them. The address for the Committee shall be: 11231 Gold Express Drive, Suite 108, Gold River, California 95670. The initial Committee shall serve until the third anniversary of the first sale of a Lot to a Class A Member. Thereafter, the Declarant shall have the right to appoint a majority of the Committee, and the remaining member of the Committee shall be appointed by the Board until the first to occur of the following:

- (1) When 55 Lots have been conveyed to Class A Members;
- (2) Upon the fifth anniversary of the first conveyance of a Lot to a Class A Member;

at which time the Board shall appoint two members of the Committee and the Declarant shall appoint one member of the Committee until Declarant no longer owns any Lot on which a Residence is yet to be built.

B. Qualifications of Members of the Committee. Members of the Committee appointed by the Board shall be from the membership of the Association. Members of the Committee appointed by the Declarant need not be Members of the Association. If such individuals are available and willing to serve, at least two members of the Committee shall have a professional degree or other background in design, land planning, architecture, real estate development, interior design or some other field which is related to the functions to be performed by the Committee. Unless at least one Committee member is an architect licensed in the State of California, then the Committee may engage a California licensed architect to render advice with respect to plan submittals and other review matters before the Committee. No member of the Design Review Committee shall be liable to any person for his decisions or failure to act in making decisions as a member of the Design Review Committee. Declarant may, in its discretion and at any time prior to the Turnover Date, assign to the Association by written assignment its

powers of removal and appointment with respect to the Design Review Committee, subject to such terms and conditions regarding the exercise thereof as Declarant may impose,

4.03. Approval Required. No Improvement shall be initially constructed, nor shall any exterior addition to or change or alteration of the Improvements be made until plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted to and approved in writing by the Committee. The required plans and specifications shall be professionally prepared (i.e., by licensed architect for structural Improvement and by licensed landscape architect for landscape Improvements). The submittal and approval requirement shall also apply to any exterior painting with any color other than the existing color; to the construction, destruction or alteration of landscaping and any awning, trellis, patio cover or fence and similar incidental Improvements and decorations to an existing Residence. Any submittal for initial Improvements or for additional Improvements which may affect drainage, shall include a drainage plan. Drainage plans for downhill Lots must be designed to accept drainage from uphill Lots.

4.04. Design Guidelines. The Design Review Committee shall use the Design Guidelines as the basis for reviewing plans and specifications. A majority of a quorum of the Board may amend, from time to time, the Design Guidelines and also may adopt, from time to time, Rules and Regulations to supplement the Design Guidelines; however, for so long as the Declarant owns any Lot on which no Residence has yet been built, the Board may not amend the Design Guidelines without the prior express written consent of the Declarant. The Design Guidelines include, without limitation, procedures, policies, limitations and restrictions regarding the following:

A. The construction, addition, change or alteration of any Improvement to a Development Envelope or Driveway Area, including the nature, kind, shape, size, materials, exterior color, location and height of any Improvement;

B. A description of any type of addition or alteration which, if completed in conformity with the Design Guidelines, does not require approval of the Design Review Committee;

C. Conformity of completed Improvements to plans and specifications approved by the Design Review Committee;

D. Time limitations for the completion of the Improvements;

E. Procedures for submission of plans and specifications to the Design Review Committee for review, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, landscape plans and a description or samples of exterior colors and materials;

F. Approved landscape palettes, including without limitation, prohibitions on planting, seeding or otherwise introducing Prohibited Plants (see **Exhibit C**) on or within the Property and other restrictions controlling the species and placement of any trees, plants, shrubbery, ground cover, etc., to be placed, planted, irrigated and maintained within any Development Envelope.

G. Applicable setbacks, height and coverage limitations for landscaping and for accessory structures (including, but not limited to, patio covers, gazebos, pools, spas, decks, guest houses, granny flats, etc.); and

H. A reasonable schedule of deposits and fees for the submission of plans and specifications and to ensure proper completion of the anticipated work, clean-up and compliance with the approved plans and specifications.

The Design Review Committee shall maintain a copy of the then current Design Guidelines on file at all times, and shall provide each Owner with a copy of the Design Guidelines upon request. The Board shall establish a reasonable fee for copies of the Design Guidelines, and other related materials, to cover costs of reproduction, administration and handling,

4.05. Approval By Design Review Committee.

A, Preliminary Approval. Any Owner proposing to initially construct or substantially reconstruct or repair any Improvements may apply to the Committee for preliminary approval by submission of preliminary drawings of the proposed structure or Improvement in accordance with the Committee rules. The purpose of this paragraph is to allow an Owner who proposes to make substantial Improvements to his Development Envelope or Driveway Area an opportunity to obtain guidance from the Committee concerning design considerations (such as the proposed basic style, scale, materials and colors) before expending substantial sums for plans and other exhibits required to apply for final architectural approval. Applications for preliminary approval shall be considered and disposed of by the Committee as follows:

(1) Within 30 days after receipt by the Committee of proper application for preliminary approval, the Committee shall consider and act upon such request. The Committee shall grant the preliminary approval only if the proposed structure or Improvement, to the extent its nature and characteristics are shown by the application, conforms to the alternatives consistent with the Design Guidelines and would be entitled to a final approval on the basis of a full and complete application. The Committee's decision shall be made in good faith and may not be arbitrary, unreasonable or capricious. The decision shall be communicated to the Owner/applicant in writing and, if the proposed Improvement or change is disapproved, the written decision shall include an explanation of the reason(s) for such disapproval and, unless the Board is acting as the Committee, a statement that the disapproval may be appealed for reconsideration by the Board at its next regularly scheduled open meeting. Failure of the Committee to act within such 30-day period shall constitute approval. In granting or denying approval, the Committee may give the applicant such directions concerning the form and substance of the final application for approval as the Committee may deem proper or desirable for the guidance of the applicant

(2) Any preliminary approval granted by the Committee shall be effective for a period of 90 days from the date of the issuance thereof. During that period, any application for final approval which consists of additional full detailed drawings consistent with the Design Guidelines and the provisions of the preliminary approval, and is otherwise acceptable under the terms of these restrictions, may be approved by the Committee.

(3) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the requested structures or Improvements or any other Improvements, structures or alterations not reviewed preliminarily.

B, Complete Application. No application for final approval required under this Article shall be deemed appropriately submitted unless the proposed addition or alteration is fully described and shown by appropriate drawings, plans, specifications and samples of colors and materials in duplicate and all other materials required by the Design Guidelines have been provided to the Design Review Committee. With respect to the initial construction of a Residence within a Development Envelope the application shall include a drawing of the Development Envelope and proposed location of

all Improvements therein showing any trees to be removed and any areas to be graded and shall include any site/soil evaluation by a licensed geotechnical engineer to determine whether any excavation, fill or compaction may be necessary to assure stability of the building area. The drawings shall include drainage plans. Each application must be accompanied by any fee required by the Design Guidelines as contemplated by Section 4.04, above. In accordance with Design Guidelines, approval from the Committee is to be obtained prior to submittal of an application for a building permit, grading permit or any required approval by the Town. Pages of the Development Notebook relevant to the Lot on which Improvements are proposed should be submitted to the Committee as part of the application.

C. Drawings-Model. The drawings shall show four elevations. The Design Review Committee may require that a model of the proposed construction be submitted as a condition of its final review, if the Committee deems a model to be necessary.

D. Submission Date. The request for approval and relevant materials shall be deemed submitted as of the date when the last item required is personally delivered or, if mailed, the second day from the date of deposit with a generally recognized overnight delivery service (such as Federal Express, DHL or California Overnight). The initial mailing address of the Committee referred to in Section 4.02 above shall be as specified in the Design Guidelines.

E. Time For Decision. With respect to the initial construction of a Residence by any Builder or Owner other than Declarant, the timeframe for a preliminary approval shall be as stated in Section 4.0SA. The procedures and the timeframes for the decisions by the Design Review Committee on a final, complete application shall be as set forth in the Design Guidelines. With respect to all other proposed Improvements to a Development Envelope or Driveway (after the Residence has been completed and approved for occupancy), the Owner desiring to build, construct, erect, plant or otherwise install such Improvements shall submit to the Design Review Committee full and complete plans and specifications and all other information as required by the Design Guidelines. Until receipt by the Design Review Committee of the required plans and specifications and other information as required in the Design Guidelines, the Design Review Committee may postpone review of any plans submitted for approval. Upon receipt of the submittal from the Owner, the Design Review Committee shall within a reasonable period not to exceed 30 days notify the Owner either that the submittal was incomplete (and list the items required for a complete submittal), or notify the Owner of the date, time and place for the meeting of the Design Review Committee to consider and act on the Owner's submittal. Failure of the Design Review Committee to act within 30 days will be deemed a denial of the submittal. In the event of a deemed denial due to inaction by the Design Review Committee, within 30 days of such deemed denial, the Owner may request by mail (with return receipt requested or delivery confirmation by courier service) an appeal of such denial to the Board in accordance with Section 4.09 below. If the Committee decides to disapprove the submittal in whole or part, such decision shall be communicated in writing, shall include an explanation of why the submitted is not approved and an explanation of the procedure for appealing the disapproval to the Board.

F. Standards for Approval- The Committee may disapprove plans and specifications which are in substantial compliance with this Article and with the Design Guidelines, if, in the good faith exercise of the discretion of the Committee, the Committee determines that the planned structure or structures, or some aspect or portion thereof, is unsatisfactory as to harmony of design with structures in the Property, as to the quality of workmanship and materials, or as to location with respect to topography, finish grade elevation and any easements within the Lot or Development Envelope. The Committee shall also consider whether the proposed Improvements should be shifted to minimize tree removal or grading actions. The Committee may approve plans and specifications which fail in some material way or ways to comply with the requirements of this Article if, in the good faith exercise of the discretion of the Committee, the Committee determines that some particular features of the Development

Envelope or of the planned structure or structures allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance. Also, the Committee may approve plans and specifications which fail in a way or ways which the Committee, in the good faith exercise of its discretion, determines to be not material. Without limiting the generality of the preceding sentence, a failure to comply may be not material if the failure does not substantially prevent achievement of the objectives of the requirement(s) involved. The Design Review Committee shall approve the plans and specifications submitted for its approval only if it determines that: (a) the proposed Improvements are wholly contained within the Development Envelope and are in compliance with the Design Guidelines, the Fuel Modification Zones Maintenance Guidelines, and this Declaration; and (b) the construction, alterations or additions contemplated thereby and the locations indicated will not be detrimental to the appearance of the surrounding area of the Property as a whole. In addition to the foregoing, approval by the Design Review Committee of the plans and specifications may be based upon, among other things, scale of site dimensions; conformity and harmony of external design with neighboring Residence Units; relation of topography, grade and finish grade elevation of the Development Envelope being improved to that of the surrounding land; proper facing of all elevations; consideration of aesthetic beauty; and conformity of the plans and specifications to the purpose and general plan and intent of this Declaration. The Design Review Committee may withhold approval of the plans and specifications for any proposed Improvement because of noncompliance with this Declaration, the Design Guidelines and/or the Fuel Modification Zones Maintenance Guidelines, as applicable; because of the dissatisfaction of the Design Review Committee with the proposed nature, kind, plan, design, shape, height, dimensions, proportions, architectural style, color, finish or materials to be used therein, the pitch or type of any proposed roof, or the size, type or location of any proposed trees or the landscaping proposed to be planted within the Development Envelope in question. The Design Review Committee may condition its approval of proposals or plans and specifications for any Improvement on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving the submission. In any case, the Committee shall exercise its discretion in good faith and may not be arbitrary, unreasonable or capricious in the exercise of its judgment.

G Expenses. In accordance with the Design Guidelines, the Design Review Committee may establish and collect deposits and fees relating to its review of plans and specifications and to the inspection of the construction of Improvements. The Design Review Committee shall bill the Owner for all of the direct costs and expenses incurred by the Association in connection with the review and approval by the Design Review Committee of plans and specifications.

4.06. Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder and may request applicants or their contractors or any other authorized representatives to appear at such meetings. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee Representative (who may be, but is not required to be, one of its members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances. In the absence of such designation, the vote or written consent of a majority of the members of the Committee shall constitute an act of the Committee.

4.07. Compliance with Town Planning and Permit Regulations. Review and approval by the Committee of any proposals, plans or other submittals pertaining to Improvements in no way shall be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install or modify the Improvement. However, the Committee's decision on any proposed Improvement or change may not violate any governing provision of law, including a building code or other applicable law regarding land use or public safety. Upon obtaining the written approval of the Design Review Committee, the Owner shall thereafter submit plans and specifications to the Town of Loomis. In the event that all necessary approvals of the Town for the issuance of a building permit or

other permits required to commence the work contemplated in the plans and specifications are not obtained within six months from the date of approval by the Design Review Committee, the Design Review Committee shall have the right, but not the obligation, to re-review all previously approved plans and specifications. In addition, if the Town requires modifications to the plans and specifications previously approved by the Design Review Committee, the Owner shall submit to the Design Review Committee all modifications to the plans and specifications previously approved by the Design Review Committee. If the Owner is obligated to resubmit plans and specifications to the Design Review Committee to reflect the modifications required by the Town, the Committee shall have the right to review and to impose further conditions on any such modifications which are not inconsistent with the requirements imposed by the Town. In the event of any conflict in the conditions of approval of any proposed Improvements imposed by the Town and the Design Review Committee, the more restrictive of such conditions shall be controlling. Nothing herein shall limit the Design Review Committee from imposing conditions of approval of any proposed Improvements which are more restrictive than conditions as may be imposed by the Town.

4.08. Nonliability of Declarant, the Committee or Association. Neither Declarant, its successors or assigns, nor the members of the Committee, nor the Association or its officers or employees shall be liable in damages to anyone submitting plans to them for approval or to any Owner or occupant of land affected by this Declaration, by reason of mistakes in judgment, negligence or nonfeasance arising out of or in connection with the appointment or removal of any Committee member, or the approval or disapproval or failure to approve any such plans. Every person who submits plans to the Committee for approval agrees, by submission of such plans, and every Owner of a Lot within the Property agrees by acquiring title thereto, that he will not bring any action or suit against Declarant or any Committee member or the Association or any officer or employee thereof to recover any such damages.

4.09. Appeals. At any time when the Board is not itself acting as the Committee, the Board shall adopt policies and procedures for the appeal of Committee decisions for reconsideration by the Board. Such policies and procedures shall give any Owner whose application for approval of structural Improvements or changes has been disapproved by the Committee at least 30 days from the disapproval or deemed disapproval to request the Board's reconsideration of such disapproval which shall be done at the next regularly scheduled open meeting of the Board.

4.10. Exemption of Declarant. Declarant need not seek approval of the Committee with respect to any of its activities, including Declarant's initial development of the Landscaped Areas and Vineyards within the Development or construction of Homesites and Residences for sale to occupant Owners. Builders shall be Subject to the Design Guidelines and the terms of any development agreement between them and Declarant and must obtain Committee approval of any Improvements to a Lot, including the approval of the location of the Driveway within the Driveway Area and any landscaping.

4.11. No Waiver of Future Approvals. The approval of the Committee of any proposals or plans and specifications or drawings for any work of Improvement done or proposed or in connection with any other matter requiring the Committee's approval and consent shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or other matter subsequently or additionally submitted for approval or consent.

4.12. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

A. The Committee or its duly authorized representatives may at any time inspect any Improvement for which approval of plans is required under this Article. However, the Committee's right to inspect Improvements for which plans have been submitted and approved shall terminate 60 days after

the later of: (i) the date the work of Improvement has been completed, or (ii) the date the respective Owner has given written notice to the Committee of its completion. The Committee's rights of inspection shall not terminate pursuant to this paragraph if plans for the work of Improvement have not previously been submitted to and approved by the Committee.

B. If, as a result of such inspection, the Committee finds that the Improvement was constructed or installed without obtaining approval of the plans therefor or was not completed in substantial compliance with the plans approved by the Committee, it shall notify the Owner in writing of the Owner's failure to comply with this Article within 60 days from the date of the inspection (the "Notice of Noncompliance"). The Notice of Noncompliance shall specify particulars of noncompliance. The Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance. Furthermore, the Committee shall be entitled to place a stop work notice ("Red Tag") at the job site if necessary to avoid compromising the Committee's ability to enforce this Declaration or the Design Guidelines. If a Red Tag is placed at the job site, no further work shall be done on the Improvement and the procedures set forth in subparagraph C and Section 4.14, below, shall commence immediately.

C. If an Owner has failed to remedy any noncompliance within 30 days following receipt of the Committee's Notice of Noncompliance, the enforcement provisions of Section 4.14 shall thereafter apply.

D. If for any reason the Committee fails to notify the Owner of any noncompliance with previously submitted and approved plans within 60 days after receipt of written notice of completion from the Owner, the Improvement shall be deemed to be constructed in accordance with the approved plans.

E. All construction, alteration or other work shall be performed as promptly and diligently as possible and shall be completed on or before 360 days after the date on which the work commenced.

4.13. Variances. The Committee may authorize variances from compliance with any of its architectural approval and design review provisions of this Declaration or the Design Guidelines, including, without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstruction, hardship, aesthetic or environmental consideration may require. The Committee's approval or disapproval of some element of a proposed Improvement in one location shall not be regarded as a precedent or waiver with respect to a similar proposal for another location since conditions differ from Lot to Lot. The Committee shall be entitled (but shall not be obligated) to require the requesting Owner to provide written consents to the proposed variance from the Owners of whose Development Envelopes are located within a radius of the petitioning Owner's Development Envelope. The appropriate radius shall be determined in each case by the Committee.

Any variance granted hereunder must be evidenced in writing signed by at least a majority of the members of the Committee. If such variances are granted, no violation of the Restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his or her use of the premises, including, without limitation, zoning ordinances and building setback lines or requirements imposed by the Town.

4.14, Enforcement

A. In addition to other enforcement remedies set forth in this Declaration, the Association shall have enforcement rights with respect to any matters required to be submitted to and approved by it, and may enforce such architectural control by any proceeding at law or in equity. In addition, the Association shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if it does not conform to the plans and specifications submitted to the Committee. Abatement of ongoing construction projects may be ordered by the Association by posting a Red Tag at the project site as provided above. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation or commencement of a suit to enjoin such work.

B. If the Owner fails to remedy any noncompliance of which notice has been given within 30 days from the date of such notification, the Committee shall notify the Board in writing of such failure. The Board shall then set a time at which a hearing before the Board, or its designated Committee, shall be held regarding the alleged noncompliance.

C. At the hearing, the Owner, a representative(s) of the Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, at its discretion, may grant. If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board, at its option, may either remove the noncomplying Improvement or remedy the noncompliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Association, the Board shall recover such expenses through the levy of a Reimbursement Assessment against such Owner.

D. Under certain circumstances, self-help remedies in response to an Owner's continued noncompliance may not be appropriate or possible. In other circumstances, immediate resort to formal legal action may be necessary or appropriate to enjoin an Owner's failure to comply with a Red Tag order or to prevent irreparable harm. Legal action to enforce the provisions of this Declaration, including architectural matters, shall require the prior approval of the Board. If any legal proceeding is instituted to enforce any of the provisions of this Article, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

E. The approval by the Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the approval of the Committee under this Declaration, or any waiver thereof, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval by the same or some other Owner. Different locations for Improvements, the site of the structure, proximity to other Residences or Conservation Areas and other factors may be taken into consideration by the Committee in reviewing a particular submittal.

F. Owners, the Committee and the Association shall comply with any applicable mandatory alternative dispute resolution procedures, including those contained in California Civil Code Section 1354 as from time to time amended, but only to the extent required by law.

G. The enforcement rights of the Committee and the Association under this Article are in addition to any enforcement or remediation rights of the Conservation Steward.

ARTICLE 5 OWNER AND ASSOCIATION OBLIGATIONS.

5.01. Association Maintenance Obligations. The Association shall be responsible for maintaining the following in good condition and repair:

A. General. Except for the streets within the Development which are public and the public Improvements within the street right-of-way and any other facilities or elements that are included in and maintained by the Town or the Community Facilities District ("CFD"), the Association shall maintain or provide for the maintenance of all Conservation Area Improvements that are held by the Association by easement. Emergency access roadways, not maintained by the CFD, shall be maintained by the Association.

B. Landscaping. The Association shall provide gardening services to maintain, repair and replace as necessary all of the landscaping and irrigation systems within the Landscaped Area, excepting any portion thereof maintained by the Town or CFD.

C. Development Entry Monuments. The Association shall maintain, repair and replace entry monuments and associated structures, including signage and related lighting.

D. Vineyard. The Association shall provide for the maintenance and management of the Vineyard by engaging an experienced Vineyard Manager who shall plan for and execute an appropriate Vineyard management plan, including pruning, harvesting, fertilizing, grafting, replacement planting and any other activity necessary or desirable to promote a healthy and productive crop. Vineyard maintenance shall also include the associated ponds and irrigation systems.

5.02. Public Improvements. A CFD has been created to maintain certain public Improvements and provide certain public services.

- A. The services intended to be provided by the CFD are limited to the following:
- (1) Provision of electricity for street lighting;
 - (2) Maintenance and repair of streets within the Development;
 - (3) Maintenance of storm drainage facilities which lie within public easements, including structural storm water quality enhancement facilities;
 - (4) Operation and maintenance of the sewer lift station on Lot 48;
 - (5) Collection of fees for regional storm drainage facilities and maintenance;
- and
- (6) Maintenance of the multi-use path within the right-of-way along the streets within the Development.

Each residential Lot within the Development is subject to special tax assessments of the CFD, levied in order to provide such services. As of the Recordation of this Declaration, such

assessments, to the extent levied, would constitute a part of the secured property tax bill levied against each Lot.

5.03. Owner Indemnification. If any of the maintenance or repair work referred to in Section 5.01 or 5.02 above is necessitated by the willful or negligent acts of the Owner, his family, guests or invitees, the costs of such special restoration or repairs shall be chargeable to the Owner and shall be enforceable by an action for damages or by any other legal means subject to provisions of Section 7.04. Each Owner shall be liable to the remaining Owners, Declarant and the Association for any damage to the Conservation Area that may be sustained by reason of the negligence of that Owner, members of his family, his contract purchasers, tenants, guests or invitees, to the extent that any such damage is not covered by insurance. Each Owner, by acceptance of his deed, agrees for himself and for the members of his family, his contract purchasers, tenants, guests or invitees, to indemnify each and every other Owner, and to hold such other Owner(s) harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the Lot of that particular Owner, except that said Owner's liability may be diminished to the extent that the injury or damage occurs through the negligence of any other Owner, or person visiting said Lot or is fully covered by insurance. Each Owner shall indemnify, defend with counsel approved by Declarant and hold harmless Declarant, any entity which is an affiliate of Declarant and related entities, the Association, and all of their respective employees, officers, directors, shareholders, partners, members, agents, representatives and professional consultants and all of their respective successors and assigns (collectively the "Indemnitees") from and against any and all damages, injuries, claims, losses, liabilities, costs and expenses (including actual attorneys' fees) of any kind or character, whether incurred directly or indirectly by such Owner, any member of such Owner's family, or such Owner's employees, agents, independent contractors or invitees (collectively, the "Owner's Representatives"), by any of the Indemnitees, or by any third party, arising from or in any way related to any work, act, activity on such Owner's Lot or by such Owner or any of such Owner's Representatives, which (i) is in breach or violation of any present or future federal, state or local laws (whether under common law, statute, rule, regulation or otherwise), permits, orders or any other requirements of governmental authorities relating to the environment or the protection of the environment (collectively, the "Environmental Laws"), (ii) results or is likely to result in the violation or breach of any such Environmental Law on or affecting any portion of the Development which is owned by Declarant or any Association Maintenance Area or any Conservation Area which is Wetlands or Woodlands (e.g., discharge of any hazardous material into any drainage device), (iii) results or is likely to result in material harm to the fish, wildlife, native plants or native habitat within or adjoining the Development, or (iv) is in breach or violation of any provision of the Governing Documents relating to the environment, hazardous materials or the Conservation Easements. Payment shall not be a condition precedent to the enforcement of the provisions of this section.

5.04. Owners' Maintenance Obligations. Except for the landscaping and limited Common Area maintenance to be performed by the Association as specified above, each Owner shall be responsible for maintenance and repair of his individual Development Envelope, Driveway and Residence Unit, including specifically, but not limited to:

A. Utility Connections: Water Service: Backflow Devices. Utility lines and connections, including sewer, electrical, plumbing, telephone, cable and gas lines, which are located within a Lot and provide service to the Residence located upon that Lot, shall be maintained and repaired by the Owner of the Lot in question and/or the utility company involved, rather than by the Association. Each Residence Unit shall be serviced with public domestic water service and no wells shall be allowed within the Development. Backflow prevention devices shall be provided on domestic water service lines and each Owner shall maintain such devices in accordance with recommendations of the water service provider.

B. Maintenance of Private Sewage Systems. Some Residence Units will be situated below the elevation which would permit gravity-flow sewage lines requiring such service be provided through a private injector or pumping system including backflow preventers to be installed by Declarant or Builder as part of the initial Residence construction. Each Owner of any Lot which is improved with such a Residence Unit and private sewage pumping system is hereby notified that the Owner, not the Declarant, the Association or any public utility company, will be responsible for maintaining, repairing, replacing and monitoring the effective function of such private pumping system.

C. Owner's Landscaping Obligations and Fuel Management Requirements. When a Residence Unit is first completed on a Lot, the Owner shall install, plant and complete the permanent landscaping and irrigation system within the Owner's Development Envelope. Such initial landscaping shall be done by the following deadline: (i) if the Lot is first sold with a home already completed, the deadline shall be six (6) months from the close of escrow for that sale; or (ii) if a Lot that is purchased without a home already constructed thereon, the deadline shall be six (6) months from the date when a notice of completion is issued for the Homesite improvements that are constructed thereon. Each Owner shall maintain the landscaping within the Owner's Development Envelope in a healthy condition appropriate for the type of plantings included. The Owner immediately shall remove and replace any dying or dead vegetation within the Owner's Development Envelope. Maintenance shall include regular fertilization, mowing, irrigation, pruning, elimination of pests or diseases, and other customary prudent landscaping practices. Each Lot Owner shall take the necessary steps to observe the Fuel Modification Zones, including restricting the plant material within 30 feet of any residential structures to the plants identified in the Fire Resistant Plant List contained in **Exhibit E-1** and complying with the management and maintenance procedures (e.g., creating fuel breaks, trimming trees, etc.) described in **Exhibit E**.

D. Exterior Colors. The conditions of approval of the final subdivision map require that fences and the exterior of structures use earth-tone colors and natural finishes. The Design Guidelines incorporate requirements as to natural colors and natural-appearing finishes. All structures within the Development, including fences and garages as well as Residences, shall be repaired, replaced or repainted by the Owner when necessary to maintain the external harmony and quality of the Properties as initially developed by the Declarant or other Builder. In performing such exterior maintenance, the Owner shall cause to be used the identical color or as approved by the Design Review Committee and material as that used in the initial construction and finishing of the Improvement in question. Before beginning any exterior painting or staining, the Owner shall obtain from the Design Review Committee the name, color number or other specifications pertaining to the material initially used by the Declarant or other Builder and shall duplicate the color and material so specified unless the Design Review Committee specifically approves some variation therefrom. If an Owner actively causes or permits the exterior of his Residence Unit to become damaged or disrepaired, the Board or Design Review Committee may serve that Owner with notice of the defective condition and may hire the defect to be corrected and charge the Owner for the costs thereof.

E. Trash Collections. Each Residence Unit must participate in and subscribe to weekly refuse collection service from the refuse-collection franchise holder serving the Development.

F. Oak Trees. No Owner may remove any oak tree which is six or more inches in diameter at breast height or multiple-trunk oak trees with an aggregate diameter of 10 inches or more at breast height unless the proposed removal is first approved in writing by the Town of Loomis and the Design Review Committee. In the landscaping and irrigation of a Development Envelope containing oak trees, the Owner shall observe the restrictions and guidelines of the *Living Among the Oaks* pamphlet which Declarant shall provide to each initial Owner.

5.05. Property Taxes and Assessments. Each Owner shall be obligated to pay any taxes or assessments levied by the County Assessor against his own Lot and personal property. The Owner shall be solely responsible for the entire tax assessment without regard to the area of his Lot that is subject to any easements provided in this Declaration.

5.06. Insurance. All insurance maintained by the Association for the benefit of the Association and/or the Owners shall be deemed a common expense with premiums budgeted for and payable by Assessments.

A Standard Association Insurance. The Association, through its Board, shall maintain the following insurance coverages:

(1) Property insurance covering all the Conservation Facilities owned by the Association (excepting land, foundation, excavation and other items customarily excluded from coverage), including all fixtures and service equipment and crop insurance with respect to the Vineyard. The policy or policies shall protect at least against the following: loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and, all other perils which are customarily covered with respect to similar projects and assets.

(2) Comprehensive general liability insurance coverage insuring the Association, the Vineyard Manager and any other manager, the Declarant and the Owners and occupants of the Lots, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Conservation Areas and public ways of the Development. Coverage limits shall be in amounts generally required by private institutional mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least \$2 million for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Conservation Areas, legal liability arising out of law suits related to employment contracts of the Association, and such other risks as are customarily covered with respect to developments similar in construction, location and use (i.e., contractual and all-written contract insurance, employers liability insurance, comprehensive automobile liability insurance, etc.).

(3) Fidelity bond coverage for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association. If the Association has delegated some or all of the responsibility for the handling of funds to a Manager, such bonds shall also cover the officers, employees and agents of such Manager who are handling or responsible for funds of, or administered on behalf of, the Association. The total amount of coverage shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or any Manager, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments on all Residence Units plus reserve funds.

Fidelity bonds shall name the Association as an obligee. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar

terms or expressions. The premiums on fidelity bonds maintained by a Manager for its officers, employees and agents may be paid by such Manager instead of the Association.

(4) Worker's Compensation Insurance and other liability insurance as it may deem desirable, insuring each Owner, the Association, the Board and Vineyard Manager from liability in connection with the Conservation Area.

All insurance and bond coverage required by Section 5.06, paragraph A, shall provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) by any party, without at least 10 d ys' prior written notice to the Association.

In addition, the Board may, but shall not be required, to provide natural resources liability coverage if such coverage is available at a reasonable cost for the protection it provides, as determined in the Board's reasonable business judgment, provided that an individual Owner who is responsible for any environmental damage shall indemnify the Association as provided in Section 5.03 to the extent the damage is not covered by the policy described herein.

B. Loss Payee. All policies of insurance shall be carried in the name of the Board as trustee for the Association and for all Owners and Mortgagees as their interests may appear. In case of loss, proceeds shall be payable to the Board or to a bank or trust company designated by the Board for custody and disposition in accordance with this Article. All casualty insurance proceeds may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be the Association or a commercial bank in Placer County that agrees in writing to accept such trust. If repair, reconstruction or replacement is authorized, the Board shall have the duty to contract for such work as provided for in this Declaration.

C. Notification to Owners. The Board shall, upon issuance, renewal or modification of insurance, notify Owners as to the amount and type of insurance carried by the Association providing the summary of policies described in the "Records and Reports" article of the Bylaws. The Board shall accompany this notification with statements to the effect that the Association is or is not insured to the levels specified in Section 5.06, paragraph A, subparagraph (2), and that if not so insured, Owners may be individually liable for the entire amount of a judgment, and if the Association is insured to the levels specified in that subparagraph (2), then Owners may be individually liable only for their proportional share of assessments levied to pay the amount of any judgment which exceeds the limits of the Association's insurance. If the Board carries a policy of insurance on the residential Improvements owned by the Owners, such policy shall not prejudice the right of an Owner to insure his property for his own benefit. Nothing herein shall be construed as creating responsibility of the Association for repair or replacement of the Improvements on any Lot if the damage is caused by any uninsured risk, or if the Association decides not to carry insurance on the residential Improvements.

D. Board Authority. Subject to any restrictions imposed by any Mortgagees, the Board shall have the power and right to deviate from the insurance requirements contained in this Section 5.06 in any manner that the Board, in its discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Section 5.06, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least 30 days before the effective date of the reduction. The Association and its directors and officers shall have no liability to any Owner or Mortgagee if, after a good faith effort, (1) the Association is unable to obtain any insurance required hereunder because the insurance is no longer available, (2) if available, the insurance can be obtained only at a cost that the

Board, in its sole discretion, determines is unreasonable under the circumstances, (3) the Members fail to approve any assessment increase needed to fund the insurance premiums, or (4) the Board determines that such coverage is not necessary in view of the Association's limited property.

The Board is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association, including, but not limited to, the right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer,

Each Owner, by acceptance of a deed to a Lot, irrevocably appoints the Association as that Owner's attorney-in-fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

E. Periodic Insurance Review. The Board periodically (and not less than once every three years) shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Board considers to be in the best interests of the Association. The review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Association's policy unless the Board is satisfied that the current dollar limit of the property policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.

5.07. Replacement or Repair. In the event of damage to or destruction of the Development by causes insured against by the Association, the Association shall repair or replace the same from the insurance proceeds payable to it or to the trustee designated by the Board. If damage or destruction occurs to the Conservation Area which is subject to the easement for management and operation by the Association as described in Section 2.04 and the insurance proceeds are insufficient to cover the costs of repair or replacement thereof, the Association may make a Special Assessment upon all Owners (as provided in Section 7.03) to cover the additional costs of repair or replacement not covered by insurance proceeds.

5.08. Condemnation of Lots. If all or part of an individual Lot is taken in any condemnation proceedings, the Owner directly affected shall represent and negotiate for himself with respect to the damages and compensation for such taking, except that, if that taking includes Vineyard, the Association shall make any claim and shall be entitled to retain any award for the loss of Vineyard Area.

ARTICLE 6. OWNERS ASSOCIATION.

6.01. Formation. The Association is a nonprofit mutual benefit corporation formed under the laws of California. On the close and recording of the first Lot sale to an Owner other than Declarant, the Association shall be charged with the duties and invested with the powers, subject to specified limitations, set forth in the Articles, the Bylaws and this Declaration. Pending the commencement of the Association's operations, Declarant shall perform the duties and shall have the rights of the Association as described herein.

6.02. Membership in Association. The Owner of each Lot in the Development shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The voting rights of a membership shall vest as of the date when the Lot to which membership is appurtenant becomes subject to Assessment. Any transfer of an Owner's interest in a Lot (other than a security interest), by operation of law or otherwise, automatically transfers the membership

to the Owner's successor in interest. No Owner may resign or revoke his or her membership for any reason.

6.03. **Membership Classes and Voting Rights.** The Association shall have two classes of voting membership:

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

B. **Class B:** Class B Member(s) shall be the Declarant and shall be entitled to three votes for each Lot owned.

6.04. **Termination of Class B Membership.** The Class B membership referred to above shall be irreversibly converted to Class A membership on the occurrence of whichever of the following is first in time:

A. The total outstanding votes held by Class A Members equal the total outstanding votes held by the Class B Member; or

B. The third anniversary of the first conveyance of a Lot in the Development

6.05. **Association Action.** Except as set forth below, all matters requiring the approval of the Members shall be approved if: (1) approved by a majority of the votes cast either in person or by proxy at a duly held regular or special meeting at which a quorum was present; (2) approved by a majority of the written ballots cast in compliance with the requirements of Corporations Code § 7513 or any successor statute thereto; or (3) approved by unanimous written consent of all of the Members. However, approval by the Members shall be subject to each of the following:

A. **Two Membership Classes.** As long as two classes of voting membership exist, any action by the Association that requires approval by the Members shall require approval by the members of each class.

B. **Single Membership Class/Declarant-Owned Lots.** If one class of voting membership exists and Declarant owns any Lot, any action by the Association that requires approval by the Members shall require approval by the Members including Declarant's vote(s) and approval by the Members excluding Declarant's votes.

C. **Greater Than a Majority.** If, under the terms of this Declaration, a particular action requires approval by more than a majority, the action shall be approved by the Members only if the required percentage of votes approves the action.

D. **Completion Bond Voting Requirements.** Votes of the Declarant shall be excluded as provided in **Section 11.06** of this Declaration.

E. **Amendments.** Member approval requirements for any amendments to the Declaration, Bylaws or Articles shall comply with the amendment requirements set forth in the applicable document.

F. Legal Requirements. If the voting requirements and/or procedures conflict with any applicable statutory requirements, the statutory requirements shall control.

6.06. Powers; Delegation. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under California law, subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws and this Declaration. It shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association. The Board can delegate its powers, duties and responsibilities to Committees or employees, including a Manager. The Board shall engage an experienced, professional person or firm to manage the Vineyard. The term of any such agreement shall not exceed three years.

6.07. Association Rules. The Association shall have the power to adopt, amend and repeal reasonable Association Rules which shall apply to each Owner and his family, guests, invitees or to any contract purchaser, or tenant or their respective family members, guests or invitees. The Association Rules shall not, however, be inconsistent with or materially alter any other provisions of this Declaration, the Articles or the Bylaws. The Association Rules may concern, but need not be limited to: (i) matters pertaining to the maintenance, repair, management and use of the Common Area by any person(s) who have rights of use and enjoyment of such Common Area; (ii) architectural control and the rules of the Architectural Control Committee; (iii) the conduct of disciplinary proceedings in accordance with Article 9 hereof; (iv) regulation of parking, pet ownership and other matters subject to regulation and restriction under Article 3 hereof; and (v) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents. In case of any conflict between any Association Rules and any other provisions of this Declaration, the Articles or Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or Bylaws to the extent of any such inconsistency.

A. Distribution of Rules. A copy of the Association Rules, as from time to time they may be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. A copy of the Association Rules shall also be available and open for inspection during normal business hours at the principal office of the Association.

B. Adoption of Rules. Association Rules may be adopted or amended from time to time by majority vote of the Board; however, no Association Rule shall be adopted by the Board until at least 30 days after the proposed rule has been: (i) published in the Association newsletter, if any, or otherwise communicated to the Owners in writing; and (ii) posted in the Association's principal office. The notice describing the proposed rule shall also set forth the date, time and location of the Board meeting at which action on the proposal is scheduled to be taken. Any reasonable and duly adopted rule shall become effective immediately following the date of adoption thereof by the Board, or at such later date as the Board may deem appropriate. Any duly adopted Association Rule shall be distributed to the Owners by mail.

C. Changing Association Rules. Duly adopted Association Rules may be changed by the Board subject to prior notice to the Members and, depending on the subject thereof, subject to other procedural requirements as set forth in the Bylaws.

6.08. Limitations on Authority of Board. Except with the vote or written assent of 51 % of each class of Members of the Association while there are two classes, and both the approval of 51 % of all Members and 51 % of the Members other than Declarant thereafter, the Board shall not take any of the following actions:

A. Incur aggregate expenditures for capital Improvements to the Vineyard or Conservation Facilities in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year;

B. Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business. However, the Board may cause a member of the Board or an officer to be reimbursed for expenses incurred in carrying on the business of the Association;

C. Contract with third parties for goods or services to be furnished to the Association-managed Conservation Area or the Association for a term longer than one year.. The Board may, however, enter into the following, if applicable, without obtaining any approval or ratification by the Members:

(1) A contract for professional management of the Vineyard which may be for three years or may be automatically renewed from year to year unless terminated by notice of at least 90 days prior to the renewal date.

(2) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission and the term of the contract does not exceed the shortest term for which the supplier will contract at the regulated rate.

(3) Prepaid casualty and/or liability insurance policies for a period of time not to exceed three years' duration, provided that the policy permits short rate cancellation by the insured.

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

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

6.09. Personal Liability. No member of the Board, or of any Committee of the Association, or any officer of the Association, or any Manager or Declarant, or any agent of Declarant, shall be personally liable to any Owner or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of any such person or entity if such person or entity has, on the basis of such information as may be possessed by him or it, acted in good faith without willful or intentional misconduct.

ARTICLE 7. ASSESSMENTS AND DISCIPLINARY CHARGES.

7.01. Agreement to Pay and Assessments Generally. The Declarant, for each Lot owned by it in the Development, covenants and agrees, and each purchaser of a Lot by his acceptance of a deed, whether or not it shall be so expressed in such deed, covenants and agrees, for each Lot owned, to pay to the Association Regular Assessments and Special Assessments. All Assessments shall be for the purpose of paying for the immediate or future expense of the Association in performing its obligations under the Governing Documents and generally acting in the best interests of the Development and the Members.

Each and every Assessment levied as provided herein is declared and agreed to be a reasonable Assessment. Assessments shall be established, collected, maintained and enforced as provided in this Article. Each Owner shall also be liable for any Damage Reimbursement Assessment or Compliance Assessment as described in Section 7.04.

A. Owner's Personal Obligation. All Assessments, together with late charges, interest and reasonable costs (including reasonable attorneys' fees) for the collection thereof, and any duly imposed Disciplinary Charges, shall be a debt and a personal obligation of the person who is the Owner of the Lot at the time the Assessment is levied or the Disciplinary Charge is imposed. Each Owner who acquires title to a Lot (whether by conventional conveyance, at judicial sale, trustee's sales or otherwise) shall be personally liable only for Assessments attributable to the Lot which become due and payable after the date that the person acquires title. Accordingly, when a person acquires title to a Lot, he shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. However, if the acquired Lot is conveyed subject to a valid lien for delinquent Assessments (and related costs of collection), the Association may continue to exercise its foreclosure remedies against the Lot, regardless of the change of ownership, and/or the Association may pursue its collection remedies against the prior Owner, individually.

B. Creation of Assessment Lien. All Assessments, together with late charges, interest and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made. Any lien for unpaid Assessments created pursuant to the provisions of this Article may be subject to foreclosure as provided in Section 7.09 hereof

C. No Avoidance of Assessment Obligations. No Owner may exempt himself from personal liability for Assessments duly levied by the Association, or release the Lot or other property owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any facilities thereon or by abandonment or nonuse of his Lot or any other portion of the Properties.

D. Assessment Roll. An Assessment roll shall be maintained and available with the records of the Association and shall be open for inspection at all reasonable times by each Owner or his authorized representative for any purpose reasonably related to the Owner's interest as a property Owner or as a Member. The Assessment roll (which may be maintained in the form of a computer printout) shall show, for each Lot, the name and address of the Owner of record, all Regular and Special Assessments and any Disciplinary Charges levied against each Owner and his Lot, and the amount of such obligations which have been paid or remain unpaid.

7.02. Regular Assessments. Regular Assessments shall be established in accordance with a budget and assessed as follows:

A. Preparation of Annual Budget. In accordance with a budget prepared pursuant to the provisions of Section 1365 of the Civil Code (as the same may be amended from time to time), and distributed to the Members not less than 30 days or more than 90 days before the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to any Conservation Area or portions of the Lots which the Association is obligated to maintain). Such budget shall include a pro forma operating budget showing an estimate of expenses and revenue and a summary of the Association's reserves. The details of the annual budget, including the forms, disclosures and summaries required under the present form of Civil Code Sections 1365 and 1365.2.5 and the required notice to Members pursuant to the present form

of Civil Code Section 1365.1 are set forth more specifically in the Bylaws of the Association. Such details shall be subject to change as required by any amendments or additions to the budgeting and financial disclosure requirements which may hereafter be made to the applicable Civil Code provisions.

B. Establishment of Regular Assessment; Allocation of Vineyard Revenue. It is intended that the Association will sell the grapes harvested from the Vineyard. Any revenue which is derived from such sale shall be allocated equally to all the Lots in the Development so as to reduce each Lot's Regular Assessment obligation for the succeeding fiscal year. The total annual expenses estimated in the Association's budget (less the actual revenue from the sale of grapes and projected income from sources other than Assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year. The Board may not increase the amount of the Regular Assessment for any fiscal year without complying with the provisions of Section 1366 of the Civil Code. Nothing in this paragraph shall be construed as a representation by Declarant or the Association that revenue from the sale of grapes will generate substantial revenue or any revenue in any amount

C. Allocation of Regular Assessment. The amount of the Regular Assessments shall be the same for all Lots.

D. Mailing Notice of Assessment. Within the time requirements specified in Section 7.02, paragraph A, above, the Board shall mail to each Owner, at the street address of the Owner's Lot, or at such other address as the Owner from time to time may designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year.

E. Failure to Make Estimate. If, for any reason, the Board fails to make an estimate of the Association's expenses for any fiscal year, then the Regular Assessment made for the preceding year, together with any Special Assessment made for capital improvements for that year, shall be assessed against each Owner and his Lot for the then current fiscal year, and installment payments based upon such automatic Assessment shall be payable on the then established regular payment dates.

F. Installment Payment of Assessments: Commencement. The Regular Assessment levied against each Owner and his Lot shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Board. Installments of Regular Assessments shall be delinquent if not paid within 15 days following the due date as established by the Board. The Regular Assessments shall commence on the first day of the calendar month following the date of the first conveyance of a Lot to a purchaser (the "Initiation Date") and shall terminate on December 31 of the year in which the initial conveyance is made and shall equal one-twelfth of the annual Regular Assessment amount for each month within such partial year.

7.03. Special Assessments.

A. Generally. Provided the Board complies with the provisions of Section 1366 of the Civil Code, the Board shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes:

(1) Regular Assessment Insufficient. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for that fiscal year, then the Board shall levy and collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.

(2) Capital Improvements. The Board may also levy Special Assessments for additional capital improvements within the Association Maintenance Areas (i.e., Improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Conservation Facilities). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, and replacement or repair of existing facilities therein through Regular Assessments.

B Allocation of Special Assessments. When levied by the Board the Special Assessment shall be divided among, assessed against and charged to each Owner and his Lot in the same manner prescribed for the allocation of Regular Assessments pursuant to Section 7.02, paragraph C, above, The Special Assessment so levied shall be recorded on the Association's Assessment roll and notice thereof shall be mailed to each Owner, by first-class mail, not less than 30 or more than 60 days prior to the increased Assessment becoming due.

C Payment Schedule. Special Assessments for purposes described in subparagraph A(1) of this section shall be due as a separate debt of the Owner and a lien against his Lot, and shall be payable to the Association in equal monthly installments during the remainder of the then current fiscal year. Special Assessments for purposes described in subparagraph A(2) shall be due as a separate debt of the Owner and a lien against his Lot, and shall be payable in full to the Association within 30 days after the mailing of such notice or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

7.04. Special Individual Assessments. As a disciplinary charge and/or compensatory charge, the Board may impose a Damage Reimbursement Assessment against an Owner in any of the circumstances described in paragraph A or a Compliance Assessment in any of the circumstances described in paragraph B below. However, no Damage Reimbursement Assessment or Compliance Assessment may be imposed against an Owner pursuant to this section until the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Section 8.09 hereof, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for such individual Assessments include the following:

A Damage Reimbursement Assessment If any damage to, or destruction of, any portion of the Conservation Area or Conservation Facilities, or any portions of the Lots which the Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his family, or any of his tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Damage Reimbursement Assessment, excluding only any amount compensated: (i) by insurance proceeds, (ii) by the Conservation Steward's application of the Security Deposit of such Owner as provided in Section 2.02, or (iii) by any other recovery of the Conservation Steward through enforcement action undertaken pursuant to Section 2.03.

R Compliance Assessment. If the Association incurs any costs or expenses to: (1) perform any repair, maintenance or replacement to any portion of the Development that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion; or (2) otherwise bring the Owner and/or his Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable fines and penalties imposed hereunder, title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Compliance Assessment.

C. Payment; Enforcement. Once an individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in the first paragraph of this section, such Assessment shall be recorded on the Association's Assessment roll and notice thereof shall be mailed to the affected Owner. Any Compliance Assessment or Damage Reimbursement Assessment shall thereafter be due as a separate debt of the Owner, payable in full to the Association within 30 days after the mailing of notice to the Owner. For as long as Declarant is offering Lots for sale under a public report issued by the DRE, such individual Assessment may be sued upon in Small Claims Court or other forum appropriate for collection of a debt, but may not be enforceable as a lien giving rise to foreclosure action under Sections 2924, 2924(b) and 2924(c) of the California Civil Code. When Declarant is no longer offering Lots for sale under a public report issued by the DRE, a Damage Reimbursement Assessment that has been imposed by the Board under the circumstances described in Section 7.04A (as compensation for damage repair costs) is hereby expressly made enforceable as a lien which may be non-judicially foreclosed but only in accordance with Section 7.09.

7.05. Special Exceptions or Exemptions. The following special circumstances create exceptions to the general provisions regarding Assessments and Assessment procedures:

A. Assessments to Address Emergency Situations. Despite any other provision in this Article 7, the Board may increase Assessments necessary for emergency situations pursuant to Section 1366 of the Civil Code.

B. Exemption of Certain of the Properties from Assessments. The following real property subject to this Declaration shall be exempt from the Assessments and the lien thereof:

(1) Any portion of the Properties dedicated and accepted by a local public authority; and

(2) The Conservation Area.

C. Vacant Lots and Unfinished Vineyard. Declarant shall pay Assessments at the full uniform rate for any Lot owned by it on which a Residence Unit has been or is being constructed, commencing on the earlier of the following: (a) the first day of the month after a notice of completion has been filed for the Residence Unit on such Lot; or (b) occupation or use of the Residence Unit. If the Vineyard is not complete at the time Assessments commence, Declarant and each subsequent Owner shall be exempt from payment of the Assessments attributed to the Vineyard until the first day of the month after the Vineyard has been completely planted.

7.06. Maintenance of Assessment Funds.

A. Bank Accounts. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board which has offices located within Placer or Sacramento County. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board and such officers or agents of the Association as the Board shall designate shall have exclusive control of the account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. Any interest received on such deposits shall be credited proportionately to the balances of the various

Assessment fund accounts maintained on the books of the Association as provided in subparagraph B below.

B. Separate Accounting: Commingling of Funds. Except as provided below, the proceeds of each Assessment shall be used only for the purpose for which such Assessment was made, and such funds shall be received and held in trust by the Association for such purpose. Despite the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the Association and its Members to make such adjustments. If the proceeds of any Special Assessment exceed the amount required to accomplish the purpose for which such Assessment was levied, such surplus may, in the Board's discretion, be: (1) returned proportionately to the contributors thereof; (2) reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded; or (3) credited proportionately on account of the Owners' future Regular Assessment obligations.

For purposes of accounting, but without requiring any physical segregation of assets, the Association shall maintain a separate accounting of all funds received by it in payment of each Assessment and of all disbursements made therefrom; provided, however, that receipts and disbursements of Special Assessments made pursuant to Section 7.03 shall be accounted for together with the receipts and disbursements of Regular Assessments, and a separate accounting shall be maintained for each capital improvement for which reserve funds for replacement are allocated.

Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

C. Reserve Fund Expenditure. The Board shall not expend funds designated as reserve funds for any purpose other than those purposes set forth in Section 1365.5 of the Civil Code.

7.07. Estoppel Certificate. The Board or Manager shall, on not less than 10 days' prior written request, execute, acknowledge and deliver to any Owner making such request a statement in writing stating whether or not, to the knowledge of the Association, the Owner is in default as to his Lot under the provisions of this Declaration, the Articles, Bylaws or Association Rules; the amount of Regular and Special Assessments, including installment payments, paid by the Owner during the fiscal year the request is received; and the amount of any delinquent assessments, penalties, interest, attorneys' fees and other charges on the Owner's Lot. The Board or Manager may charge the Owner a fee to recover its reasonable costs in preparing the statement. Any such certificate delivered pursuant to this section may be relied upon by any prospective purchaser or Mortgagee of the Lot, but such reliance may not extend to any default involving the payment of assessments of which the signer had no actual knowledge.

7.08. Delinquent Assessments. If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment assessed to any Owner is not paid within 15 days after the same becomes due, such payment shall be delinquent and the amount thereof may, at the Board's election, bear interest at the maximum rate allowed by law commencing 30 days after the due date until the same is paid. In addition to the accrual of interest, the Board is authorized and empowered to promulgate a schedule of reasonable late charges for any delinquent Assessments, subject to the limitations imposed by California Civil Code Sections 1366(c) and 1366.1 or comparable successor statutes. Any interest or late charge related to a delinquent Regular Assessment or Special Assessment shall be added thereto, with collection and enforcement being subject to the Association's lien rights.

Interest or late charges related to a Disciplinary Charge shall be collectible as part of the individual obligation on which Association may sue.

7.09. Effect of Delinquent Assessments. The Board must comply with the provisions of Civil Code Sections 13674 and 1367.1 (except as superseded by Section 1367.4), or comparable successor statutes, in the collection of delinquent Assessments and the exercise of judicial actions and lien rights related to the Assessment debt(s) of any Owner.

A Collection of Debts Under \$1,800 for Assessments. If the amount of delinquent Regular or Special Assessments is less than \$1,800 (not including any accelerated Assessments, late charges, fees and costs of collection, attorneys' fees, or interest) the Association may not collect that debt through judicial or nonjudicial foreclosure, but may attempt to collect or secure that debt in any of the following ways:

(1) By a civil action in small claims court and, if the Association prevails, it may enforce the judgment as permitted under Article 8 (commencing with Section 116.810) of Title 1 of the Code of Civil Procedure. The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court and shall be the sum of: (a) the amount owed as of the date of filing the complaint in the small claims court proceeding; plus (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment which total amount may include accruing unpaid Assessments and any reasonable late charges, fees and costs of collection, attorneys' fees, and interest, up to the jurisdictional limits of the small claims court,

(2) By recording a lien on the Owner's Lot upon which the Association may not foreclose until the amount of the delinquent Assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorneys' fees, or interest, equals or exceeds \$1,800 or the Assessment are more than 12 months delinquent. An Association that chooses to record a lien under these provisions, prior to recording the lien, shall offer the Owner and, if so requested by the Owner, participate in dispute resolution as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4.

(3) Any other manner provided by law, except for judicial or nonjudicial foreclosure.

B. Collection of Debts of \$1,800 or More for Assessments. If the amount of delinquent Regular or Special Assessments is \$1,800 or more (not including any accelerated assessments, late charges, fees and costs of collection, attorneys' fees, or interest) or any Assessments are more than 12 months delinquent, the Association may use judicial or nonjudicial foreclosure subject to the following conditions:

(1) Prior to initiating a foreclosure on the delinquent Owner's Lot, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's "**Meet and Confer Program**" which is hereby defined as the procedure described in paragraph (b) of Civil Code Section 1363.840 as the same may hereafter be amended. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

(2) The decision to initiate foreclosure of a lien for delinquent Assessments that has been validly recorded shall be made only by the Board of Directors of the Association and may not be delegated to an agent of the Association. The Board shall approve the decision by a majority vote of the Board members in an executive session. The Board shall record the vote in the minutes of the next meeting of the Board open to all Members. The Board shall maintain the confidentiality of the Owner(s) of the Lot as to which Assessments are delinquent by identifying the matter in the minutes by the parcel number, rather than the name of the Owner(s). A Board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale.

(3) The Board shall provide notice by personal service to a Lot Owner who occupies the Lot or to the Owner's legal representative, if the Board votes to foreclose upon the Lot. The Board shall provide written notice to a Lot Owner who does not occupy the Lot by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the Owner to the Association, the address of the Owner's Lot may be treated as the Owner's mailing address.

(4) A nonjudicial foreclosure by an Association to collect upon a debt for delinquent Assessments shall be subject to a right of redemption. The redemption period within which the Lot may be redeemed from a foreclosure sale under this Section ends 90 days after the sale.

C. Preliminary Notices and Procedures. As more particularly provided in Civil Code Section 1367.1 or comparable successor statute, the amount of any delinquent Regular or Special Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, is the debt of the record Owner of the Lot against which such charges have been assessed and, at least 30 days before recording a lien upon the Lot to collect a debt that is past due, the Association shall notify such record Owner in writing by certified mail of the following:

(1) The collection and lien enforcement procedures of the Association and the method of calculating the amount, a statement that the Owner has the right to inspect the Association records, pursuant to Section 8333 of the Corporations Code, and the following statement (in capital letters, if typed): "IMPORTANT NOTICE: IF YOUR LOT IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."

(2) 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,

(3) 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.

(4) The right to request a meeting with the Board as provided by Civil Code Section 1367.1(c)(3) as the same may hereafter be revised.

(5) The right to dispute the Assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's Meet and Confer Program; and

(6) The right to request alternative dispute resolution with a neutral third party as described in Section 8.13 before the Association may initiate foreclosure against the Owner's Lot, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

D. Application of Payments. Any payments made by the delinquent Lot Owner toward the debt set forth shall first be applied first to the Assessments owed, and only after such Assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorneys' fees, late charges or interest. When such 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. The Association shall provide a mailing address for overnight payment of Assessments,

E. Creation, Release and Foreclosure of Lien. Subject to satisfaction of the preliminary notices and procedural requirements described in Section 7.09C above, the delinquent Assessment(s), plus any cost of collection, late charges, and interest assessed thereon shall become a lien upon the Lot of the Owner so assessed only when the Association records a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth: (a) the amount of the delinquent Assessment(s) and other sums duly imposed pursuant to this Article and Section 1366 of the California Civil Code; (b) the legal description of the Owner's Lot against which the Assessments and other sums are levied; (c) the name of the Owner of record of such Lot; (d) the name and address of the Association; and (e) in order for the lien to be enforced by nonjudicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale. The itemized statement described in Section 7.09C(2) above shall be recorded with the Notice of Delinquent Assessment. The Notice of Delinquent Assessment shall be sent by certified mail to every person whose name is shown in the records of the Association as an Owner of the Lot no later than 10 days after recordation. Upon payment in full of the sums specified in the Notice of Delinquent Assessment, the Association shall Record a further notice stating the satisfaction and release of the lien thereof. A lien which is duly created in accordance with this Section 7.09 and Civil Code Section 1367.1 and the foreclosure of which is not restricted by Civil Code Section 1367.4, may be foreclosed after the expiration of 30 days after Recordation of the Notice of Delinquent Assessment and may be by judicial foreclosure or by nonjudicial foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to California Civil Code Section 2934a, Any sale of a Lot by a trustee acting pursuant to this section shall be conducted in accordance with Sections 2924, 2924b and 2924c of the California Civil Code applicable to the exercise of powers of sale in mortgages or deeds of trust, subject to any additional notice or other requirements set forth in Civil Code Section 1367.1 as the same may hereafter be amended.

7.10. Transfer of Lot by Sale or Foreclosure. The following rules shall govern the right of the Association to enforce its Assessment collection remedies following the sale or foreclosure of a Lot:

A. Except as provided in paragraph B below, the sale or transfer of any Lot shall not affect any Assessment lien which has been duly Recorded against the Lot prior to the sale or transfer, and the Association can continue to foreclose its lien in spite of the change in ownership.

B. The Association's Assessment lien shall be extinguished as to all delinquent sums, late charges, interest and costs of collection incurred prior to the sale or transfer of a Lot pursuant to a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not pursuant to a

deed-in-lieu of foreclosure). A "prior encumbrance" means any first Mortgage or other Mortgage or lien Recorded against the Lot at any time prior to Recordation of the Association's Assessment lien (see Section 7.11. below).

C. No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of such Lot (whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party acquiring an interest in the Lot) from liability for any Assessments which thereafter become due with respect to the Lot or from the lien thereof

D. Any Assessments, late charges, interest and associated costs of collection which are lost as a result of a sale or transfer of a Lot covered by subparagraph (2) above, shall be deemed to be a Common Expense collectible from the Owners of all of the Lots, including the person who acquires the Lot and his successors and assigns.

E. No sale or transfer of a Lot as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Association's right to maintain an action against the foreclosed previous Owner personally to collect the delinquent Assessments, late charges, interest and associated costs of collection incurred prior to and/or in connection with the sale or transfer.

7.11. Priorities. When a Notice of Delinquent Assessment has been Recorded, such notice shall constitute a lien on the Lot prior and superior to all other liens or encumbrances Recorded subsequent thereto, except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (b) the lien or charge of any first Mortgage of Record (meaning any Recorded Mortgage with first priority over other Mortgages) made in good faith and for value; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or other prior encumbrance.

7.12. Waiver of Exemptions. Each Owner, to the extent permitted by Law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed against the Owner's Lot.

ARTICLE 8 ASSOCIATION ENFORCEMENT; REMEDIES.

8.01. Right of Enforcement. One objective of this Declaration is to disclose the obligations and restrictions applicable to the Owners and the Development in such a way that anyone purchasing a Lot understands and agrees to comply. Accordingly, when possible, the Board will informally seek voluntary compliance before instituting formal remedial action.

A Notice and Opportunity to Cure. In the event that the Association becomes aware of a design review or property use infraction that does not necessitate immediate corrective action, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or tenant of his or her right to be heard on the matter.

B Right to Bring Legal Action. The Association in its own name and on its own behalf, or on behalf of all Owners, can commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provisions of the Governing Documents, can suspend the

voting rights, or can assess monetary penalties against any Owner or other person entitled to exercise such rights or privileges for any violation of the Governing Documents, all as more specifically provided in this Article, as specifically provided elsewhere in this Declaration or otherwise permitted by law. The decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as exist by virtue of Section 1354 of the California Civil Code or otherwise bylaw.

8.02. Fines and Penalties. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate. A late charge for delinquent Assessments or costs of collection may be added to an Owner's total Assessment obligation and may be enforced by Association in accordance with Article 7.

8.03. Definition of "Violation". A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component of the violation and, according to the Board's discretion, a per-diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Conservation Area at the cost of the responsible Owner.

8.04. Remedy at Law Inadequate. Except for the nonpayment of any Assessment or Disciplinary Charge, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration is inadequate and that the failure of any Owner, tenant, occupant or user of any Lot, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

8.05. Nuisance. Without limiting the generality of the foregoing Section 8.04, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

8.06. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure by any Owner or others to perform or observe any provision of this Declaration.

8.07. Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to the prevailing party in such action such attorneys' fees and other costs as it may deem just and reasonable.

8.08. Failure Not a Waiver. The failure of any Owner, the Board of Directors, the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

8.09. Limitations on Disciplinary Rights.

A. Loss of Rights; Forfeitures. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of the Development Envelope of his Lot due to the failure by the Owner (or his family members, tenants, guests or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements in paragraph B below.

B. Hearings. No penalty or temporary suspension of rights shall be imposed pursuant to this Article unless the Owner alleged to be in violation is given at least 15 days' prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action.

Despite the foregoing, under circumstances involving conduct that constitutes: (i) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (ii) a traffic or fire hazard; (iii) a threat of material damage to, or destruction of, the Conservation Area; or (iv) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), the Board, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, upon request of the offending Owner (which request must be received by the Association, in writing, within five days following the Association's disciplinary action), or on its own initiative, conduct a hearing as soon thereafter as reasonably possible,

If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of disciplinary action. If the accused Owner desires a hearing, a written request therefor shall be delivered to the Association no later than five days following the date when the fine is levied. The hearing shall be held no more than 15 days following the date of the disciplinary action or 15 days following receipt of the accused Owner's request for a hearing, whichever is later. Under such circumstances, any fine or other disciplinary action shall be held in abeyance and shall only become effective if affirmed at the hearing.

At the hearing, the accused shall be given the opportunity to be heard, including the right to present evidence and to present or question witnesses. The Board shall notify the accused Owner, in writing, of the Board's decision within five business days following conclusion of the hearing. In no event shall the effective date of any disciplinary action commence sooner than five days following conclusion of the hearing unless: (i) the hearing merely affirms summary disciplinary action initiated pursuant to the immediately preceding paragraph; or (ii) earlier commencement is necessary to preserve the quiet enjoyment of other residents or to prevent further damage to, or destruction of, the Development or any portion thereof.

C. Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules,

D, Conservation Steward's Remedies. The remedies provided herein to the Association are separate from and in addition to any remedy that the Conservation Steward may have with respect to an encroachment into the Conservation Area.

8.10. Notices. Any notice required by this Article shall, at a minimum, set forth the date and time for the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided, however, that if notice is given by mail it shall be sent by first-class or certified mail, sent to the last address of the Member shown on the records of the Association.

8.11. Alternative Dispute Resolution; General Policy and Bound Parties. Except when another remedy is specifically prescribed or is determined by the Board to be most appropriate, the general policy of Declarant and the Association shall be to encourage the amicable resolution of disputes without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 8.12 (collectively, "Claims") to the procedures set forth in Section 8.13. For purposes of these Sections 8.11, 8.12 and 8.13, "Bound Party" means and refers to: (a) Declarant or any other Builder, and the officers, directors, employees and agents of Declarant or other Builder; (b) the Association, its directors, officers and committee members; (c) all Owners, residents of the Development and other persons subject to this Declaration; and (d) any other person or entity who agrees to submit to the procedures set forth in Section 8.13. The Board shall comply with the requirements of California Civil Code §1369.590 by providing Members of the Association annually with a summary of the provisions of Article 2 (commencing with Civil Code §1369.510) of Chapter 7, Title 6 of the California Civil Code, including the following language: "Failure of a Member of the Association to comply with the alternative dispute resolution requirements of §1369.50 of the Civil Code may result in the loss of your right to sue the Association or another Member of the Association regarding enforcement of the Governing Documents or the applicable law."

8.12. Claims. Unless specifically exempted below, all Claims between any of the Bound Parties regardless of how the same might have arisen or on what it might be based, including, but not limited to, Claims (a) arising out of or relating to the interpretation, application or enforcement of the Governing Documents or the rights, obligations and duties of any Bound Party under the Governing Documents, (b) relating to the design or construction of Improvements, or (c) based upon any statements, representations, promises, warranties or other communications made by or on behalf of any Bound Party shall be subject to the provisions of Section 8.13.

Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of Section 8.13:

(1) Any suit or enforcement action with respect to the collection of any Assessments; those actions shall be governed by the provisions of Article 7;

(2) Any suit by the Association or Declarant to obtain a temporary restraining order or injunction (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to act under and enforce the provisions of Article 2 (Property Rights), Article 3 (Use Restrictions) or Article 4 (Design Controls);

(3) Any suit between or among Owners, which does not include Declarant, a Builder or the Association as a party, if such suit asserts a claim which would constitute a cause of action independent of the Governing Documents; and

- (4) Any suit in which any indispensable party is not a Bound Party.

However, with the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth in Section 8.13.

8.13. Required Procedures.

A Notice. Any Bound Party having a claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and the Respondent referred to herein being individually, as a "Party," or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

- (1) The nature of the Claim, including the Persons involved and Respondent's role in the Claim;
- (2) The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);
- (3) The proposed remedy; and
- (4) The fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

Despite the foregoing general notice requirements, in any situation where the Claimant is the Association or an individual Owner and the Claim is against Declarant relative to alleged defects in the design or construction of the Development or any Residence built by Declarant, the Association shall follow the more specific notice and consultation requirements (e.g., listing defects, testing and response periods) which are set forth in Civil Code Section 1375, et seq. or any successor or amended version of such statute dealing with prerequisites of an Association action against a project developer or builder based on claimed defects.

B. Negotiation and Mediation.

(1) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(2) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have 30 days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial Mediation Rules.

(3) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(4) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation process ("Termination of Mediation"). The Termination of Mediation Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated,

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any claim through negotiation or mediation in accordance with this Section 8.13, and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement without the need to again comply with the procedures set forth above in this section. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

C. Binding Arbitration.

(1) Upon Termination of Mediation, Claimant shall thereafter be entitled to initiate final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial Arbitration Rules, as appropriate. Such claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(2) In any arbitration not involving Declarant, each Party shall bear its own costs and expenses and an equal share of the arbitrator(s) and administrative fees of arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the noncontesting party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

(3) In any arbitration which does involve the Declarant, Declarant shall advance the fees necessary to initiate the arbitration, with the costs and fees, including ongoing costs and fees to be paid as agreed by the Parties and, if they cannot agree, as determined by the arbitrator(s) with costs and fees of the arbitration to be ultimately borne as determined by the arbitrator(s),

(4) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties,

8.14. Amendment of Sections 8.11 through 8.11. Without the express prior written consent of Declarant, Sections 8.11, 8.12, 8.13 and this Section 8.14 may not be amended for a period of 20 years from the effective date of this Declaration.

ARTICLE 9. PROTECTION OF MORTGAGEES.

9.01. Mortgage Permitted. Any Owner may encumber his Lot with a Mortgage.

9.02. Priority of Mortgages. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first Mortgage that encumbers all or a portion of the Development, or any Lot, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates his interest, in writing, to such lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein shall affect, impair, defeat or render invalid the lien or charge of any first Mortgage made in good faith and for value encumbering any Lot. But all covenants, conditions, restrictions and easements of this Declaration shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a lot.

9.03. 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 not 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 not curable or not feasible to cure, shall be final and binding on all Mortgagees.

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

9.05. Relationship with Assessment Liens.

A. **Assessment Lien Subordinate.** The liens created under Article 7 hereof shall be subordinate to the lien of any first Mortgage which was recorded prior to the date any such Assessment becomes due.

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

C. **Title Following Foreclosure.** Any Mortgagee who obtains title to a Lot by reason of any of the Events of Foreclosure, or any purchaser at a private or judicial foreclosure sale, shall take title to such Lot free of any lien or claim for unpaid Assessments against such Lot which accrue prior to the time such Mortgagee or purchaser comes into possession of the Lot, except for liens or claims for a share of such Assessments resulting from a reallocation of such Assessments.

D. No Release. Nothing in this section shall be construed to release any Owner from his obligation to pay for any Assessment levied pursuant to this Declaration.

9.06. Notice to First Mortgagees Upon Request. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, the holder of any first Mortgage or the insurer or guarantor of a first Mortgage will be entitled to timely written notice of:

(1) Any condemnation loss or any casualty loss which affects a material portion of the Development or any Lot on which there is a first Mortgage held, insured or guaranteed by such Mortgage Holder, insurer or guarantor;

(2) Any delinquency in the payment of Assessments or charges owed by an Owner of a lot subject to a first Mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of 60 days; and

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

9.07. Rights to Inspect, Receive Statements, Attend Meetings.

A. Records. All lenders, and all holders, insurers or guarantors of any first Mortgage shall be entitled to inspect current copies of the Governing Documents and the books, records and financial statements of the Association. Such inspection shall be upon request, during normal business hours or under other reasonable circumstances.

B. Audited Statement. All holders, insurers or guarantors of a first Mortgage shall be entitled, upon written request, to have an audited financial statement for the immediately preceding fiscal year of the Association, free of charge to the party so requesting. Such financial statement shall be furnished within a reasonable time following such request.

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

9.08. Right of First Refusal. The right of an Owner to sell, transfer or otherwise convey his Lot is not subject to any "right of first refusal" or any similar restriction in favor of the Association. In the event this Declaration is amended to provide for any right of first refusal in the Association, a Mortgagee who comes into possession of a Lot pursuant to a judicial foreclosure, a deed in lieu of foreclosure or a trustee's sale shall be exempt therefrom.

9.09. Mortgagees' Right to Cure Defaults. First Mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against all or a portion of the Development and may pay overdue premiums on hazard insurance policies, for such common property, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

9.10. 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.

9.11. Distribution Rights. No provision of the Governing Documents shall be deemed to give an Owner, or any other party, priority over any rights of first Mortgagees of a Lot pursuant to their Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Lots.

ARTICLE 10. LIMITATION OF RESTRICTIONS ON DECLARANT.

10.01. Completion and Sale of the Development. Declarant is undertaking the work of planting the Vineyard, completing the Landscaped Areas, installing the Conservation Facilities and otherwise developing the Properties as contemplated in this Declaration and in accordance with the Town's conditions of approval of the subdivision map for the Development and the work of constructing Residences and incidental Improvements within many of the Development Envelopes of the Development. The completion of that work and the sale of the Lots is essential to the establishment and welfare of the Development. In order that such work may be completed as rapidly as possible, and notwithstanding any provision in this Declaration which is or which appears to be to the contrary:

A. Additional Facilities. Declarant shall be entitled to place, construct, locate, and maintain such facilities as Declarant in its sole opinion believes to be reasonably required, convenient or incidental to the construction and sale of houses upon the Lots. These facilities may include, but shall not be limited to such things as storage areas, construction trailers, temporary buildings, construction yards, construction materials, and construction equipment of every kind, model homes, sales offices and signs identifying Declarant and advertising the homes for sale. Declarant shall have the right to move all or any portion of such facilities from one location to another at any time and from time to time, as Declarant sees fit

B. No Nuisance. Nonna} and customary construction activity shall not be deemed a nuisance or other violation of this Declaration.

C. Termination of Exemptions. Those provisions of this Declaration which provide special privileges and/or exemptions to the Declarant, except for Declarant's privileges with respect to the Design Guidelines and the Design Review Committee, shall automatically terminate as to the Lots owned by the Declarant on a Lot-by-Lot basis as of the time such Lot is conveyed to an individual home buyer. Prior to their termination in accordance with this Section 10.01, paragraph C, however, such provisions may not be amended without the written consent of the Declarant

The exemption granted by this section shall automatically expire upon the conveyance to an Owner of the last Lot in the Development owned by Declarant.

10.02. Creation of Easements. Declarant shall have the right at any time prior to acquisition of title by a grantee to establish additional easements, reservations and rights-of-way to itself, its successors and assigns in any conveyance of the Development or any portion thereof. Declarant or the organization for whose benefit easements, reservations and rights-of-way have been established shall have the right at any time to cut and remove any trees or branches or any other unauthorized object from such easements, reservations and rights-of-way.

10.03. Assignment of Rights. The rights of Declarant in this Declaration may be assigned by Declarant to any successor to all or any part of Declarant's interest in the Development as developer,

except a Builder, by an express assignment incorporated in a recorded deed that transfers an interest to such successor.

ARTICLE 11. MISCELLANEOUS PROVISIONS.

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

11.02. Term. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of 50 years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of 10 years.

11.03. Amendment. After the issuance of the final subdivision public report pertaining to the Development, this Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than 51% of the voting rights of each class of Members. After Class B membership has ceased, at least a simple majority of the votes of Members other than Declarant shall also be required for adoption of any amendment. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Members in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Members shall be required to amend or revoke such provision. Similarly, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective against such governmental authority, Mortgagee or other person, firm, agency or entity, or their successors, unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of the first Lot sale shall be evidenced by an instrument certified by the secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the Recorder of the County.

No amendment of Section 2.02 shall be effective without the written consent of the Town, the Conservation Steward and the Corps" No amendment of Section 2.03 shall be effective without the written consent of the Town and the Conservation Steward. In addition, the provisions of the following sections may not be modified or rescinded except with the prior consent of the Town: **3.05** (fences and deck screening); **3.06** (fireplaces); **3.16.C** (regarding height limits); **3.11** (as to outdoor lighting) and **5.04.D** (as to earth-tone colors). No amendment of Section 2.04 or change in the size and location of the Vineyards, Landscaped Areas and Conservation Facilities referred to therein shall be effective without the affirmative vote of at least 75% of the voting rights of each class of Members. No amendment of Section 3.18 shall be effective without the affirmative vote of at least 67% of the voting rights of each class of Members.

11.04. Mergers and Consolidations. To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit associations organized for the same purposes as this Association, provided that any such merger or consolidation shall have the written consent of all of the Members or the assent by vote of two-thirds of each class of Members voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be given to all Members at least 30 days in advance.

11.05. Annexation. Additional real property may be annexed to the Development and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Members entitled to exercise not less than two-thirds of the voting powers of each class of membership of the Association. After Class B membership has ceased, at least two-thirds of the voting power of Members other than the Declarant shall also be required. Upon obtaining the requisite approval pursuant

to this Section 11.05, the Owner of any real property who desires to annex it to the Development and add it to the general plan and scheme of this Declaration and subject it to the jurisdiction of the Association shall record a supplemental Declaration. Recordation of such instrument shall effectuate the annexation of the additional real property described therein, and thereupon said real property shall become and constitute a part of the Development, become subject to this Declaration and encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to assessment by the Association and to the functions, powers and jurisdiction of the Association, and the Owners of lots in said real property shall automatically become Members of the Association. Such instrument may contain such additions and modifications of the covenants, conditions, restrictions and easements contained in this Declaration as may be necessary to reflect the different character, if any, of the added real property, or as Declarant may deem appropriate in the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration, However, such instrument shall not revoke, modify or add to the easements, covenants, conditions and restrictions established by this Declaration as the same pertain to the Property initially subject hereto.

11.06. Enforcement of Bonded Obligations.. With regard to any of the Improvements described in Section 2.04 which are to be installed by Declarant but which are not completed prior to the issuance of the public report pertaining to the Development, the Association may be named as obligee under a bond or other arrangement securing performance of the Declarant's commitment to complete such Improvements. In the event that the Association is so named in such bond, then the following provisions shall apply relative to the initiation of action to enforce the obligations of the Declarant and the surety under such bond:

A The Board of the Association shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any Improvement for which a Notice of Completion has not been filed within 60 days after the completion date specified for that improvement in the Planned Construction Statement appended to the bond, If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within 30 days after the expiration of such extension.

B. If the Board, through the consideration and vote referred to above, decides not to initiate an action to enforce the obligations under the bond, or fails to consider and vote on the question, then there may be a special meeting of the Members to consider the matter or to consider overriding the decision of the Board. Such special meeting shall be held if there is presented to the Board a petition therefor, signed by Members representing at least 5% of the total voting power of the Association. Upon receipt of such petition the special meeting shall be scheduled for a date not less than 35 days or more than 45 days thereafter. If, during such special meeting, a majority of the entire Class A voting power other than Declarant votes in favor of initiating an action to enforce the obligations under the bond, such vote shall be deemed to be the decision of the Association, and the Board shall thereafter implement that decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE 12. TERMINATION OF ANY RESPONSIBILITY OF DECLARANT.

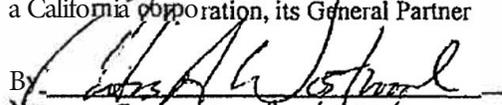
In the event Declarant shall convey all of its rights, title and interest to any partnership, individual or individuals, corporation or corporations, in and to the real property described herein, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.. This Article shall not terminate any responsibility of Declarant for acts or omissions occurring prior to the conveyance to such partnership, individual or individuals, corporation or corporations. However, this shall not limit Declarant's right to enter into a

contract or agreement dealing with such acts or omissions providing the contract or agreement is enforced by Declarant, if necessary.

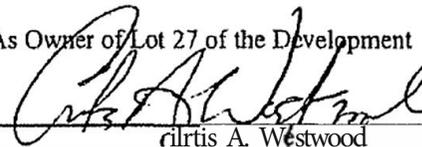
IN WITNESS WHEREOF, the undersigned executes this Declaration as Declarant

WESTWOOD MONTSERRAT, LTD.,
a California limited partnership

By: WESTWOOD HOMES, INC.,
a California corporation, its General Partner

By: 
Name: CURTIS A. WESTWOOD
Title: _____

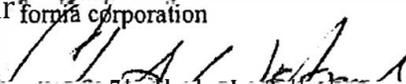
By their signatures below, the undersigned consent to the recordation of the foregoing Declaration and agree that the Lot owned by each of them shall be subject to all of the covenants, conditions, restrictions and easements set forth in the Declaration.

As Owner of Lot 27 of the Development

Curtis A. Westwood


Deborah A. Westwood

As Owner of Lot 62 of the Development

WESTWOOD HOMES, INC.,
a California corporation

By: 
Name: _____
Title: _____

STATE OF CALIFORNIA)
COUNTY OF S2) ss

On 10/27/08 before me 5 & Pf. 72
personally appeared Curtis A. Westwood (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____



STATE OF CALIFORNIA)
COUNTY OF _____) ss

On _____ before me _____
personally appeared **CURTIS A. WESTWOOD**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA)
COUNTY OF _____) ss

On _____ before me _____
personally appeared **DEBORAH A. WESTWOOD**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A TO COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR **SIERRA de MONTSERRAT**

Legal Description

The Development consists of all the real property located in the Town of Loomis, Placer County, California, as shown on the Final Map of Subdivision No. 98-04 Sierra de Montserrat recorded on January 18, 2006 in Book AA of Maps, page 91, Official Records of Placer County, California.

EXHIBIT B TO COVENANTS, CONDITIONS,
 RESTRICTIONS AND EASEMENTS FOR SIERRA de MONTSERRAT

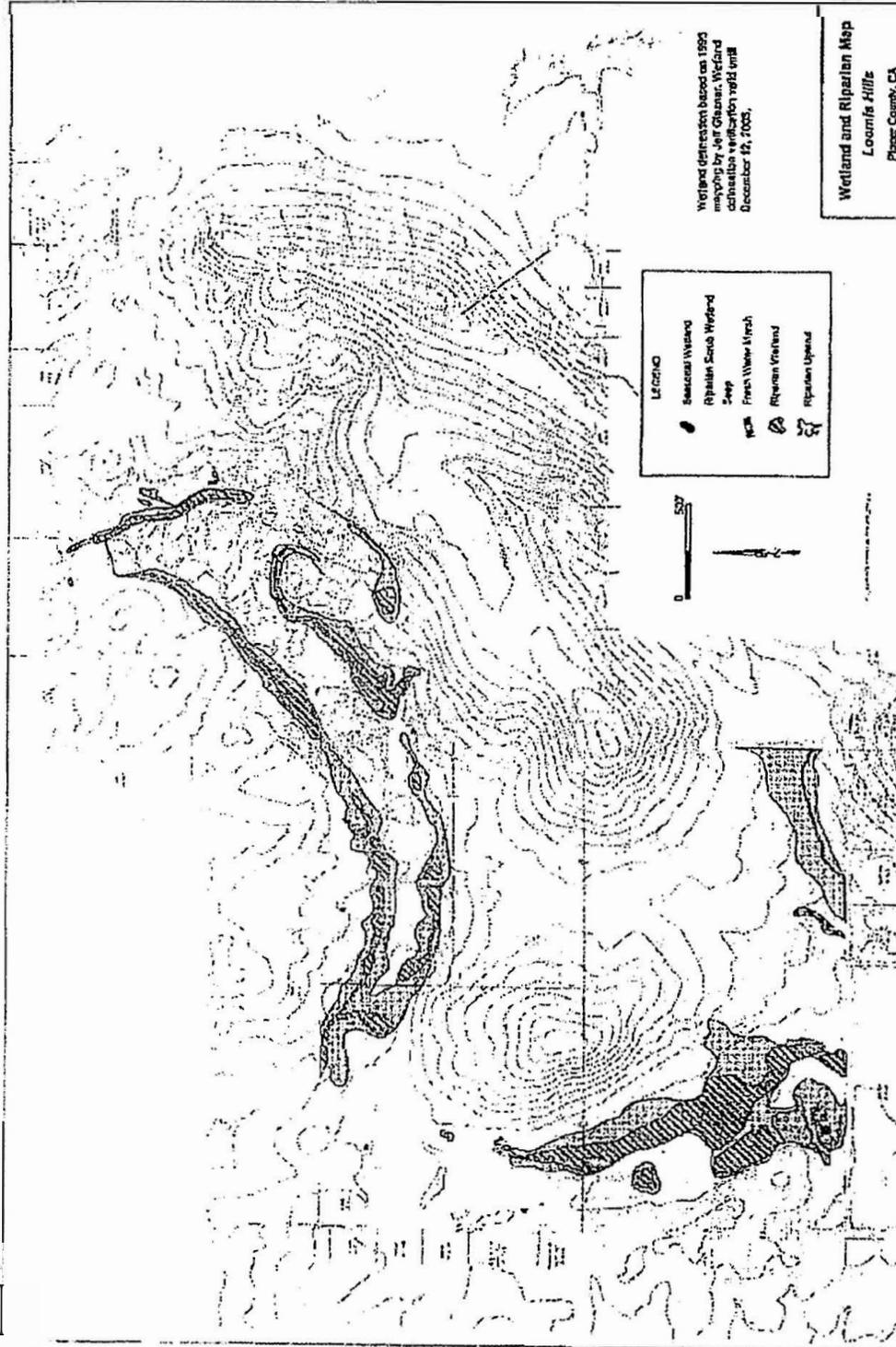


EXHIBIT C TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR SIERRA de MONTSEERRAT

List of Prohibited Plants

| Scientific Name | Common Name |
|---|-------------------------------------|
| <i>Ailanthus altissima</i> | tree of heaven |
| <i>Ammophila arenaria</i> | European beachgrass |
| <i>Arundo donax</i> | giant reed, arundo |
| <i>Bromus madritensis ssp. rubellus</i> | red brome |
| <i>Bromus tectorum</i> | cheat grass, downy brome |
| <i>Cardaria draba</i> | white-top, hoary cress |
| <i>Carpobrotus edulis</i> | iceplant |
| <i>Centaurea solstitialis</i> | yellow starthistle |
| <i>Cortaderia jubata</i> | Andean pampas grass, jubatagrass |
| <i>Cortaderia seloana</i> | pampas grass |
| <i>Cotoneaster palmatus</i> | cotoneaster |
| <i>Cotoneaster lacteus</i> | cotoneaster |
| <i>Cynara cardunculus</i> | artichoke thistle |
| <i>Cytisus scoparius</i> | Scotch broom |
| <i>Cytisus striatus</i> | striated broom |
| <i>Delairea odorata</i> | Cape ivy, Getman ivy |
| <i>Egeria densa</i> | Brazilian waterweed |
| <i>Eichhornia crassipes</i> | water hyacinth |
| <i>Elaeagnus angustifolia</i> | Russian olive |
| <i>Eucalyptus globulus</i> | Tasmanian blue gum |
| <i>Euphorbia esula</i> | leafy spurge |
| <i>Ficus carica</i> | edible fig |
| <i>Foeniculum vulgare</i> | wild fennel |
| <i>Genista monspeliensis</i> | French broom |
| <i>Hedera helix</i> | English ivy |
| <i>Lepidium latifolium</i> | perennial peppercorn, tall whitetop |
| <i>Mentha pulegium</i> | pennyroyal |
| <i>Myoporum laetum</i> | myoporum |
| <i>Myriophyllum spicatum</i> | Eurasian watermilfoil |
| <i>Pennisetum setaceum</i> | fountain grass |
| <i>Rubus discolor</i> | Himalayan blackberry |
| <i>Rubus procercus</i> | blackberry |
| <i>Sapindus officinalis</i> | bouncing bet |
| <i>Senecio mikanioides</i> | Cape ivy, Gennan ivy |
| <i>Taeniathera caput-medusae</i> | Medusa head |
| <i>Tamarix chinensis</i> | tamarisk |
| <i>Tamarix gallica</i> | tamarisk |
| <i>Tamarix parviflora</i> | tamarisk |
| <i>Tamarix ramosissima</i> | tamarisk |
| <i>Tamarix pentandra</i> | tamarisk |
| <i>Ulex europaeus</i> | gorse |

1
 Plants

EXHIBIT D TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR SIBRRA *de* MONTSERRAT

13.54.060 Tree planting and replacement.

The town's principal objective for the tree permit process is the preservation of protected trees, particularly in groves, and for proposed subdivisions and other projects requiring discretionary approval. Where the review authority determines that preservation is infeasible, replacement plantings *may* be allowed in compliance with this section.

A. Extent of Replacement Required. The review authority may condition any tree permit for the removal of a protected tree upon the replacement of trees in kind. The replacement requirement shall be calculated as provided by Table 5-3. The review authority may approve a replacement program using one of the methods identified in subsections (B) through (E), or any combination of the methods.

TABLE 5.3 • REQUIRED REPLACEMENT TREES

| Species of Tree to be Removed | Diameter of Tree to be Removed (1) | Mitigation Value (required number of replacement trees) | Required Size and Species of Replacement Trees for Mitigation Value |
|-------------------------------|------------------------------------|---|---|
| Blue oak | 6 to 9 inches | 8 | 15-gallon blue oaks |
| | 10 to 15 inches | 11 | |
| | 16 to 25 inches | 12 | |
| | 26 or more inches | 13 | |
| Valley oak | 6 to 9 inches | 6 | 15-gallon valley oaks |
| | 10 to 15 inches | 9 | |
| | 16 to 25 inches | 11 | |
| | 26 or more inches | 13 | |
| Juvenile oak | 6 to 9 inches | 4 | 115-gallon oaks |
| | 10 to 15 inches | 6 | |
| | 16 to 25 inches | 10 | |
| | 26 or more inches | 13 | |
| Other protected tree | 9 to 25 inches | 12 | 15-gallon trees |
| | 26 or more inches | 15 | |

Notes:

(1) Diameter shall be measured at a point 4.5 feet above the ground at the base of the tree.

B. Location and Specifications for Replacement Trees. The replacement trees required by Table 5.3 shall be planted on-site (the town's preferred method of mitigation), except that the review authority may authorize other areas within the town where maintenance to ensure survival of the trees will be guaranteed.

1. All replacement trees shall be of the same native species as the trees being replaced, except in the case where a replacement tree is approved in a location characterized by non-native species (for example, within a narrow roadway median where existing trees are ornamental non-natives, or as part of residential lot landscaping).

2. Up to fifty percent of the required replacement trees may have a five-gallon container size, where the review authority determines that long-term tree health and survival will be improved by starting with a smaller container size, and that each tree with a container size less than fifteen gallons will not be in a location where it will be more subject to damage while it is becoming established than a larger tree.

3. Replacement trees shall be in addition to any trees required by provisions of this Title other than this chapter (e.g., required parking lot landscaping or street trees).

C. Revegetation. The review authority may, instead of requiring replacement trees, require implementation of a revegetation plan.

1. The developer shall enter into a written agreement with the town obligating the developer to comply with the requirements of the revegetation program.

2. A performance security or bond for one hundred fifty percent of the cost of the revegetation plan shall be required to insure that the agreement is fulfilled. The director shall approve the bid for the proposed work.

3. The revegetation program shall propagate native oak trees from seed using currently accepted methods, and shall identify the seed source of the trees to be propagated, the location of the plots, and the methods to be used to ensure success of the revegetation program.

4. A revegetation program shall not be considered complete until the trees to be propagated have survived in a healthy state for a minimum of ten years, or the commission has approved a revegetation program which demonstrates the need for alternative success criteria and achieves mitigation on an inch-for-inch basis.

D. In-lieu Mitigation Fee. The review authority may determine that the remedies described above are not feasible or desirable and may instead require the payment of an in-lieu fee for the cost of purchasing, planting and irrigating the number of fifteen-gallon trees required by Table 5-3. The in-lieu fee shall be calculated by multiplying the total mitigation value required by Table 5-3 for all trees to be removed, by one hundred dollars for the removal of one to four protected trees; three hundred dollars for the removal of five to nine protected trees; and five hundred dollars for the removal of ten or more protected trees. The in-lieu fee shall be deposited into one of the following funds, as determined by the director:

1. Oak Tree Propagation Fund. This fund shall be used to propagate and protect native oak trees. Uses of the fund include, but are not limited to, purchasing property to plant or protect native oak trees, propagating native oak trees from seed or container stock and maintaining existing native oak trees.

2. Non-Native Tree Fund. This fund shall be used to purchase and plant non-native trees within Loomis. Uses of the fund include, but are not limited to, purchasing and propagating non-native trees from seed or container stock and maintaining existing non-native trees.

E. Conditions for Tree Removal to Accommodate Agriculture. A tree permit may be granted to

allow tree removal within the RA zoning district to accommodate a commercial agricultural use, without mitigation in compliance with subsections (A) through (E), subject to the following conditions:

1. The agricultural use, as proposed and ultimately established, shall be limited to crop production, horticulture, orchards or vineyards, but shall not include grazing or other animal uses;
2. The tree permit shall be exercised within one year;
3. Once tree removal is commenced, the proposed replacement agricultural use shall be in place within twenty-four months of the removal of the first tree, or mitigation shall be required in compliance with subsections (A) through (E);
4. Once the replacement agricultural use is established, it shall be maintained for a minimum of five years. If the agricultural use is terminated before five years, and/or if a subdivision application for non-agricultural development is filed within the town within that period, or mitigation shall be required in compliance with subsections (A) through (E); and
5. The approved tree removal and subsequent agricultural use shall retain existing trees:
 - a. Around existing and proposed buildings;
 - b. Adjacent to parcel boundaries; and
 - c. In significant groves, as determined by the review authority. {Ord. 205 § 1 (Exh. A), 2003}

EXHIBIT E TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR **SIERRA de MONTSERRAT**

Fuels Reduction/Fire Safe Plan

The Public Resources Code 4291 requires the following vegetation manipulation adjacent to a building or other structure. Initially the responsibility for fuel reduction will be that of the builder. Subsequent to selling of the lot the responsibility will fall to the homeowner.

1. Maintain around building adjacent to a house, building or other structure fire clearance by removing and clearing 11 feet for 11 distance not less than 30 feet on each side or to the property line, whichever is narrower, all inflammable vegetation or other combustible growth. This does not apply to single specimen trees, ornamental shrubbery, or similar plants (but are used as ground cover, if they do not form a mat of rapidly transmitting fuel from the organic growth to any house, building or other structure.
2. Remove that portion of any tree that extends within 10 feet of the outlet of any chimney or stovepipe.
3. Maintain any tree adjacent to or overhanging any building free of dead or dying wood.
4. Maintain the roof of any structure free of leaves, needles, or other dead vegetative growth.
5. Provide and maintain at all times 118 over the outlet of every chimney or stovepipe that is attached to any fireplace, stove, or oiler device that burns any solid or liquid fuel.

Within the Development Envelope of each subdivision Lot, but beyond the 30 foot buffer zone around a house, building or other structure mentioned above, the following fuels reduction/fire safe procedures must be followed. The responsibility for these efforts are initially the builder, but after purchase of the Lot the responsibility falls to the Lot owner.

1. All dead or dying trees, regardless of diameter, within the Development Envelope must be removed.
2. All trees 3" and 1" in diameter at ground level and that fall within the drip line of an overhanging tree must be removed.
3. All brush located within the drip line of an overhanging tree must be removed.
4. All shrubs within the Development Envelope are to be maintained to less than 6 inches in height.
5. All trees greater than 8 inches in diameter will be pruned to a height of 8 feet off the forest floor, not to reduce the live crown ratio below 75% the height of the tree.
6. Within 100 feet of existing structures all grasses are to be maintained to less than 6 inches in height.

Adjacent to any structure a 100 foot wide modified shaded fuel break must be established on sides that border an open space or common area. The break will be defined as the Building Fire Buffer Zone (BFBZ). The homeowner shall be responsible for the establishment and maintenance of this modified shaded fuel break area inside the Development Envelope. However, for any of this area outside the Development Envelope the established and maintenance of this modified shaded fuel break will be the responsibility of the Home Owner's Association. A modified shaded fuel break is defined as a defensible location to be used by fire suppression resources to suppress oncoming wild fires. It is the location where the fuel has been modified to increase the probability of success for fire suppression activities. Ground based fire suppression resources can use the location for direct attack or firing out. Air resources can use the location for fire retardant drops. The public fire resources will use the location for more efficient ingress and egress.

1. All dead or dying vegetation will be removed from the BFBZ.
2. All trees greater than 7 inches in diameter will be retained but must be pruned to a height of 8 feet not to reduce the live crown ratio of the plant to below 75%.
3. All trees less than 6 inches in diameter and that are within the drip line of overhanging trees must be removed.

- Individual plant or groups of plants up to 10 feet in canopy diameter may be retained provided there is a maximum separation between plants of 3 times the height for low volatility brush or 5 times the height for high volatility brush of the individual plants and the diameter is not within the drip line of an overstory.
- 5. One live but defective tree larger than 10 inches diameter providing cavities or obvious wildlife use will be retained per BEBZ.
- 6. All conifer species such as grey pine and ponderosa pine of regardless of diameter must have single leader and live crowns with at least 1/3 live crown ratio shall be retained unless they are in the drip line of an overstory tree.

Low Volatility Species

| | |
|-------------------|-------------|
| Dogwood | Whitethorn |
| Common cottonwood | Buckbrush |
| Buck brush | Coffinberry |

High Volatility Species

| | |
|---------|-----------|
| Yucca | Manzanita |
| Chamise | |

Vegetation within the all woodlands consistent with the plan outside the zones delineated above will be subject to some level of management after the subdivision is well established. A fuels management plan will be developed by Home Owner's Association in consultation with the Conservation Steward (Wildlife Heritage Foundation). The final fuels management plan requires the approval of the Conservation Steward.

There will be no fuels management activity within the Woodlands Conservation Area.

EXHIBIT E-1 TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR **SIERRA de MONTSERRAT**

:

Fire Resistant Landscaping Plant List

While the species of plant selected is very important, the condition of the plant is just as important. Even some flammable (pyrophytic) species can be quite fire resistant with proper care. The difference is in the growth form and water status. Plants with open growth forms, no dead wood, and well watered are much less likely to burn.

Plant arrangement, spacing, and maintenance are as important as plant type when considering fire safety. Landscapes with plants arranged and spaced to prohibit large amounts of fuel occurring in close proximity and adequately watered will greatly reduce the fire hazard.

The plants in this list were taken from a recent publication *Defensible Space Landscaping for the Urban Wildland Interface: A compilation of fire performance ratings of residential landscape plants* recently completed by the University of California Forest Products Lab. This project included compiling the fire resistance status of a large number of landscape plants based upon a large number of studies and publications. This list contains those plant species which were identified by several sources as being fire resistant, and which are suited to Grizzly Flats climate.

Up to 12 inches tall

| | |
|---|---|
| <p><i>Achillea tomenosa</i> var. Moonshine perennial groundcover</p> | <p style="text-align: center;">ivyur;;-</p> |
| <p>Height 6 to 10 inches. Plant, spreading mat of fern-like hairy leaves. Flowers in summer. Sheds old flowers. Good in sunny spot or partly shaded small areas. Little water once established. In Qm. & lil. 2. 1. @f2! = [0\$lon control.</p> | |

| | |
|--|---|
| <p><i>Ajuga reptans</i> perennial groundcover</p> | <p style="text-align: center;">Carpet begonia</p> |
| <p>Height to 6 inches, Spreads quickly to form a thick carpet of lustrous 2-3 inch wide leaves. Leaves flowers from spring to early summer. Full sun or partial shade. Regular watering.</p> | |

| | |
|--|--|
| <p><i>Armeria maritima</i> evergreen groundcover</p> | <p style="text-align: center;">Thrift, Common Thrift</p> |
| <p>Height 6-10 inches. Flower stalks with tufted mounds of 6 inch long leaves spreading to 1 foot across. Blooms almost all year. Full sun, light to moderate water. Drought tolerant.</p> | |

| | |
|---|---|
| <p><i>Artemisia caucasi</i> perennial shrub</p> | <p style="text-align: center;">Silver chrysanthemum</p> |
| <p>Height 3-6 inches, spreading to 2 feet wide. Silky foliage, small flowers. Needs good drainage, tolerates extreme heat and drought well. Full sun, best with a little water. Drought tolerant.</p> | |

| | |
|---|---|
| <p><i>Crasium tomentosum</i> evergreen groundcover</p> | <p style="text-align: center;">Sea purslane</p> |
| <p>Height 6 to 8 inches, spreads 2 to 3 feet in one year. Low growing, spreading, dense, tufted mats of 3/4 inch leaves. Masses of flowers in early spring. Shearfallen flower clusters. May look shabby in cold winter, but recovers rapidly in spring. Divide in fall or early spring. Full sun or partial shade. Drought-tolerant. Useful for erosion control.</p> | |

Cotoneaster dammerii Barberry cotoneaster
 evergreen groundcover
 Height to 6 inches. Fast prostrate growth 10-12 feet wide. Branches root along the ground. Leaves are glossy. Produces small fruit. Full sun, little or no water once established. Suitable for erosion control.

Suchesn indica Mock strawberry
 perennial groundcover
 Low to ground, with trailing stems that root firmly along the ground. Long, thick leaves. Flowers are followed by fruit that stands above foliage rather than under leaves (as in a true strawberry). Grows readily without much care. Can become rampant invader. Any exposure. Little water required. Drought tolerant. Suitable for erosion control.

Festuca rubra Creeping daisy
 perennial groundcover
 Lawn grass usually mowed to 2 inches tall. Fine blades, narrow and tends to grow clumpy. Can make an attractive meadow; Full sun or partial shade, not much water compared to other grasses. Drought tolerant.

Evergreen candytuft Evergreen candytuft
 evergreen groundcover
 Height 8 to 10 inches or higher, spreading about as wide. Leaves narrow and shiny. Flower clusters on long stems early spring to June. Full sun, regular water.

Hall's Honeysuckle Hall's Honeysuckle
 evergreen groundcover
 Groundcover and sometimes vine that runs rampant if given the chance. Blooms show in late spring, summer. Not smothering as vigorous plants if not kept in check. Partial or wholly deciduous in coldest regions. Sun or light shade. Best with moderate summer water. Drought tolerant.

Mandarin evening primrose Mandarin evening primrose
 perennial groundcover
 Height 10 to 12 inches. 1.5 inch blooms at stem tips. Profuse blooms during summer. Thrives with little or no care once established. Invasive if not controlled. Stems die back after bloom, so care is needed to remove dead matter. Full sun. Little water. Drought tolerant.

Spring climaculoid Spring climaculoid
 perennial groundcover
 Height 2 to 6 inches. Dainty, tufted creeper. Small flowers in clusters, spring and summer. May turn brown in cold winters. Past growing as groundcover and makes a good lawn substitute. Smothers weeds effectively when well established. Tough and persistent: Sun or partial shade. Drought tolerant. Suitable for erosion control.

Sedum album
succulent creeper
Gre 11 atonccrop
Height 2 to 6 inches. Creeping evergreen with fleshy leaves 0.25 to 0.5 inches long. Roots from smallest fragment. Drought tolerant.

Sedum sp. spathulifolium
succulent groundcover
-- Stout crop
Fleshy green leaves are spoon shaped, fleshy and tightly packed into rosettes on short, trailing stems. Flowers spring and summer. Good in sunny or partially shaded areas. After it has rooted it needs little water. Drought tolerant.

Thymus praecox lrticus
perennial shrub
Moisture of thyme
Creeping thyme
Height 2 to 6 inches. Forms a flat mat with upright branches. Roundish, 0.25 inch long leaves. Small clusters of small flowers in June through September. Soft underfoot. Full sun to light shade. Some summer water required for best appearance. Drought tolerant.

Thymus pseudolanuginosus
perennial groundcover
Woolly thyme
Thyme
Height 2 to 10 inches. Forms a flat undulating mat groundcover. Stems densely clothed with small woolly leaves. Plants become a little unsightly in winter. Full sun to light shade. Some summer water necessary. Drought tolerant.

Ivi minor
perennial groundcover
Dwarf periwinkle myrtle
Dwarf running myrtle
Height less than 12 inches. Short stems and flowering branches. Best with 2 to 3 good soaking per month. Lavender blue flowers 1 inch in diameter throughout spring. Closely packed. Shade loving. Drought tolerant. Suitable for erosion control.

1 to 6 feet tall

Achillea millefolium
perennial shrub
White yarrow
Height 2 feet, spreading to about 9 inches in width. Upright and spreading in habit. Fern-like leaves. Blooms throughout summer. Prefers a sunny spot with well drained soil and will tolerate a wide range of soil types. Full sun, no water. Drought tolerant.

Artemisia pycnocephala
evergreen shrub
Sandhill sage
Height 1-2 feet. Compact, rounded and somewhat spreading. Soil, crowded, divided leaves and very small flowers. Remove lower spikes as they open to keep plants compact. Becomes woody with age. Replace every 1-2 years. Pull suckers with a little water. Drought tolerant.

Cotoneaster congestus Likfano
 evergreen shrub
 Height to 3 feet. Slow growing. Densely downward curving branches with tiny leaves and small fruit. Full sun. Little or no water once established. Suitable for erosion control.

Eriophyllum confertiflorum Golden yarrow
 perennial shrub
 Somewhat woody perennial, grows to 2 feet high, Leaves are 1.5 inches. Native to California. Drought tolerant. Suitable for erosion control.

Eschscholzia californica California poppy
 perennial groundcover
 Height to 24 inches. Single flowers 2 inches wide on stem tips. Blooms close at night and on gray days. Unless dead flowers are trimmed regularly, plants go to seed and all part turn straw color. Full sun. summer water extend blooms, Drought tolerant.

Gazania rigens Trailing gazania
 perennial groundcover
 stems to about 16 inches long, globular or hairy. Leaves to 3.25 inches long. Showy flowers, spring through summer, close at night and during overcast days. Full sun, occasional dry season watering. Suitable for erosion control.

Hemerocallis spp. Daylily
 deciduous or evergreen shrub
 Height 1 to 6 feet. Large clumps of arching, sword shaped leaves. Lily-like flowers stand well above the foliage. Snap off faded flowers daily. Very tough, persistent and pest free. Adapts to almost any kind of soil. Divide crowded plants in early spring or late fall. Full sun or partial shade in hot climates. Water thoroughly during bloom. Drought tolerant. Suitable for erosion control.

Kuiphofia uvaria Red hot poker
 perennial shrub
 Height 3 to 6 feet. Coarse with large, rigid dense clumps of long, grasslike leaves. Flower stalks topped with many drooping tubular flowers. Blooms spring through summer. Cut out flower spikes after bloom. Cut old leaves at base in fall. New leaves will replace them by spring. Increase by root divisions. Full sun or little shade. No dry season water. Drought tolerant.

Creeping mahonia
 Height to 3 feet with spreading habit. Dull leaves have 3 to 7 spin toothed leaflets, flower April through June, followed by blue berries in short clusters. Good groundcover in sun or partial shade. Needs little water. Drought tolerant.

Zauschneria californica:3
perennial shrub

---Caiiii" oriifa fullchia
Hummingbird flower

Height 1 to 2 feet. Stems upright or somewhat arching. Plants sometimes shrubby at base. Evergreen in mild climate, otherwise becomes twiggy and ungr0omcd through winter. LILUC or no. waler once cRtablishcd, Invasive roots. Will @ to seed and ns sed itself. Drou@hl tol:mnt.

6+ feet tall

Alnus rhombifolia
deciduous tree

White alder

Height 50-90 feet, spreading to 40 feet wide. Very fast growing, Clusters of flower catkins appear before leaves in spring. Flowers develop into siuau. woody cones in winter. Will tolerated any ex.22,sure, but requires re ni' watering, Very tolerant of heat and wind.

Arbutus menziesii
evergreen tree

Madroño

Height 20-100 feet. Forms broad, round head almost as wide as tall. Smooth, reddish brown bark in thin flakes. J. catkins, 3-6 inch leaves. Flowers in spring, followed by clusters of berries in early fall. Must have fast drainage and non-alkaline water. Water just enough to keep plants going until they are established, then only infrequent deep waterings. Full sun. Drought tolerant. Useful for erosion control.

Campsis radicans
deciduous vine

Trumpet vine
Crumpet creeper

Height to 40 feet, fast growing. Flowers in clusters, Aug - Sept. Vigorous climber that clings to wood, brick and stucco with aerial rootlets. Unless thinned, old plants become top heavy and pull away from supporting surface. Spreads easily by suckering roots. Full sun or partial shade, Low Yutcr rcgtiircrncnt. Drought tolerant.

Ceanothus thyrsiflorus
evergreen shrub

Blueberry

Height 6-20 feet, spreading 10-15 feet wide. As a small tree it is upright and branching. Glossy, hardy foliage and long leaves (to 2 inches). Flowers in spike-like clusters in mid- to late spring. Dend matter must be in the garden. Full sun to partial shade. Drought tolerant.

Cercis occidentalis
evergreen tree

Western redbud

Height 10 to 18 feet with equal spread. Usually grows several trunks from base. Bloom; for 3 weeks in the spring, produces seed pods in summer and holds them until winter. Full sun, e.i.; cellcnl in dry banks. Water regularly the first year or two. Drought tolerant. Suitable for erosion control.

Populus tremuloides
Deciduous tree

Quaking aspen

Height 20 to 60 feet. Fast growing. Trunk and limbs smooth, almost whitish. Dainty foliage.
Flower color in full, but leaves need to be raked. Full sun. Best with regular deep watering.

Santolina chamaecyparissus
Evergreen shrub

Santolin, Lavender
Grey lavender

Height to 2 feet, but best clipped to 1 foot. Brittle, woody stems densely clothed with rough, finely divided leaves. Flower heads in summer on unclipped plants. Replace plant if woodiness takes over. Full sun. Little to no water. Drought tolerant. Suitable for erosion control.

References

Defensible Space Landscaping in the Urban/Wildland Interface: A compilation of fire performance ratings of residential landscape plants. University of California Forest Products Laboratory, 1997. 170 p.

Pyrophytic vs. Fire Resistant Plants, HortScript No. 18. University of California Cooperative Extension. 1996, 9 p.

EXHIBIT F TO DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR **SIERRA de MONTSERRAT**

Sierra de Montserrat Maintenance Areas

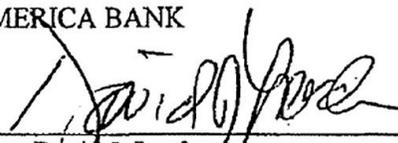
1. Entrance landscaping and irrigation facilities at the intersection of Barton Road and Rutherford Canyon Road as installed by Declarant/developer within the 50' Landscape Easement along Rutherford Canyon Road on Lots 5 and 61.
2. All landscaping and irrigation facilities located within the street right of way at medians, roundabouts and cul de sacs on Rutherford Canyon Road, Blackhawk Court, Montserrat Lane, Shady Canyon Court and Sable Ridge Court.
3. Ponds, supply lines and pumping facilities as well as landscaping immediately adjacent to and surrounding the ponds installed by Declarant/developer.
4. All Vineyards and related irrigation facilities that are located outside of the Development Envelopes.
5. Annual brush removal and tree trimming within the Oak Conservation Easement as approved and directed by the Conservation Steward subject to the annual HOA budget
6. Entrance monuments and signage at entrances to the Development at Barton Road and Laird Road.
7. Two Emergency Vehicle Access lanes located as shown on the Final Map: (1) Connection from Blackhawk Court to Wells Avenue; (2) Connection from Sable Ridge Court to Rutherford Canyon Road.

CONSENT OF LIENHOLDER
AND
SUBORDINATION OF LIEN

The undersigned beneficiary under that certain Deed of Trust dated August 3, 2005, recorded on January 18, 2006, as Instrument No. 2006-0005051, of Official Records of Placer County, California, consents to all of the provisions contained in the attached Declaration of Covenants, Conditions and Restrictions and agrees that the lien of the Mortgage shall be junior and subordinate and subject to said Declaration.

Dated: December 7, 2006

COMERICA BANK

By: 

David J. Lardner

Its: Senior Vice President
Western Market

ALL-PURPOSE ACKNOWLEDGEMENT

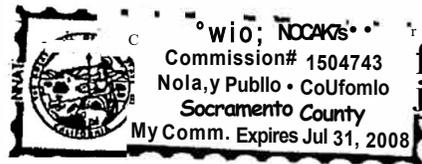
State of California

§.

County of Sacramento

On December 7, 2006 before me, Sandie Nikakis, a Notary Public in and for said State, personally appeared David J. Lardner personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal



Notary Public

(Notary Seal)

SHEPPARD MULLIN

SHEPPARD MULLIN RICHTER & HAMPTON LLP

ATTORNEYS AT LAW

17th Floor | Four Embarcadero Center | San Francisco, CA 94111-4106
415-434-9100 office | 415-434-3947 fax | www.sheppardmullin.com

Writer's Direct Line: 415-774-2977
efoley@sheppardmullin.com

Our File Number: 08RX-116532

December 18, 2005

VIA E-MAIL AND FEDERAL EXPRESS

(b) (6)

U.S. Army Corps of Engineers
Regulatory Branch
Sacramento District
1325 J Street
Sacramento, CA 95814-2922



Re: Sierra de Montserrat Project, Placer County (Corps. File No. 200500256)

Dear (b) (6):

I am writing on behalf of our client, Westwood Homes, to request that the Corps provide written confirmation that the Sierra de Montserrat Project is authorized to begin work pursuant to Nationwide Permit 39, pursuant to the terms of the Corps verification issued on September 21, 2005. As detailed in the attached document, *Sierra de Montserrat Project, Placer County: Satisfaction of Corps Pre-Construction Requirements*, Westwood Homes has satisfied all preconstruction requirements include in the above referenced NWP verification and is ready to begin construction.

Please do not hesitate to contact me should you have any questions or wish to discuss this matter further.

Very truly yours,

Ella Foley-Gannon

for SHEPPARD MULLIN RICHTER & HAMPTON LLP

W02-SF:FEF\61472086.2

Enclosures

cc: Curt Westwood, Westwood Homes
Jeff Glazner, North Fork Associates
Patrick Shea, Wildlife Heritage Foundation



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-1022

September 21, 2005

Regulatory Branch (200500256)

Curt Westwood
Westwood Homes
11231 Gold Express Drive
Suite 108
Gold River, California 95670-6321

Dear Mr. Westwood:

We are responding to your March 7, 2005 request for a Department of the Army permit for the Sierra De Montserrat Placer County project. This approximately 323-acre project involves activities, including discharges of dredged or fill material, in waters of the United States to construct a housing subdivision. The site is located on or near Unnamed Tributary in Section 22, Township 11 North, Range 7 East, MDB&M, Latitude 038° 47' 34.9", Longitude 121° 10' 37.4", Placer County, California.

Based on the information you provided, the proposed activity in approximately 0.09 acres of waters of the United States is authorized by Nationwide Permit (NWP) Number 39. Your work must comply with the general terms and conditions listed on the enclosed NWP information sheets and the following special conditions:

1. The document entitled "Pre-Construction Notification (PCN) for Sierra De Montserrat", dated March 7, 2005, is incorporated by reference as a condition of this authorization except as modified by the following special conditions:

2. To mitigate for the loss of 0.09 acres of waters of the United States, you shall purchase 0.1 credits of seasonal wetland at a Corps approved wetland mitigation bank. The selected mitigation bank shall include the area of the permitted project within its service area. Evidence of this purchase shall be provided to this office prior to proceeding with any activity otherwise authorized by this permit. A list of approved mitigation banks has been included for your reference.

3. You shall, as proposed, establish and maintain a 91.84-acre wetland preserve containing 15.77 acres of created, avoided, and preserved waters of the United States, as depicted on Figure 5, "Conservation Map, Montserrat Property" of the March 7, 2005, PCN in perpetuity. The purpose of this preserve is to insure that functions and values of the aquatic environment are protected.

4. To minimize external disturbance to preserved waters of the United States, you shall establish a buffer, consisting of native upland vegetation from the outer limit of jurisdiction of the entire perimeter of all created, preserved, and avoided waters of the United States, including wetlands within the proposed preserve as depicted on Figure 5, "Conservation Map, Montserrat Property" of the March 7, 2005, PCN.

5. To insure that the preserve is properly managed, you shall develop a specific and detailed preserve management plan for the on-site and off-site mitigation, preservation, and avoidance areas. This plan shall be submitted to and specifically approved, in writing, by the Corps of Engineers prior to engaging in any work authorized by this permit. This plan shall describe in detail any activities that are proposed within the preserve area(s) and the long term funding and maintenance of each of the preserve areas.

6. To protect the integrity of the preserve and avoid unanticipated future impacts, no roads, utility lines, trails, benches, equipment or fuel storage, grading, firebreaks, mowing, grazing, planting, discing, pesticide use, burning, or other structures or activities shall be constructed or occur within the on-site and off-site mitigation, preservation, and avoidance areas without specific, advance written approval from the Corps of Engineers.

7. To prevent unauthorized access and disturbance, you shall, prior to occupancy of any home within the project site, but in no case later than October 15, 2006, install fencing and appropriate signage around the entire perimeter of the preserve. All fencing surrounding mitigation, preservation, avoidance, and buffer areas shall allow unrestricted visibility of these areas to discourage vandalism or disposing of trash or other debris in these areas. Examples of this type of fencing include chain link and wrought iron.

8. To assure success of the preserved areas, you shall monitor on-site preservation and avoidance areas in perpetuity. The final management plan shall reflect this requirement. This period shall commence upon completion of the authorized fill activity, but not later than one year after the initiation of fill activity. The primary focus of this monitoring shall be to assure that the preserve is successfully established and maintained as wetland and wildlife habitat and not adversely affected by surrounding development.

You shall submit annual reports to this office by October 1 of each year.

9. Prior to initiating any activity authorized by this permit, you shall, to insure long-term viability of mitigation, preservation, and avoidance areas:

a. Establish a fully-funded endowment to provide for maintenance and monitoring of on-site and off-site mitigation, preservation, and avoidance areas.

b. Designate an appropriate conservation-oriented third part entity to function as preserve manager and to hold the required conservation easements.

c. Record permanent conservation easements and deed restrictions maintaining all mitigation, preservation, and avoidance areas as wetland preserve and wildlife habitat in perpetuity. Copies of the proposed deed restriction and conservation easement language shall be provided to the Corps of Engineers for approval prior to recordation.

d. Provide copies of the recorded documents to the Corps of Engineers no later than 30 days prior to the start of construction of any of the activities authorized by this permit.

10. You shall design and construct all crossings of waters of the United States to retain a natural substrate, and to accommodate all reasonably foreseeable wildlife passage and expected high flows. Specific detailed plans for these crossings shall be submitted to and approved by the Corps of Engineers prior to implementation.

11. You must allow representatives from the Corps of Engineers to inspect the authorized activity and any mitigation, preservation, or avoidance areas at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

12. All terms and conditions of the April 15, 2005 Section 401 Water Quality Certification are expressly incorporated as conditions of this permit.

13. You shall have a biologist, who is familiar with waters of the United States and the authorized project, monitor all construction activities within 250 feet of the preserve boundary in order to ensure that no unauthorized activities occur within the preserve boundary during project implementation.

You must sign the enclosed Compliance Certification and return it to this office within 30 days after completion of the authorized work.

This verification is valid until the NWP is modified, reissued, or revoked. All of the existing NWPs are scheduled to be modified, reissued, or revoked prior to March 18, 2007. It is incumbent upon you to remain informed of changes to the NWPs. We will issue a public notice when the NWPs are reissued. Furthermore, if you commence or are under contract to commence this activity before the date that the relevant NWP is modified or revoked, you will have twelve (12) months from the date of the modification or revocation of the NWP to complete the activity under the present terms and conditions of this nationwide permit.

Please refer to identification number 200500256 in any correspondence concerning this project. If you have any questions, please contact (b) (6) at our Sacramento Valley Office, 1325 J Street, Room 1480, Sacramento, California 95814-2922, mail (b) (6)@usace.army.mil, or telephone 916-557-5261. You may also use our website: www.spk.usace.army.mil/regulatory.html.

Sincerely,

ORIGINAL SIGNED

(b) (6)
Chief, Sacramento Valley Office

(b) (6)

Enclosure(s)

Copy furnished without enclosure(s):

Jeff Glazner, North Fork Associates, 110 Maple Street, Suite 100, Auburn, California
95603-5047

George Day, Storm Water and Water Quality Certification Unit, Central Valley Regional
Water Quality Control Board, 11020 Sun Center Drive #200, Rancho Cordova,
California 95670-6114

Rodney R. McInnis, Acting Regional Administrator, National Marine Fisheries Service,
650 Capitol Mall, Suite 8-300, Sacramento, California 95814-4706