

**CANYON LAKE PROPERTY OWNERS ASSOCIATION
CONFORMANCE AGREEMENT**

This Agreement is entered into this _____ day of 20____ by and between Canyon Lake Property Owners Association ("Association") and ("Owner").

Owner is the record fee owner of Lot ____ of Riverside County Tract No. ("Property"), located within the common interest development known as Canyon Lake, and is subject to the Declaration of Restrictions recorded against the above-described Tract and the other governing documents of the Association, including the Association's Rules and Regulations. The term "Governing Documents" as used herein shall be deemed to include the Declaration of Restrictions and Rules and Regulations.

The Governing Documents require Owner to apply for and obtain the written permission of the Association's Architectural Control Committee ("ACC") before any improvement upon the Property can be installed, constructed, altered or modified. The Governing Documents also require work on any installation, construction, alteration or modification of any improvement to be completed within 180 days.

In connection with an application for ACC approval submitted by or on behalf of Owner, Owner has posted a Conformance Deposit in the amount of \$_____. The Association and Owner desire to and hereby enter into an agreement regarding installation, construction, alteration or modification of improvements on the Property and use of the Conformance Deposit by the Association and the refund, if any, of the unused portion of the Conformance Deposit.

NOW, THEREFORE, IT IS HEREBY AGREED BY AND BETWEEN ASSOCIATION AND OWNER AS FOLLOWS:

1. No improvement shall be installed, constructed, modified or altered upon the Property without application to and a current and valid written approval issued by the ACC. In the event the ACC gives written permission for the installation, construction, modification or alteration of any improvement or improvements upon the Property, Owner agrees to comply with the Association's Governing Documents and any specific terms or conditions imposed by the ACC and that the installation, construction, modification or alteration shall be in strict compliance with the terms of the ACC approval. Owner agrees that any ACC approval granted for the construction or alterations of an improvement upon the Property will automatically expire within 180 days of issuance if a significant portion of the work is not commenced within that time, and that all work will be completed within 180 days from commencement.
2. Owner shall be responsible for all activity by contractors, subcontractors, material suppliers and their employees and agents and any others that perform work on or deliver materials to the Property. This includes any violation of the Association's Governing Documents, such as, but not limited to, traffic and parking violations, and any fine, assessment or other charges levied in connection therewith. Owner acknowledges and

agrees that all such persons are his invitees. Owner shall be responsible for informing all invitees of the Association's Rules and Regulations.

3. Owner's contractors and other invitees shall travel to and from the job site by the most direct route available and are not authorized to use Association recreational facilities or other amenities while they are in Canyon Lake for performance of work in connection with the Property.
4. Owner hereby consents to and grants the Association and its employees, agents and contractors a right of entry upon the Property at any time to be used to inspect the Property and the improvements thereon and to be used by the Association or its contractor to remedy any violation upon the Property, including, but not limited to, removing trash or any improvement installed without ACC approval or modifying an improvement to bring the same into compliance with the terms of the ACC's approval.
5. The Conformance Deposit shall be held by the Association and applied, at the Association's sole discretion, to:
 - Any fine levied against the Property.
 - To cover and/or recoup any costs whatsoever, including administrative and legal costs, incurred by the Association in connection with the Property.
 - To any unpaid charges or assessments on the Association's account for the Property.

For example, the Association could apply all or a portion of the Conformance Deposit to cover any of the following: fines levied (for any reason) against Owner or any invitee of Owner; fines levied for construction violations; costs incurred by the Association in repairing damage to Association property caused by Owner or Owner's contractor or other invitee; costs incurred by the Association in curing a violation on the Property; costs incurred in removing or altering an improvement upon the Property; or to an unpaid assessment, special assessment, late charge, interest or collection costs posted to the Association's account for the Property.

The above list is illustrative only and in no way represents the only situations where the Association could apply all or a portion of the Conformance Deposit.

6. Conformance Deposits that are not claimed within two years of posting are subject to forfeit to the Association. To make a claim for a return of the Conformance Deposit, a written request needs to be submitted to the ACC, which request must include a statement that the improvement(s) for which the Conformance Deposit was deposited have been completed in accordance with the ACC's approval. Upon receipt of such a written request, if the Conformance Deposit has not already been forfeited or applied in full as discussed above in paragraph 5, and if the ACC determines that the conditions specified below at paragraph 7 are satisfied, then after applying the Conformance Deposit, if applicable, pursuant to paragraph 5 above, the Association will return the unused portion of the Conformance Deposit, if any, to the then record fee owner of the Property, at the

address of record with the Association. Under no circumstances shall Owner or Owner's successors be entitled to any interest on any portion of the Conformance Deposit.

7. The following conditions must be satisfied prior to the return of the unapplied portion of a Conformance Deposit:
 - The improvement(s) must have been completed, in strict compliance with the terms of the ACC's approval and in compliance with the Governing Documents, within 180 days of commencement of construction.
 - For construction of new homes, room additions, _____, ACC approved groundcover must: (a) have been installed on all yards and slopes within 90 days of completion of construction of the improvements; and (b) be in compliance with the Association's minimum landscaping standards at the time the return of the Conformance Deposit is sought.
 - House numbers must be clearly painted on the curb in accordance with ACC standards.
 - The setback inspection requirements (that a setback inspection by ACC staff be scheduled and take place after footings have been dug and forms positioned but before any concrete is poured) must have been complied with.
 - Air conditioners, LPG tanks, and trash cans must be screened from view in a manner acceptable to the ACC.
 - Ridge Height inspection requirements must have been complied with.
8. When a Conformance Deposit, or the remaining portion thereof, is to be returned, it shall be returned by the Association to the current record fee owner(s) of the Property without regard to who posted the Conformance Deposit. Thus, for example, if there has been a change in the record ownership of the Property between the time when the Conformance Deposit is posted with the Association and the time for return of the unused portion of the Conformance Deposit, the Conformance Deposit shall be returned to the new owner of the Property.
9. Owner agrees to comply with, and ensure that all persons performing any work on the Property or delivering materials to the Property shall adhere to the Association's Rules and Regulations including, without limitation, the following specific rules:
 - Maintain a clean job site at all times;
 - No use of Association property for storage of equipment or materials;
 - Schedule and pass a setback inspection before any footings are poured;
 - Install ACC approved groundcover on the Property within the time frame required by the Association; and
 - No loud music or radios.
10. If at any time the amount of the Conformance Deposit falls below 2/3rds of the amount originally required to be posted, Owner agrees to immediately deposit additional sums with the Association in an amount sufficient to return the Conformance Deposit to the

originally required level. Until the Conformance Deposit is so replenished, an automatic stop work order shall be in effect.

11. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of the County of Riverside, State of California. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California. In any action to enforce or interpret this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs incurred.
12. This Agreement contains the sole and entire agreement and understanding of the parties with respect to the subject matter of this Agreement. Any and all prior discussions, negotiations, agreements, commitments or understandings related hereto, if any, are hereby merged and incorporated herein. No representations, oral or otherwise, express or implied, other than those specifically contained herein, have been made among the parties with respect to the subject of this Agreement. No other agreements not specifically contained herein, oral or otherwise, shall be deemed to exist or to be binding on the parties with regard to the subject matter of this Agreement.
13. The terms of, and the duties and obligations imposed by, this Agreement shall be binding upon any Owner and any Owner's successors, assigns or transferees.
14. In the event of any violation of the Association's Governing Documents at the Property, application of all or part of the Conformance Deposit and/or forfeiture of the same shall not be the Association's exclusive remedy and the Association may take enforcement action, including but not limited to, the filing of a lawsuit in combination with or in lieu of applying the Conformance Deposit or deeming it forfeited.

IT IS SO AGREED

Owner(s) _____
(Name of Owner)

(Name of additional Owner)

(Signature)

(Signature of additional Owner)

Phone #s: Home: _____
Work: _____