

Exhibit H to University Gables Ground Lease

University Gables

Property Use and Maintenance Regulations

UNIVERSITY GABLES PROPERTY USE AND MAINTENANCE REGULATIONS

By purchasing a home in University Gables through the CSU Fullerton Auxiliary Services Corporation (ASC) program, each Homeowner has made a substantial investment in University Gables and a commitment to the development of an academic community that will remain a pleasant and enjoyable place in which to live. The following Regulations are designed to ensure that University Gables remains aesthetically pleasing and attractive community and that property within the community is not used in any way that would adversely affect the quality of community life for all Homeowners. The ASC retains ultimate responsibility for enforcement, although an advisory council of the Homeowners known as the Homeowners Advisory Council (“HAC”), as stated below, plays a substantial role in important community-management matters such as processing homeowner approval requests and consulting with the ASC on action regarding violations of the Regulations.

1. DEFINITIONS

As used in these Regulations, all capitalized terms shall, unless otherwise indicated, have the same meanings as set forth in the Ground Lease to which these Regulations are attached. In addition:

“Architectural Guidelines” means the Architectural Guidelines from time to time issued or amended by the ASC Board as provided in Section 5.7 of these Regulations.

“Building Code” means the latest edition of the Uniform Building Code as used by the City of Buena Park, with such modifications, exclusions, or supplements/replacements as the ASC may, from time to time, permit or require.

“Community Space” means the real property located within University Gables that is not located within any of the Parcels leased to individual Homeowners.

“Ground Lease” means the University Gables Ground Lease.

“CSUF” means California State University, Fullerton.

“HAC” means the Homeowners Advisory Council established pursuant to Section 5.1 of these Regulations.

“Homeowner” means the owner of a University Gables home (the ground lessee of any Parcel).

“ASC” means the CSU Fullerton Auxiliary Services Corporation. The ASC is a nonprofit public benefit corporation, and in the context of approvals, the ASC means the ASC Board of Directors or its designee.

“ASC Board” means the Board of Directors of the CSU Fullerton Auxiliary Services Corporation.

“Parcel” means any parcel of University Gables assigned and transferred to a Homeowner, as such Parcel is designated in the Ground Lease.

“Regulations” means these University Gables Property Use and Maintenance Regulations.

“Statement of Compliance” means any Statement of Compliance issued by the ASC pursuant to the provisions of Section 4.7 of these Regulations.

“Structure” means:

- (i) Any thing or object the placement of which upon any Parcel may affect the appearance of such Parcel, including by way of illustration and not limitation any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, sign, signboard, temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement to such Parcel; and
- (ii) Any excavation, grading, fill, ditch, diversion dam, or other thing or device which affects or alters the natural flow of surface waters from, upon, or across any Parcel, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash, or drainage channel from, upon, or across any Parcel.

“University Gables” means all of the property owned by the ASC located at the southwest corner of Malvern and Dale Street in the City of Buena Park.

2. RESTRICTIONS RESPECTING USE AND MAINTENANCE

2.1 Interference with Quiet Enjoyment of Others

No use of any Parcel shall be permitted which creates a nuisance or which, in the judgment of the ASC Board or its designee, interferes with the quiet enjoyment of Homeowners residing on other Parcels or of persons using the Community Space.

2.2 Solid Waste

- (a) No person shall dump rubbish, garbage, or any other form of solid waste on any Parcel or the Community Space.
- (b) No person shall burn rubbish, garbage, or any other form of solid waste on any Parcel or the Community Space.
- (c) Except for building materials employed during the course of construction of any Structure approved by the ASC, no lumber, metals, bulk materials, or solid waste of any kind shall be kept, stored, or allowed to accumulate on any Parcel or the Community Space.
- (d) Rubbish, garbage, or any other form of solid waste shall be kept at all times in covered, sanitary containers designed for such purpose. If such waste is to be disposed of by being collected on a regular and recurring basis, in order to provide access to persons making the pick-

up containers may be placed in the open not more than twelve (12) hours before and after scheduled pick-up. At all other times, such containers shall be located in enclosed areas screened from view or otherwise handled in a manner which may be set forth in the Architectural Guidelines. Guidelines relating to the type of containers permitted, the manner of storage, and the place of pick-up may also be included in the Architectural Guidelines. Separate lids of containers shall be secured to the container with a leash or other device to avoid the possibility of lids removed during collection from blocking storm drains.

2.3 Excavation and Drilling

No excavation shall be undertaken on any Parcel without the prior written approval of the ASC. Likewise, no Parcel may be used for the purpose of drilling for or removing water without the prior written approval of the ASC. Further, reference is made to Section 4.5(c).

2.4 Storm Drains, Drainage, Erosion Control, and Soil Conditions

- (a) Nothing other than natural rainwater may be discharged into the University Gables storm-drain system. The National Pollution Discharge Elimination System, the Regional Water Quality Control Board orders, and the policies and ordinances of the County of Orange and the City prohibit discharging anything other than natural rainwater into storm drainage systems, including gutters and streets which drain into storm drains. Toxic chemicals or hydrocarbon compounds such as gasoline, motor oil, anti-freeze, solvents, paints, paint thinners, wood preservatives and other such materials shall not be discharged into streets or gutters, or into storm drains or storm-water conveyance systems. Use and disposal of pesticides, fungicides, herbicides, insecticides, fertilizers, and other such chemicals shall meet federal, state and county requirements. Homeowners are required to comply with these restrictions. Homeowners are encouraged to consult with the City, other governmental authorities and/or the refuse hauler in the area of University Gables concerning the proper disposal of any toxic or hazardous materials. Dumping any such materials into sewers, gutters or storm drains is against the law.
- (b) All water drainage and runoff from any Structure on a Parcel shall drain or flow only into adjacent streets or designated drainage areas and shall not be allowed to drain or flow upon, across, or under any other portion of University Gables unless an easement for such purpose has been granted.
 - (i) No activity which may create erosion or siltation problems shall be undertaken on any Parcel without the prior written approval of the ASC of plans and specifications for the

prevention and control of such erosion or siltation. The ASC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include, for example and without limitation, physical devices for controlling the runoff and drainage of water, special precautions in grading and otherwise changing the natural landscape, and required landscaping as provided in Section 2.5 of these Regulations. Guidelines for the prevention and control of erosion and siltation may be included in the Architectural Guidelines. Notwithstanding the foregoing, reference is hereby made to Section 10.3 of the Ground Lease regarding Homeowner responsibility and liability for altering the established drainage pattern or devices. In no case should alterations be made that would impede the positive and rapid flow of water from roof and yard surfaces to the street and neighborhood storm-drain system. Gutters should be tied into an area drain system or, if permitted, diverted into swales that drain into the street.

- (c) It is the responsibility of Homeowner and Homeowner's contractors and consultants to properly design and install any improvements so as to protect those improvements from damage resulting from any soil condition that may exist on the Parcel. Lifting and cracking may occur but can be minimized with the use of professional engineering.
- (d) Homeowner shall be responsible for keeping the area drainage inlets within the privacy fences clear of leaves, soil, construction debris, and other material that could block the free flow of water into such drainage inlets. In addition, Homeowner shall be responsible for clearing any such material that originating from within the privacy fences out of area drainage inlets outside of the privacy fences. Failure to keep area drainage inlets clear can result in substantial water damage to the homes and other improvements of Homeowner and Homeowner's neighbors.

2.5 Landscaping and Landscape Maintenance

- (a) The ASC will install and maintain landscaping for Community Space and outside of the privacy fences on Parcels within University Gables.
- (b) Homeowners are responsible for the installation and maintenance of landscaping within the privacy fences of their respective Parcels.
 - (i) Within six (6) months after initial purchase, each Homeowner shall have landscaping and irrigation installed in areas behind front privacy fences of the Parcel in accordance with a landscaping plan approved by the ASC. Subsequent changes to the landscaping plan must also be approved.

- (ii) Homeowners shall be responsible for maintenance of such landscaping in a clean and attractive condition at all times in accordance with the approved plan and general standards of maintenance within University Gables, including but not limited to seeding, watering, and mowing of all backyard lawns, and the pruning and trimming of all trees, hedges, and shrubbery so that they do not obstruct the view of street traffic by motorists or pedestrians. Guidelines relating to the maintenance of landscaping may be included in the Architectural Guidelines.
 - (iii) In the event a Homeowner fails to install and/or adequately maintain such landscaping, the ASC may do so and seek reimbursement of its costs from the Homeowner.
 - (iv) A Homeowner must exercise care in selecting trees and plants for the Parcel to avoid those with invasive root systems that may damage improvements on that Parcel or to adjacent properties.
 - (v) A Homeowner may not construct improvements or place landscaping in such places so as to interfere with the established drainage patterns over the Parcel or other areas of University Gables.
 - (vi) Attracting waterfowl or other bird species to University Gables could create a hazard to aircraft in the area of University Gables and is not permitted. Homeowners may not install landscaping or any other improvements or undertake other activities that will act as an attractant of or be considered habitat for waterfowl or other bird species attracted to open water or water-related habitat, foraging or nest areas. Landscaping shall be maintained which discourages or otherwise limits waterfowl or other bird species' use of University Gables, especially for nesting. Feeding of waterfowl or other bird species attracted to open-water-related habitat is strictly prohibited. The ASC shall enforce these restrictions.
- (c) No construction or alteration of any Structure shall be undertaken without the prior written approval by the ASC of plans and specifications for the landscaping and soil improvement to accompany such construction or alteration. Guidelines for the landscaping and soil improvement to accompany the construction or alteration of any Structure may be included in the Architectural Guidelines.

2.6 Tree Removal

Except for trees planted by a Homeowner wishing to remove the same or except as expressly permitted by the ASC, no tree having a diameter of six (6) inches or more (measured from a point two [2] feet above ground level) shall be removed from any Parcel, unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of Section 2.5 of these Regulations or required for the construction of any Structure, the plans and specifications of which have been approved by the ASC.

2.7 Chemical Fertilizers, Herbicides and Pesticides

No chemical fertilizers, herbicides, or pesticides shall be used on any part of University Gables, except products which are available for consumer use through retail sources; are approved by the appropriate federal, state, and local governmental agencies; and are used in conformity with manufacturer's directions and for the purposes approved by such governmental agencies. A Homeowner spraying substantial amounts of pesticides or herbicides that can become airborne outside the Parcel shall first notify adjoining neighbors so that they may close their windows if desired.

2.8 Machinery

No Structure shall be altered in its exterior appearance by the addition of any sort of machinery, including air conditioning and heating units, without the prior written approval of the ASC of plans and specifications for such alteration. Approval by the ASC of such alteration may be conditioned on the appropriate screening of said machinery.

2.9 Antennas

Homeowners are prohibited from installing any antennae on the exterior of a Structure for any purpose, except for an "Authorized Antenna," which may be installed so long as the proposed location for such installation is reviewed by the ASC prior to installation in order to ensure that the visibility of the Authorized Antenna is minimized with respect to other Homeowners. The ASC may require that the proposed location of the Authorized Antenna be changed so long as such review by the ASC does not (1) unreasonably delay or prevent installation, maintenance or use of an Authorized Antenna, (2) unreasonably increase the cost of installation, maintenance or use of an Authorized Antenna, or (3) preclude reception of an acceptable quality signal. An "Authorized Antenna" means:

- (i) an antenna that is designed to receive direct broadcast satellite service, including direct-to-home satellite service, that is one meter or less in diameter,

(ii) an antenna that is designed to receive video programming service, including multichannel multipoint distribution service, instructional television fixed service, and local multipoint distribution service, that is one meter or less in diameter or diagonal measurement,

(iii) an antenna that is designed to receive television broadcast signals; or

(iv) a mast supporting an antenna described in items (i), (ii) and (iii) above.

The ASC may adopt additional restrictions on installation or use of an Authorized Antenna on a Structure so long as such restrictions do not (1) unreasonably delay or prevent installation, maintenance or use of an Authorized Antenna, (2) unreasonably increase the cost of installation maintenance or use of an Authorized Antenna, or (3) preclude reception of an acceptable quality signal. The ASC may prohibit the installation of an Authorized Antenna if the installation, location or maintenance of such Authorized Antenna unreasonably affects the safety of managers, agents-or employees of the ASC and other Homeowners, or for any other safety-related reason established by the ASC. The ASC also has the power to (i) prohibit a Homeowner from installing an Authorized Antenna on property which such Homeowner does not own or is not entitled to exclusively use or control, or (ii) allow a Homeowner to install an antenna other than an Authorized Antenna subject to applicable architectural standards and review by the Board. This Section 2.9 is intended to be a restatement of the authority granted to the ASC under applicable law. All amendments, modifications, restatements and interpretations of the law applicable to the installation, use or maintenance of an antenna shall be interpreted to amend, modify, restate or interpret this Section 2.9.

2.10 Signs

Subject to Civil Code Sections 712 and 713, no sign, poster, billboard, balloon advertising device or other display of any kind shall be displayed within University Gables or on any public or private street therein except for the following signs, so long as they comply with applicable City ordinances:

- (a) signs (regardless of size or configuration) used by ASC in connection with the construction of the improvements on the University Gales Site;
- (b) entry monuments, community identification signs, or traffic or parking control signs maintained by the ASC;
- (c) one (1) nameplate or similar Homeowner name or address identification sign for each Parcel which complies with ASC rules;

- (d) one (1) sign for a Parcel advising of the existence of security services protecting a Parcel which complies with ASC rules;
- (e) one (1) sign which may be displayed on each Parcel advertising the Parcel for sale or lease; provided that such for sale or lease signs comply with the following requirements:
 - (i) the sign is not larger than eighteen inches (18”) by thirty inches (30”) in size;
 - (ii) the sign is attached to the ground by a conventional, single vertical stake which does not exceed two inches (2”) by three inches (3”) in diameter (i.e. posts, pillars, frames or similar arrangements are prohibited); and
 - (iii) the top of the sign is not more than three feet (3’) in height above the ground level; and
- (f) other signs or displays authorized by the ASC.

2.11 Setbacks

In approving plans and specifications for any proposed Structure, the ASC may establish setbacks for the location of the Structure. Guidelines for setbacks may be included in the Architectural Guidelines. No Structure shall be erected or placed on any Parcel unless its location is consistent with such setbacks.

2.12 Fences and Retaining Walls

- (a) The ASC or its delegate shall maintain fences along streets and park areas in Community Space.
- (b) No fence or wall of any kind shall be erected or altered on any Parcel without the prior written approval of the ASC of plans and specifications for such fences and walls. Guidelines relating to the design, location, and uses of fences and walls may be included in the Architectural Guidelines.
- (c) Tubular-steel fencing and / or railcaps may be installed at the rear of some Parcels. This type of fencing requires periodic painting to inhibit rust. The ASC will perform scheduled maintenance on the tubular steel fencing on the perimeter wall. Homeowners are cautioned against placement and maintenance practices for surrounding landscaping and spray from irrigation sprinklers that can accelerate the need for maintenance.
- (d) Masonry block walls may have been installed between some Parcels and the adjacent Community Space. These walls are not designed as retaining walls, and Homeowners must not place dirt against such

masonry walls or otherwise alter the grading and drainage pattern in the vicinity of these walls. The ASC will not be responsible for damage to the walls or the Parcel resulting from such activity or misuse of such walls.

- (e) Masonry block retaining walls may be installed on some Parcels. Such walls have been designed to retain a specific amount of earth behind the wall, and no modifications shall be made to any retaining wall. Removing compacted soil from the vicinity of a retaining wall, blocking the weep-holes or pipes, or failure to clean the drain inlets can cause the remaining wall to fail. The ASC will not be responsible for damage to the wall or the Parcel resulting from a Homeowner's failure to maintain such a wall, or modifications made by the Homeowner to or in the vicinity of a retaining wall.

2.13 Parking, Storage and Repair of Vehicles; Garages

- (a) Parking within various areas of University Gables is restricted by requirements of the City. Various fire lanes must be maintained within University Gables, and no parking will be permitted within these areas. No-parking areas are delineated by "No Parking" signs and/or red striping on the curbs. A fire-lane map is appended to these Regulations as Attachment 2. For safety reasons, City entitlement conditions prohibit placing obstructions such as speed bumps/humps, control gates, or other modifications within fire-department access roads without obtaining the approval of the Fire Chief. The ASC shall have the right to regulate parking of motor vehicles on streets within University Gables, including but not limited to overnight parking and parking or storage of any boat, truck, commercial vehicle, or any other vehicle too large to fit in a normal residential garage. Parking of abandoned vehicles is prohibited within University Gables. The City's entitlement conditions prohibit the parking of recreational vehicles within University Gables. No vehicle may be parked so that any part of it extends into the sidewalk. University Gables contains various guest parking areas. Guests of Homeowners may park in these areas, subject to the regulations of the ASC and the City. A Homeowner of a detached home may allow guests to park two (2) vehicles in front of the Homeowner's garage.
- (b) No painting, repairing, or mechanical work, other than minor maintenance work and minor emergency repairs, shall be performed on any motor vehicle or boat on any Parcel or on any portion of the Community Space, except in a garage.
- (c) The entitlement conditions for University Gables from the City of Buena Park require "roll-up" (sectional) garage doors with automatic openers. Accordingly, Homeowners shall not make any alterations that would violate this requirement, and Homeowners are required to maintain these facilities in a workable condition.

- (d) The City requires that at all times there shall be a minimum of two garage parking spaces per residence readily available for vehicle storage. This will require Buyer to keep his/her garage in an orderly condition so that vehicles may be parked within the garage.
- (e) Parking is not permitted in motorcourts of townhomes. Several detached homes have shared driveway areas, and parking is not permitted in areas of such driveways that would interfere with motor-vehicle ingress or egress to the Parcels; these driveway areas also contain secondary emergency vehicle access to University Gables off of Dale Street, and obstructing such access is strictly prohibited. Recreational or play equipment is not permitted in townhome motorcourts or shared driveway areas.

2.14 Exterior Lighting

Exterior lighting to be erected or altered on any Parcel or Structure shall be subject to the prior written approval of the ASC of plans and specifications for such lighting.

2.15 Mailboxes

- (a) Mailboxes in University Gables are clustered in groups. The locations of mailboxes are determined by the local Postmaster. Homeowners may not change the location of mailboxes.
- (b) No mailbox or other Structure used as a receptacle for the delivery or dispatch of mail, packages, newspapers, periodicals, or similar matter shall be constructed or altered on any Parcel or the Community Space without the prior written approval of the US Postal Service and the ASC of plans and specifications for such Structures.

2.16 Outside Storage

Outside storage of personal property shall not be allowed on any Parcel or in any Structure located thereon unless screened by enclosures, fences, or other devices for which plans and specifications have been approved by the ASC.

2.17 Animals

- (a) No animals, including birds, insects, and reptiles, other than a reasonable number of generally recognized house or yard pets, shall be permitted on any Parcel or in any Structure located thereon, and then only if kept thereon solely as household pets and not for commercial purposes.
- (b) Each Homeowner shall be absolutely liable to other Homeowners and their family members, guests and invitees and the ASC and its officers, employees, agents and invitees for any damage to persons or property caused by any animal brought or kept within University

Gables by such Homeowner or his or her household members, guests, employees, agents, tenants or invitees. Such Homeowner is responsible for controlling the noise from such animal. It shall be an absolute duty of each such Homeowner to clean up excrement or any other unsanitary condition caused by such animal in any portion of University Gables. When outside of the fenced area of a Parcel, dogs must be kept on a leash handled by a person capable of controlling the animal.

- (c) No animal shall be allowed to become a nuisance, and the ASC shall be empowered to order the removal of any pet that, on the recommendation of the HAC, the ASC determines to be a nuisance.
- (d) No Structure for the care, housing, or confinement of any animal shall be constructed or altered on any Parcel unless plans and specifications for said Structure have been approved by the ASC.

2.18 Poles and Wires

- (a) No permanent flagpole shall be installed or maintained on the exterior of any Structure or on any Parcel exposed to view from any Parcel or from any portion of the Community Space.
- (b) Except during approved construction or on a temporary basis as approved by the ASC, no poles or wires for the transmission of electricity, telephone messages, or the like shall be installed on any Parcel or on any Structure located thereon above the surface of the ground.

2.19 Window Coverings

Windows in any Structure on any Parcel may be covered only by drapes, shades, blinds, or shutters and may not be painted or covered temporarily or permanently by aluminum foil, newspaper, sheets, cardboard, or similar material or any other material prohibited by the ASC in the Architectural Guidelines.

2.20 Patios, Balconies and Courtyards

- (a) Without the express approval of the ASC, nothing shall be placed or kept on or in any patio, balcony, or courtyard which is visible from any other Parcel or from any portion of the Community Space other than furniture which is designed as patio furniture; facilities for barbecuing or any other outdoor cooking; and shrubs, bushes, and other plants.
- (b) Pursuant to the City's conditions of approval for University Gables, patio covers must be constructed of wood and cannot exceed 100 square feet in size.

2.21 Water Softeners

Any water softener installed on any Parcel must be serviced on a periodic basis and operated in strict compliance with applicable local government requirements.

2.22 Pests

No Homeowner shall permit any condition to exist on his Parcel that induces, breeds, or harbors infectious plant diseases or noxious insects or vermin.

2.23 Roof Equipment and Solar Energy Systems

- (a) The University Gables entitlement conditions of the City of Buena Park prohibit roof-mounted mechanical equipment except for radio and television antennas, which are addressed in a separate section of these Regulations.
- (b) Each solar energy collector unit shall be integrated into the design of the Structure in which it is installed, and the plans and specifications for each such unit shall be subject to review and approval of the ASC.

2.24 Gas Stubs

The exterior gas stub that may be provided with the Home is suitable only for use in connection with a gas barbecue. Any other use, e.g., spa or pool heater, may result in a serious fire hazard.

2.25 Maintenance

The allocation of maintenance obligations between ASC and each Homeowner are set forth in Section 10 of the Ground Lease. Except as limited by such Section 10 and the Housing Authority's exclusive easement for the maintenance and repair of exterior surfaces and roof areas as provided in Section 17.3 of the Ground Lease, each Homeowner shall keep and maintain the Parcel as well as the Home and each Structure owned by such Homeowner in good condition and repair, including but not limited to the repairing and painting (or other appropriate external care) of all Structures; repairing / removing any damage to or oil leakage or gasoline spillage on the driveway caused by the Homeowner or his or her household members, tenants, guests or invitees, and for detached homes, general maintenance of the driveway; and the landscaping maintenance obligations addressed elsewhere in these Regulations. Guidelines relating to the maintenance of Structures may be included in the Architectural Guidelines. For further guidance on proper maintenance of the Home and other improvements by the Homeowner and disclaimers regarding the consequences of failure to do so, reference is hereby made to the Limited Warranty and the University Gables Homeowner Warranty Manual delivered to each homeowner in connection with the close of escrow of the Home, as well as the Buyer Disclosure

Statement delivered to each prospective purchaser in connection with the execution of the Home Purchase Contract for the Home. Failure to properly maintain the improvements may cause premature deterioration of important features, finishes or equipment. For example, while the ASC will be performing scheduled maintenance on window exteriors, Homeowners should undertake routine maintenance such as cleaning the tracks and weep-holes and restoring the seals with caulking to help ensure their continued performance. Certain upgrade materials may have specific maintenance requirements.

3. PARTY WALLS AND COMMON ROOF AREAS

3.1 General Rules of Law to Apply

Each wall that is built as a part of the original construction of a Structure and placed on the dividing line between Parcels under different ownership shall constitute a party wall, and each roof area which covers portions of one Structure located on two or more Parcels under different ownership shall constitute a common roof area. To the extent not inconsistent with the provisions of this Article 3 or with the ASC's exclusive easement for the maintenance and repair of exterior surfaces and roof areas of townhome units as provided in Section 17.3 of the Ground Lease the general rules of California law regarding party walls and common roof areas, and liability for property damage due to negligence or willful acts or omissions shall apply to each such party wall and common roof area.

3.2 Sharing of Repair and Maintenance

Subject to the provisions of Section 17.3 of the Ground Lease, the cost of reasonable repair and maintenance of a party wall or common roof area shall be shared by the Homeowners who make use of such wall or common roof area in proportion to such use, unless damage to the party wall or common roof area has been caused by the willful act or negligence of fewer than all of such Homeowners, in which case the cost of reasonable repair and maintenance shall be the responsibility of those Homeowners causing the damage.

3.3 Destruction by Fire or Other Casualty

Subject to the provisions of Section 17.3 of the Ground Lease, if a party wall or common roof area is destroyed or damaged by fire or other casualty, any Homeowner who has used the wall or common roof area may restore it, and if the other Homeowners thereafter make use of the wall or common roof area, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Homeowner to call for a larger contribution from the other Homeowners under any rule of law regarding liability for negligent or willful acts or omissions.

3.4 Weatherproofing

Notwithstanding any other provision of this Article 3, a Homeowner who, by his negligent or willful act, causes an interior party wall or the interior portion of a common roof area to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

4. RESTRICTIONS RESPECTING CONSTRUCTION AND IMPROVEMENTS

4.1 Submission of Plans and Specifications

- (a) No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Parcel, nor shall any existing Structure upon any Parcel be altered in any way which (i) affects the exterior appearance of any Structure or Parcel or (ii) affects the structural integrity of any Structure, unless plans and specifications therefor shall have been submitted to the HAC for consideration for recommendation to the ASC for approval in writing. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required in the Architectural Guidelines.
- (b) All plans and specifications submitted pursuant to subsection (a) of this Section 4.1 shall be reviewed and accepted or rejected by the ASC in accordance with the procedures set forth in Section 4.3 and Section 4.4 of these Regulations.

4.2 Notices to Adjoining Homeowners

Although the approval of Homeowners holding adjoining Parcels is not required as a condition of approval by the ASC of particular plans and specifications submitted to it, such adjoining Homeowners must be advised of the proposed work for which approval is sought and be given an adequate opportunity to file comments with the ASC with respect to such work. No application for ASC approval shall be considered complete unless accompanied by evidence, in such form, as the ASC finds acceptable, that adjoining Homeowners have been notified concerning the pending application.

4.3 Approval of Plans and Specifications

Upon approval by the ASC of any plans and specifications submitted pursuant to these Regulations, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ASC, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Parcel or Structure of any plans and specifications shall not be deemed a waiver of the ASC's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if

such plans, specifications, features, or elements are subsequently submitted for use in connection with any other Parcel or Structure. Approval of any such plans and specifications relating to any Parcel or Structure, however, shall be final as to that Parcel or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

4.4 Disapproval of Plans and Specifications

- (a) Subject to the provisions of subsection (b) of this Section 4.4, the ASC shall have the right to disapprove any plans and specifications submitted pursuant to these Regulations because of any of the following:
 - (i) The failure to include information in such plans and specifications as may have been reasonably requested;
 - (ii) The failure of such plans and specifications to comply with the Building Code, these Regulations, or the Architectural Guidelines;
 - (iii) A negative recommendation of the HAC; or
 - (iv) Any other matter which, in the judgment of the ASC, would be likely to cause the proposed installation, construction, or alteration of a Structure (A) to fail to be in harmony of external design and general quality with the existing Structures on University Gables or (B) as to location to be incompatible with topography, finished ground elevation, and surrounding Structures.
- (b) In any case in which the ASC shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ASC shall, if requested, make reasonable efforts to assist and advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

4.5 Conformity to Building Code and Easements

- (a) No construction may be undertaken and no Structure may be erected on any Parcel unless such construction and Structure conform to the requirements of the Building Code, if applicable, and are approved by the ASC.

- (b) To ensure compliance with the Building Code, as directed by the ASC, all Structures within University Gables and all work related thereto shall be subject to plan checks, inspections, and tests by the City of Buena Park or by such other persons or entities as the ASC may designate, such plan checks, inspections, and tests to be paid for by the Homeowners concerned.
- (c) Certain easements for governmental and other purposes (such as utilities) may be located within Parcels that may affect future improvements. Prior to making any improvements, it shall be the responsibility of the Homeowner to locate and allow for these easements. The utility company, governmental agency and/or ASC may have the right to remove improvements made over their respective easement area without any obligation to repair or restore such improvements. The area of approximately three (3) feet behind the sidewalk is a public utility easement that may contain vaults and other structures. A Homeowner is not permitted to alter these structures in any way or to install walls or other hard-surface elements higher than two (2) feet within this area.

4.6 Inspection Rights

To ascertain whether the installation, construction, alteration, or required maintenance of any Structure is in compliance with the provisions of these Regulations, as well as with any approvals or conditional approvals of the ASC, any employee or agent of the ASC may, after reasonable notice to the Homeowner concerned and at any reasonable time, enter upon any Parcel (but not the interior of any housing unit). Neither the HAC, the ASC, or any employee or agent of either shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided that such inspection is carried out in accordance with the terms of this Section 4.6.

4.7 Statement of Compliance

- (a) Upon completion of the installation, construction, or alteration of any Structure in accordance with plans and specifications approved by the ASC, the ASC shall, upon written request of the Homeowner owning such Structure or upon the ASC's own initiative, issue a Statement of Compliance, identifying such Structure and the Parcel upon which such Structure is placed, and stating that the plans and specifications have been approved and that such Structure complies with such plans and specifications. A copy of said Statement of Compliance shall be filed for permanent record with the plans and specifications on file with the ASC.
- (b) Any Statement of Compliance issued in accordance with the provisions of this Section 4.7 shall be *prima facie* evidence of the facts therein stated; and as to any purchaser or encumbrance in good faith and for value, or as to any title insurer, such Statement of

Compliance shall be conclusive evidence that all Structures on the Parcel comply with all the requirements of this Article 4, provided that the Statement of Compliance shall in no way be construed to certify the acceptability, sufficiency, or approval by the ASC of the actual construction of Structures or of the workmanship pertaining thereto, or to represent or warrant to anyone the quality, function, or operation of the Structures or of any construction, workmanship, engineering, materials, or equipment related thereto.

4.8 Fees

The ASC may impose and collect reasonable and appropriate fees from each applicant seeking its approval pursuant to the provisions of these Regulations to cover the ASC's costs of operation, including but not limited to (i) the cost of examination of any plans and specifications submitted for approval pursuant to these Regulations, (ii) the cost of inspections or tests performed pursuant to Section 4.5 of these Regulations, and (iii) reimbursements to the ASC pursuant to Section 5.3 of these Regulations. Such fees shall be established from time to time by the ASC and published in the Architectural Guidelines.

5. HOMEOWNERS ADVISORY COUNCIL

5.1 Establishment and Composition

- (a) The Homeowners Advisory Council (HAC) exists for the purpose of performing the architectural review and other functions assigned to the HAC in these Regulations. The Homeowners will elect their representatives to the HAC.
- (b) The HAC shall consist of at least three (3) Homeowners holding leasehold interests in more than 50 percent of their respective Parcels.
- (c) Elections consist of a vote among the Homeowners for the purpose of selecting members of the HAC. At such election, only Homeowners other than the ASC shall be permitted to vote.
- (d) All members of the HAC shall be appointed or elected for staggered terms of two (2) years (provided that one of the initial members shall have a one year term) and shall be subject to removal during their terms by the ASC, only for cause. Members may be appointed to serve successive terms.

5.2 Vacancies

If any vacancy shall occur in the membership of the HAC by reason of death, resignation, removal, or otherwise, the remaining members shall continue to act and shall, within thirty (30) days after such vacancy occurs, appoint a successor member to fill the balance of the unexpired term. Any member

may resign at any time by written notice to the ASC, and such resignation shall take effect upon receipt thereof by the ASC unless the notice itself specifies some other effective date.

5.3 Officers and Compensation

- (a) The members of the HAC shall appoint a Chairman from among their number and may appoint from among their number such other officers and committees as may be required by law or as they shall from time to time determine.
- (b) The members of the HAC shall serve without compensation, provided that the ASC may reimburse the members for reasonable out-of-pocket expenses incurred in the performance of their duties as members to the extent that such expenses are not reimbursed by the HAC from the fees charged for its services pursuant to Section 4.8 of these Regulations. The foregoing shall not be construed as prohibiting or limiting the payment of compensation or expenses to any person who is a member of the HAC for services rendered to the ASC or the HAC in any other capacity.

5.4 Conflicts of Interest

No member of the HAC may participate in any decision of the HAC on a matter in which he has a direct or indirect financial or professional interest, or on a matter in which he or any firm with which he is associated has provided professional consultative services for a fee to any party whose application is before the HAC, provided that if two (2) or more members may not participate in the making of a decision because of disqualification as provided herein, the ASC shall name substitute members to act only on the matter resulting in the disqualification. For a period of one (1) year after his service on the HAC, no former member may represent any person before the HAC where that former member has previously participated in decisions affecting such person. Each member of the HAC shall inform the HAC in writing of any direct or indirect financial or familial relationship which he may have with any applicant within University Gables or with such applicant's builder or architect. Such disclosure shall be made within fifteen (15) days of any action by an applicant that makes the disclosure relevant, and shall be available for inspection by the ASC and by each Homeowner.

5.5 Powers and Responsibilities of the HAC

The HAC shall review all applications for changes to the exterior of Structures and, if it recommends approval of such application, forward the application to the ASC for approval. In addition, the HAC, on behalf of the Homeowners, shall bring any matters related to University Gables to the attention of the ASC for consideration.

5.6 Operations of the HAC

- (a) The HAC shall maintain both a record of votes and minutes for each of its meetings. The HAC shall routinely forward copies of all such records and minutes to the ASC and shall, additionally, make them available at reasonable places and times for inspection by each Homeowner.
- (b) In carrying out its functions under these Regulations, the HAC and the ASC shall be governed by the Architectural Guidelines described in Section 5.7 of these Regulations. In applying such Architectural Guidelines, the HAC shall, as required, make findings, determinations, rulings and orders with respect to the conformity with such Guidelines of plans and specifications submitted for approval to the ASC pursuant to these Regulations. The HAC shall, as required, make recommendations, which may include specified requirements or conditions, pursuant to these Regulations.
- (c) The HAC shall be required to render recommendations on matters pending before it, within forty-five (45) days after the receipt by the HAC of such a request or application submitted by a Homeowner or prospective Homeowner, which request or application is complete in all respects under the requirements of these Regulations and the Architectural Guidelines. If the HAC fails to act upon any request or application within the above-stated time period, such request or application shall be deemed recommended.
- (d) Any applicant receiving a recommendation of the HAC and decision by the ASC, which he deems to be unsatisfactory may file a written request to have such decision reviewed by the ASC. Such request shall be filed with the ASC Director of Property Development within ten (10) days after the applicant's receipt of notice of such decision of the HAC. If the ASC, in its sole and absolute discretion, determines to review the HAC decision as requested, it shall conduct a hearing at which the applicant, the HAC and the ASC shall be invited to present their respective positions. The decision of a majority of the members of the ASC Board, after such hearing, shall be final and binding with respect to any issue accepted for review.
- (e) The HAC may, from time to time, prepare and recommend for approval to the ASC any amendments to the Architectural Guidelines that the HAC believes necessary or desirable to implement the provisions of these Regulations.

5.7 Architectural Guidelines

- (a) The ASC may adopt, from time to time upon recommendation of the HAC or in its own discretion, amend the Architectural Guidelines attached hereto for the purposes of:
 - (i) Governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions of these Regulations;
 - (ii) Governing the procedure for such submission of plans and specifications; and
 - (iii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures, and all other matters that require approval by the ASC pursuant to these Regulations.
- (b) Subject to the provisions of Section 4.5 of these Regulations, the Architectural Guidelines, as approved or amended by the ASC, shall be binding upon the ASC and shall be used in making decisions as described in Section 4.3 and Section 4.4 of these Regulations. The ASC shall make a published copy of the current Architectural Guidelines readily available to all applicants seeking the ASC's approval and to each Homeowner.

6. ENFORCEMENT

6.1 Right of Enforcement

The ASC, in consultation with the HAC, shall have the right to enforce the provisions of these Regulations by appropriate judicial proceedings, including actions for damages, injunction, or specific performance, as well as any other relief to which the ASC may be entitled at law or in equity. Such right of enforcement shall be in addition and supplemental to any right which the ASC may have to declare a Homeowner in default under the Lease as a result of the Homeowner's violation of the provisions of these Regulations.

6.2 No Waiver

The failure of the ASC to enforce any provision of these Regulations in one or more instances shall not be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

6.3 Right of Abatement

- (a) In the event of a violation or breach of any provision of these Regulations, the ASC may give written notice by certified mail to the

Homeowner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Homeowner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of such written notice, then the ASC, in consultation with the HAC, shall have the right of abatement described in subsection (b) of this Section 6.3.

- (b) The right of abatement, as used in this Section 6.3, means the right of the ASC, through its agents and employees, to enter at reasonable times upon any Parcel or Structure, as to which a violation, breach, or other condition to be remedied exists, and to take the actions specified in the notice to the Homeowner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon contrary to the provisions of these Regulations, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions; provided that such entry and such actions are carried out in accordance with the provisions of this Section 6.3.
- (c) All reasonable costs incurred by the ASC in exercising its right of abatement as provided in this Section 6.3 shall be chargeable to the Homeowner with respect to whose Parcel such actions in abatement are taken, and such charges shall be regarded as additional rent which such Homeowner is obligated to pay under the terms of the Lease. Such charges shall be due and payable thirty (30) days after the ASC has rendered a statement therefor to the Homeowner unless the ASC, in its sole discretion, agrees to a more extended repayment period.

7. AMENDMENTS AND CONFLICTS

7.1 Amendments

The provisions of these Regulations may not be amended in any respect except by an amendment (i) proposed by the ASC in a written notice to all Homeowners and (ii) approved by Homeowners holding leasehold interests in more than 50 percent of the Parcels in a referendum held for such purpose no sooner than fourteen (14) days after the giving of such written notice by the ASC. For purposes of this Article 7, the term "Homeowner" shall be deemed to include any lawful successor or assignee of a Homeowner, including without limitation any lender, the ASC, or The Trustees of the California State University.

7.2 Conflicts

In the event of any conflict between the provisions of these Regulations and the provisions of the Architectural Guidelines, the provisions of these Regulations shall govern. In the event of any conflict between the provisions of these Regulations or the Architectural Guidelines and the provisions of the Ground Lease, the provisions of the Ground Lease shall govern.

Attachment 1

University Gables Architectural Guidelines

Attachment 2

UNIVERSITY GABLES FIRE-LANE MAP

See Exhibit B to disclosure Statement (Easement, Right-of-Way and Utility Plan). All street areas not designated for parking are fire lanes.

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