

**RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:**

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
C/O Whitney/Petchul
27 Orchard
Lake Forest, CA 92630

(Space Above for Recorder's Use)

IMPROVEMENT AGREEMENT
(INSTALLATION OF SOLAR ENERGY SYSTEM)

This **IMPROVEMENT AGREEMENT** ("Agreement") is made by and between _____, (collectively, "Owner") and **EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION**, a California nonprofit mutual benefit corporation ("Association"), sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. Association is an "association" as defined in California Civil Code Section 4080, formed for the purpose of operating and managing the East Lake Village Shores residential project (the "Properties"), in the City of Yorba Linda, County of Orange, State of California.

B. Owner is the owner of certain real property located in the Properties, commonly known as _____, Yorba Linda, California, and more particularly described as follows:

[INSERT LEGAL DESCRIPTION OF OWNER'S PROPERTY]

(APN _____)("Owner's Property")

C. Owner's Property is encumbered by a Notice of Addition of Territory and Additional Declaration of Covenants, Conditions and Restrictions and Reservation of Easements, recorded on November 21, 1980, as Document No. 31920, in Book 13845, Page 1845, in the Official Records of Orange County, California, including all amendments thereto (collectively, the "Declaration").

D. The roof of Owner's Unit [OR – a portion of Owner's roof] is maintained by the Association ("Roof"). (Declaration, Sections 1.05 and 9.02)

E. Owner submitted an application to the Association's Board of Directors for the installation of a solar energy system (including solar panels, associated electrical wiring and other necessary devices for the collection, storage, and distribution of solar energy for space heating and/or cooling and electric generation, collectively referred to herein as the "Improvement") on the Roof. Owner will penetrate the Roof for the purpose of installing the Improvement.

F. The Association's Board of Directors is agreeable to allowing Owner to install the Improvement on the Roof, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Recitals above constitute an integral part of this Agreement and are fully incorporated into this Agreement by this reference.

2. Approval of Improvement. The Association's Board of Directors hereby approves Owner's Improvement.

3. Other Approvals. Before installing the Improvement, Owner shall obtain all necessary permits and other approvals from the city, county or other governmental agencies, and provide satisfactory evidence of such approvals and compliance to the Association prior to installation of the Improvement.

4. Installation. The Improvement shall be professionally installed at Owner's sole cost and expense by a contractor licensed for that purpose within the State of California and who shall carry comprehensive general liability insurance of at least One Million Dollars (\$1,000,000) and such workers compensation insurance as is required by law. The insurance policies must contain an endorsement providing coverage of claims arising from work performed in multi-family residential buildings and adding the Association as an additional insured. Such contractor shall also be bonded to the extent required by the California State Contractors Licensing Board and shall present proof of all such insurance and/or bonding to the Association prior to start of the installation of the Improvement. Installation of the Improvement will require penetration of the Roof; however, Owner shall reasonably endeavor to complete the installation in a manner that protects the integrity of the water-tightness of the Roof and other areas of the building. The Improvement shall be installed in accordance with all applicable building, electrical, plumbing and related codes. The Improvement shall also meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

5. Maintenance of Improvement. Owner shall be solely responsible for maintaining and repairing the Improvement in a first-class, watertight, neat, safe, sanitary and orderly condition. If Owner fails to maintain the Improvement in accordance with the terms of this Agreement and the Declaration to the Association's reasonable satisfaction, then Association may perform such maintenance, and the cost of such maintenance shall be charged to Owner as a Special Assessment, as that term is defined in the Declaration. Such repairs may only be made after Association has notified Owner in writing (by first class U.S. mail sent to Owner's address as reflected in Association's records) and fifteen (15) calendar days have elapsed following such notification and Owner has failed to remedy the maintenance deficiencies during such fifteen (15) day period. In addition, Owner shall reimburse Association for any maintenance, repair and replacement expenses Association incurs which exceed the amount of such expenses that Association would have incurred if the Improvement had not been installed.

6. Removal of Improvement. Owner shall be permitted to maintain the Improvement until such time, if any, as the Owner receives notice from the Association ("Association Notice") demanding temporary or permanent relocation or removal of the Improvement. Such request for relocation/removal must be made for "good cause" shown. Within sixty (60) calendar days from the receipt of an Association Notice, the Improvement shall be temporarily or permanently relocated/removed, as the case may be, at Owner's sole cost and expense. For the purposes of this

provision, "good cause" for permanent removal shall mean and refer to any circumstances wherein (a) it is determined by any "competent authority" that the Association was without the right or power to enter into this Agreement and/or to allow the Improvement, or (b) Owner materially breaches any term or condition of this Agreement. For the purposes of this provision, "good cause" for temporary removal shall mean and refer to any circumstances wherein the Association, in its sole discretion, determines that such temporary removal is reasonably required in order for the Association to appropriately, efficiently and/or effectively maintain, repair or replace, or comply with any other obligation Association may have with respect to the Roof. For purposes of this provision, "competent authority" shall mean and refer to any city, state, local, federal, or any other governmental, or quasi-governmental agency, or any court of law, arbitrator, or similar authority having jurisdiction, police power, or other governmental, regulatory, administrative or other similar authority or power over the Association project, or any other real property affected by this Agreement. Notwithstanding anything contained herein, it is understood and agreed that in the event the Association, for "good cause" serves Owner with the Association Notice requiring permanent removal of the Improvement as provided above, Owner shall have thirty (30) days to cure any defect, default or breach which the Association has cited in such Notice.

7. Enforcement of Agreement. In addition to any and all other legal rights it may exercise, the Association, after affording Owner notice and an opportunity to be heard, shall have the authority to impose disciplinary action in accordance with the Association's governing documents for any violation of the terms of this Agreement, including without limitation, failure to maintain the Improvement or failure to provide evidence of insurance upon Association's request.

8. Indemnity. Owner agrees and covenants that Owner shall indemnify, defend, and hold free and harmless, the Association, and its directors, officers, agents, members, managers, and employees, from all obligations, liens, liabilities, claims, demands, disputes, obligations, debts, costs, expenses, injuries, damages and/or causes of action or detriment of any nature ("Claims") which in any way arise from, or relate to this Agreement or its existence, the installation, use, maintenance, removal or existence of the Improvement and/or out of the Owner's modification, use, maintenance, repair, management, administration and/or other acts or omissions related in any way to the Roof and/or the installation, design, maintenance, or existence of the Improvement upon, within and about the Roof, together with reasonable attorney's fees and all costs and expenses of defense in connection therewith. This paragraph is intended to discharge, in advance, the Association and its agents, members, officers, directors, and managers from and against any and all Claims of any kind arising out of or connected in any way with the Owner's, acts or omissions in the modification, use, maintenance, removal, repair, management, administration of the Improvement, and/or the Association's Agreements related thereto. This indemnity provision applies regardless of any active and/or passive negligent act or omission of a party to be indemnified hereunder. This indemnity provision will not extend to Claims arising solely out of the gross negligence or willful misconduct of the Association. This indemnity provision is intended to include claims or lawsuits brought by third parties, including members of the Association.

9. Insurance. Owners shall, at Owner's sole cost and expense, purchase, and keep in effect, liability and property damage insurance covering any and all liability in connection with the Improvement with minimum limits of One Million Dollars (\$1,000,000). Said policy or policies shall be primary as to any Association policy and shall not require any contribution from any Association policy. Proof of said insurance shall be provided to Association prior to installation of the Improvement, and, thereafter, annually or upon request of the Association. The Association and its directors, officers and agents shall be named as additional insured on the policy if reasonably available.

10. Owner's Liability. Owner acknowledges that the Roof penetration(s) may void the warranty on the Roof and that such penetrations are likely to compromise the integrity of the watertightness of the Roof. Owner shall be personally liable for any and all expenses incurred by the

Association in connection with the maintenance, repair, replacement or removal of the Improvement, including any damage caused by such Improvement, that the Board in its sole and reasonable discretion deems necessary and that Owner fails to undertake as required by this Agreement or by the governing documents. Owner further acknowledges and agrees that the Association may enforce the collection of these expenses in any manner permitted by law or the Association's governing documents, including by levying special assessments (as defined in the Declaration) as necessary. The respective representations, warranties, covenants and obligations of Owner under this Agreement shall be joint and several as to each person or entity comprising Owner.

11. Liens. Owner shall be responsible for the satisfaction or payment of any liens for any provider of work, labor, materials or services claiming by, through or under Owner or any contractor or agent of Owner. Owner shall indemnify, defend and hold Association harmless against any such liens, including payment of the reasonable fees of Association's attorneys. Any such liens shall be discharged by Owner within thirty (30) calendar days after notice of filing thereof, by bonding, payment or otherwise. The provisions of this Section 11 shall survive termination of this Agreement.

12. Successors in Interest. This Agreement shall run with the land and be binding upon and inure to the benefit of the Parties hereto and to Owner's successors in interest.

13. Attorneys' Fees. If any action or proceeding, including without limitation, alternative dispute resolution, is instituted by any person to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in the prosecution or defense of such action.

14. Mortgagee Protection. Notwithstanding any provision of this Agreement to the contrary, no amendment or violation of this Agreement shall operate to defeat or render invalid the rights of the beneficiary under any recorded deed of trust or the mortgagee under any recorded mortgage of any portion of Owner's Property made in good faith and for value, provided that after the foreclosure of any such deed of trust or mortgage, Owner's Property shall remain subject to this Agreement.

15. Severable Provisions. The provisions of this Agreement are severable, and if any one or more provisions is determined by a court of competent jurisdiction to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

16. Effect of Waiver. The waiver by either Party of a breach of any term, promise or condition of this Agreement shall not constitute a waiver of any subsequent breach of the same or any other term, promise or condition. The failure by either Party to enforce any right for a period of time shall not constitute a waiver of such right or any term, promise or condition of this Agreement.

17. Miscellaneous. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all other contemporaneous or prior oral or written agreements between the Parties respecting the subject matter of this Agreement. This Agreement may only be modified or amended by a written instrument executed by both Parties and recorded in Official Records of Orange County, California. Headings at the beginning of each paragraph are solely for the convenience of the Parties, and not a part of this Agreement. This Agreement shall be construed according to its fair meaning and as though no single party drafted this Agreement. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California.

Dated: _____, 201_

EAST LAKE VILLAGE SHORES COMMUNITY
ASSOCIATION, a California nonprofit mutual benefit
corporation

By: _____

Printed Name: _____

Officer Position: _____

By: _____

Printed Name: _____

Officer Position: _____

OWNER

Dated: _____, 201_

Printed Name: _____

CERTIFICATE OF ACKNOWLEDGMENT

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

State of California)
) ss
County of _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Seal)

CERTIFICATE OF ACKNOWLEDGMENT

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

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) ss
County of _____)

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WITNESS my hand and official seal.

Signature of Notary Public

(Seal)