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RECORDING REQUESTED BY
Fidelity National Title Company
National Commercial Services

**AND WHEN RECORDED MAIL DOCUMENT
TO:**

Silver-Bronze Corporation
One Upper Newport Plaza
Newport Beach, CA 92660

Attn: Signe Radovich, Secretary

ORIGINAL

Space Above This Line for Recorder's Use Only

**COTO EQUESTRIAN CENTER
COTO DE CAZA, CALIFORNIA
DECLARATION OF EQUESTRIAN USE PRESERVE EASEMENT**

THIS DECLARATION OF EQUESTRIAN USE PRESERVE EASEMENT (“**Declaration**”) is made this 4th day of July, 2015, by Silver-Bronze Corporation, a California corporation (“**SBC**” and/or “**Declarant**”), for the benefit of the County of Orange, a governmental corporation (“**OC**”); and the California State Horsemen’s Association, a California non-profit 501c organization (“**CSHA**”); (together, the “**Beneficiaries**”).

RECITALS:

A. Declarant is the owner of fee simple real property within the Coto de Caza Community in an unincorporated area of the County of Orange, State of California, commonly referred to as the Coto Equestrian Center at One Equestrian Center Road (formerly 23331 Via Pajaro), Coto de Caza, California, and comprising approximately twenty-four and one tenth (24.1) acres as shown under Coto Equestrian Center on Exhibit A and legally described on Exhibit B, attached hereto and incorporated herein (the “**Coto Equestrian Center**”). This Declaration covers the Coto Equestrian Center as shown on Exhibit A attached hereto and incorporated herein (the “**Equestrian Use Preserve**”)

B. The Equestrian Use Preserve consists of existing recreational and commercial equestrian uses that benefit and are of great importance to Declarant, the Beneficiaries, equestrians and the Coto de Caza Community. SBC and OC desires to preserve the equestrian use of the Equestrian Center for future generations. SBC has voluntarily agreed to give up and donate to OC and CSHA any residential development rights other than minimal bunking area for employees of the Coto Equestrian Center and any commercial development and use except those allowed in this Easement Declaration.

C. Coto means ‘preserve’ in Spanish. The iconic Covered Arena and Upper Barn shown on Exhibit A, with images on Exhibit C, which were used and featured in the 1984 Olympics and their features designed by Eddie J. Milligan, were built in 1964. Eddie J. Milligan also designed and built the Los Angeles Equestrian Center in Griffith Park. In 1984 the equestrian events for the Olympic Games were held at the Coto Equestrian Center, and the United States of America won Silver and Bronze medals at these events. The Equestrian Use Preserve contains historic, important

landmarks that embody very significant and distinct architectural design characteristics that also have high artistic and aesthetic value to the State of California and the County of Orange.

D. Presently the Coto Equestrian Center is used for recreational and commercial equestrian uses, including stabling of horses, riding arenas, trainer offices, tack rooms, hay barn, and employee housing. A Hunt & Saddle Lounge and Event Lawn have been designed, and the improvements are intended to be constructed in the near future. Once built, the Hunt & Saddle Lounge and Event Lawn will be used as a venue for weddings, as well as a 'meet and greet' place for riders. The majority of wedding venue fees will create a fund each year to be used for the Coto Equestrian Center capital improvements and maintenance and improvements to the Covered Arena and Upper Barn, and possibly the redo of arena footing, but no other non-capital maintenance items.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the United States and the State of California, including California Civil Code §1468 *et seq.*, Declarant hereby voluntarily imposes covenants, terms, conditions and restrictions on the Coto Equestrian Center for the conservation and preservation of the recreational equestrian use, in accordance with the terms and conditions set forth below.

1. Grant of Easement. Declarant hereby grants to the Beneficiaries an equestrian use preservation easement (the "**Preserve Easement**") over and across the Equestrian Use Preserve depicted on **Exhibit A** attached hereto for the purposes set forth herein.

2. Duration of Preserve Easement. The duration of the Preserve Easement shall be perpetual.

3. Purpose of Preserve Easement. The purpose of the Preserve Easement is to preserve, as its primary use, the recreational equestrian use of the Equestrian Use Preserve, subject to the reservations and/or retained rights of Declarant, including, without limitation, those reservations and retained rights expressly set forth herein. In furtherance of the foregoing, Declarant intends that this Declaration will confine the use of the Equestrian Use Preserve to such activities, including those involving the preservation and enhancement of equestrian uses, heritage trees and California rustic aesthetic consistent with the conservation and preservation purposes of this Declaration.

4. Rights of Beneficiaries. To accomplish the purpose of the Preserve Easement, the following rights are granted to the Beneficiaries:

4.1 To preserve, protect, sustain, enhance and/or restore the equestrian use of the Equestrian Use Preserve.

4.2 To enter upon the Equestrian Use Preserve during reasonable business hours to monitor Declarant's compliance with and to otherwise enforce the terms of this Declaration; provided that Declarant and/or the Beneficiaries shall not unreasonably interfere with Declarant's tenant, licensee, and their borders, employees, guests, and other invitees authorized use and quiet enjoyment of the Equestrian Use Preserve.

4.3 To preserve the heritage California Oak Trees and California Sycamore Trees within the Equestrian Use Preserve.

4.4 To prevent any activity on or use of the Equestrian Use Preserve that is inconsistent with the purposes of this Declaration, including, without limitation, by taking the enforcement measures set forth in Section 7 herein.

5. Prohibited Uses. Any activity on or use of the Equestrian Use Preserve inconsistent with the conservation purposes of this Declaration are prohibited. Declarant, the Beneficiaries and their personal representatives, heirs, successors, assigns, employees, agents, lessees, licensees and invitees are expressly prohibited from doing or permitting any of the following on the Equestrian Use Preserve:

5.1 Removing, destroying, or cutting heritage California Oak and California Sycamore trees, except in the event that any such activity is required as a result of any Catastrophic Event (as defined in Section 7.5 herein) or emergency conditions to prevent, abate or mitigate significant injury to the persons or the Equestrian Use Preserve.

5.2 Paving the surface of the Equestrian Use Preserve with asphalt. Provided, however, the use of decomposed granite for vehicle driving and parking areas and for equestrian trails is allowed and consistent with Equestrian Use values.

5.3 Single-family residential use; provided, however, housing for employees and the manager of the Coto Equestrian Center, such as a bunkhouse or caretaker house is allowed and consistent with the Equestrian Use Preserve.

5.4 Retail use, provided, however, a retail store primarily selling equestrian clothing and equipment is allowed and consistent with the Equestrian Use Preserve.

5.5 Mining, removing, exploring for or extracting minerals, gravel, soil, rock, sand or other material on or below the surface of the Equestrian Use Preserve, or granting or authorizing surface entry for any of these purposes. Provided, however, oil, gas and water drilling and extracting is allowed and consistent with the Equestrian Use Preserve.

6. Reservations to Declarant. Declarant hereby reserves onto Declarant and subsequent owners of the Equestrian Use Preserve and their respective personal representatives, heirs, successors and assigns the following rights and reservations:

6.1 Declarant's right to build new improvements including, but not limited to, Water Tank Fountain, Hunt & Saddle Lounge, the Event Lawn, Wedding Gazebo, Event Lounge, the Plaza Barn and new parking areas as schematically shown on Exhibit D attached hereto and incorporated herein, Event Lounge & Storage as substantially shown on Exhibit E attached hereto and incorporated herein, barns, stalls, arenas, parking areas (provided they are decomposed granite and not an asphalt surface and have railroad ties or other aesthetic material and not white stripes to designate parking spaces), to restore such areas or features of the Equestrian Use Preserve that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Declaration. Notwithstanding anything to the contrary set forth herein, this Declaration shall not limit the events intended to be held at the "Hunt & Saddle Lounge," the adjoining "Event Lawn" and a portion of the Covered Arena, which generates revenue, eighty percent (80%) of which shall be used by SBC for capital improvements to the Coto Equestrian Center and maintenance of the iconic Covered Arena and Upper Barn.

6.2 Air and water rights necessary for (a) any waters, the rights to which are secured under contract between the Declarant and any irrigation or water district, to the extent such waters are customarily applied to the Equestrian Use Preserve; and (b) any water from wells that are in existence or may be constructed in the future on the Equestrian Use Preserve or on those lands described as excepted from the Equestrian Use Preserve in the legal description and that were historically used by the Declarant to maintain the Equestrian Use Preserve in a flooded condition (collectively, “**Easement Waters**”). The Easement Waters are limited to the amount of Declarant’s waters reasonably required to maintain the Equestrian Use Preserve.

6.3 All rights accruing from Declarant’s ownership of the Equestrian Use Preserve, including all present and future development rights consistent and/or complementary to, and not in conflict with, the Equestrian Use Preservation, and the right to engage in or permit or invite others to engage in all uses of the Equestrian Use Preserve that are not prohibited herein and are not inconsistent with the purposes of this Declaration, are reserved to Declarant and Declarant’s personal representatives, heirs, successors, and assigns.

6.4 To prevent any activity on or use of the Equestrian Use Preserve that is inconsistent with the purposes of this Declaration, including, without limitation, by taking the enforcement measures set forth in Section 7 herein.

Except as provided herein, Declarant reserves unto itself all rights, privileges, powers, and immunities in and the Equestrian Use Preserve, including without limitation the right of exclusive possession and enjoyment.

7. Remedies for Violation and Corrective Action. If Declarant or any one of the Beneficiaries determine there is a violation of the terms of this Declaration or that a violation is threatened, written notice of such violation and a demand for corrective action sufficient to cure the violation shall be given to Declarant and any other appropriate party. In any instance, measures to cure the violation shall be reviewed and approved by OC. The timing of Declarant’s obligation to cure any violation of the terms of this Declaration shall be dependant upon the delivery from OC of written approval of the applicable cure plan. If a violation is not cured within thirty (30) days after OC delivers its approval of the cure plan, or if the cure plan reasonably requires more than thirty (30) days to complete and there is a failure to begin the cure within the 30-day period or failure to continue diligently to complete the cure, Declarant, or any one of the Beneficiaries, may bring an action at law or in equity in a court of competent jurisdiction to enforce compliance with the terms of this Declaration, to recover any damages to which Declarant or the Beneficiaries may be entitled for violation of the terms of this Declaration or for any injury to the Equestrian Use Preserve, or for other equitable relief, including, but not limited to, the restoration of the Equestrian Use Preserve to the condition in which it existed prior to any violation or injury. Without limiting violator’s liability therefore, any damages recovered may be applied to the cost of undertaking any corrective action on the Equestrian Use Preserve.

7.1 Injunctive Relief. If any one of the Beneficiaries determine that circumstances require immediate action to prevent or mitigate significant damage to the Equestrian Use Preserve, any one of the Beneficiaries may pursue the remedies under this Section without prior notice or without waiting for the period provided for cure to expire to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, and to require the restoration of the Equestrian Use Preserve to the condition that existed prior to any such injury. The remedies

described in this Section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. The failure of the Beneficiaries to discover a violation or to take immediate legal action shall not bar taking such action at a later time.

7.2 Standing. If at any time Declarant or Declarant's tenant or licensee(s) or any successor in interest or subsequent transferee uses or threatens to use the Equestrian Use Preserve for purposes not in conformance with the stated purposes contained herein, or releases or threatens to abandon this Declaration in whole or in part, then any one of the Beneficiaries has standing as an interested party in any proceeding affecting this Declaration.

7.3 Costs of Enforcement. All reasonable costs incurred in enforcing the terms of this Declaration including, but not limited to, costs of suit and attorneys' fees, and any costs of restoration necessitated by violation or negligence under the terms of this Declaration, shall be borne by the violator.

7.4 Enforcement Discretion. Enforcement of the terms of this Declaration shall be the obligation of SBC and at the discretion of any one or more of the Beneficiaries, and any forbearance to exercise rights of enforcement under this Declaration in the event of any breach of any term of this Declaration shall not be deemed or construed to be a waiver of such term or of any subsequent breach of the same or any other term of this Declaration or of any rights under this Declaration. No delay or omission in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.

7.5 Acts Beyond Declarant's Control. Nothing contained in this Declaration shall be construed to entitle Declarant or any of the Beneficiaries to bring any action for any injury to or change in the Equestrian Use Preserve resulting from causes beyond Declarant's control, including, without limitation, fire not caused by Declarant, flood, storm, and earth movement ("**Catastrophic Event**"), an unlawful act, or from any prudent action taken by Declarant under emergency conditions to prevent, abate, or mitigate significant injury to the persons or the Equestrian Use Preserve resulting from such causes.

8. Costs and Liabilities. SBC's tenant and/or licensee(s) shall retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Equestrian Use Preserve, including transfer costs, costs of title and documentation review, and maintenance of adequate liability insurance coverage. Additionally, SBC's tenant and/or licensee(s) shall remain solely responsible for obtaining any applicable permits and approvals required for any activity or use permitted within the Equestrian Use Preserve by this Declaration, and any such activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency laws, statutes, ordinances, rules, regulations, orders and requirements.

9. Hold Harmless. Declarant, Declarant's tenant or licensee(s) or upon conveyance of the Equestrian Use Preserve, Declarant's successors as owners of a fee or leased fee interest in the Equestrian Use Preserve, shall hold harmless, indemnify, and defend the Beneficiaries and their members, shareholders, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively, "**Indemnified Parties**"), from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, orders, liens, or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with: (a) injury to or the death of any person, or physical

damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Equestrian Use Preserve, regardless of cause, unless due to the negligence of any of the Indemnified Parties; (b) Declarant's obligations specified in this Declaration; and (c) the obligations, covenants, representations, and warranties of this Declaration relating to Costs and Liabilities of this Section 5. Notwithstanding the forgoing, such indemnity set forth above shall not include consequential damages.

10. No Hazardous Materials Liability. Declarant represents and warrants that it has no actual knowledge of any release or threatened release of hazardous materials in, on, under, about, or affecting the Equestrian Use Preserve. Without limiting the obligations of Declarant as otherwise provided in this instrument, Declarant agrees to indemnify, protect, and hold harmless the Indemnified Parties against any and all claims arising from or connected with any hazardous materials present, released in, on, from, or about the Equestrian Use Preserve, at any time, of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, unless such claims are caused by any of the Indemnified Parties.

11. Best and Most Necessary Use. The equestrian use preserve and historic preservation purposes of the Declaration are presumed to be the best and most necessary public use as defined in equity and pursuant to California Code of Civil Procedure §1240.680 notwithstanding Code of Civil Procedure §§1240.690 and 1240.700.

12. Subsequent Property Transfer. This Declaration shall be of record in the County where the Equestrian Use Preserve is located, thereby giving constructive notice to the acquirer of a portion of the Equestrian Use Preserve. Further, Declarant agrees to disclose in writing the terms of this Declaration to a prospective purchaser or tenant of all or a portion of the Equestrian Use Preserve.

13. Notices. Any notice, demand, request, consent, approval, or other communication that Declarant or the Beneficiaries 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 or by recognized overnight courier that guarantees next-day delivery, with a copy sent by email, addressed as follows:

To Declarant: Silver-Bronze Corporation
Attn: Chairman of the Board
One Upper Newport Plaza
Newport Beach, CA 92660
Telephone: 949-251-2011
Email: AO@SilverBronze.com

To OC: County of Orange
12 Civic Center Plaza
Santa Ana, CA 92701-4057
Attn: Supervisor, 5th District
Telephone: 714-834-3550

To CSHA:

California State Horsemen's Association
264 Clovis Ave
Clovis, CA 93612
Attn: President
Telephone: 209-629-2415
Email: bethanyfarms66@gmail.com

Notice addresses may be changed with written notice to the others. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, five (5) days after deposit into the United States mail.

14. Amendment. This Declaration may be amended only by mutual written agreement and written approval of Declarant and all of the Beneficiaries. Any such amendment shall be consistent with the purposes of this Declaration, and shall not affect its perpetual duration, and Declarant shall promptly record any amended instrument in the Official Records of the County of Orange, and shall thereafter promptly provide a conformed copy of the recorded amended Declaration to the Declarant.

15. Additional Interests. Declarant may grant additional leasehold interest and loans secured by deed of trust on the Equestrian Use Preserve, which shall be subordinate to this Declaration.

16. General Provisions.

16.1 Controlling Law. The interpretation and performance of this Declaration shall be governed by the laws of the State of California.

16.2 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Declaration shall be liberally construed to effect the purposes of this Declaration. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Declaration that would render the provision valid shall be favored over any interpretation that would render it invalid.

16.3 Severability. If any provision of this Declaration or the application thereof is found to be invalid the remaining provisions of this Declaration or the application of such provisions other than that found to be invalid shall not be affected thereby.

16.4 Entire Agreement. This instrument, including all of the exhibits thereto, together set forth the entire agreement of the parties and supersede all prior discussions, negotiations, understandings, or agreements relating to the Declaration, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with the provisions herein.

16.5 No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Declarant's title in any respect.

16.6 Successors. The covenants, terms, conditions, and restrictions of this Declaration shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall constitute equitable servitudes and

covenants running with the Equestrian Use Preserve in perpetuity, pursuant to applicable law, including, but not limited to, Section 1468 of the California Civil Code.

16.7 Termination of Rights and Obligations. Declarant's obligations under this Declaration terminate upon transfer of the Declarant's interest in the Equestrian Use Preserve, to a new owner who accepts the obligations of this recorded Declaration which runs with the ownership of the land, except that liability for acts, omissions or breaches occurring prior to transfer shall survive transfer.

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

16.9 Access. No right of access by the general public to any portion of the Equestrian Use Preserve is conveyed by the Easement.

16.10 Counterparts. 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.

IN WITNESS WHEREOF, Declarant has executed and delivered this Declaration as of the day and year first above written.

DECLARANT:

Silver-Bronze Corporation, a California corporation

By:



Alain O'Connor, Chairman

By:



Signe Radovich, Secretary

FIDELITY NATIONAL TITLE INSURANCE
COMPANY HAS RECORDED THIS INSTRUMENT
BY REQUEST AS AN ACCOMMODATION ONLY
AND HAS NOT EXAMINED IT FOR REGULARITY
AND SUFFICIENCY OR AS ITS EFFECT UPON
THE TITLE TO ANY REAL PROPERTY THAT
MAY BE DESCRIBED THEREIN.

ACKNOWLEDGEMENT

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

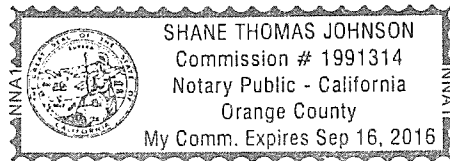
State of California)
County of ORANGE)

On 12/22/2015 before me, SHANE THOMAS JOHNSON, a notary public, personally appeared ALAIN O'CONNOR AND SIGNE RADOVICH, 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.

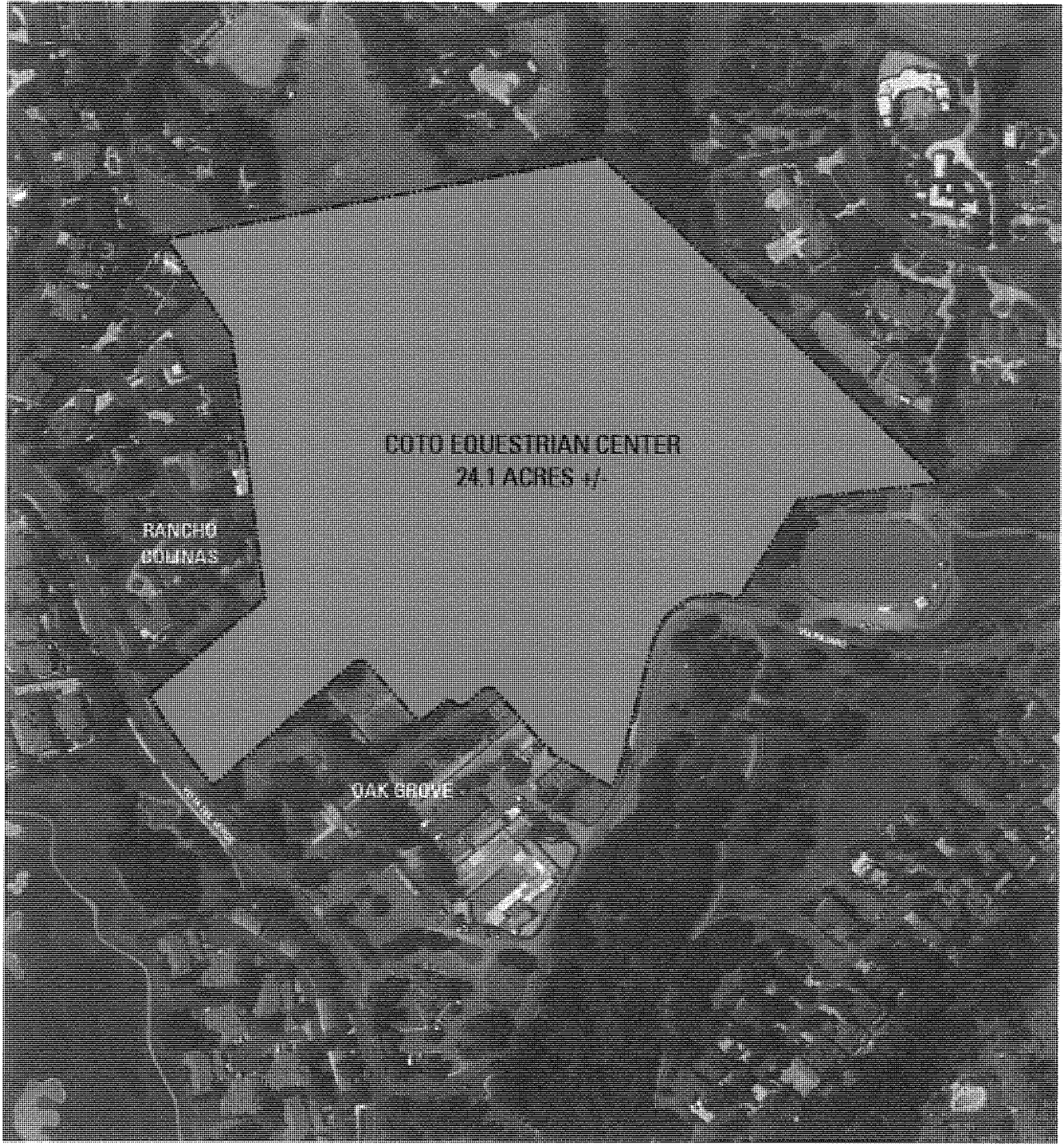
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Shane Thomas Johnson
(Signature)



(Affix Seal)



NORTH
SCALE 1"=250'

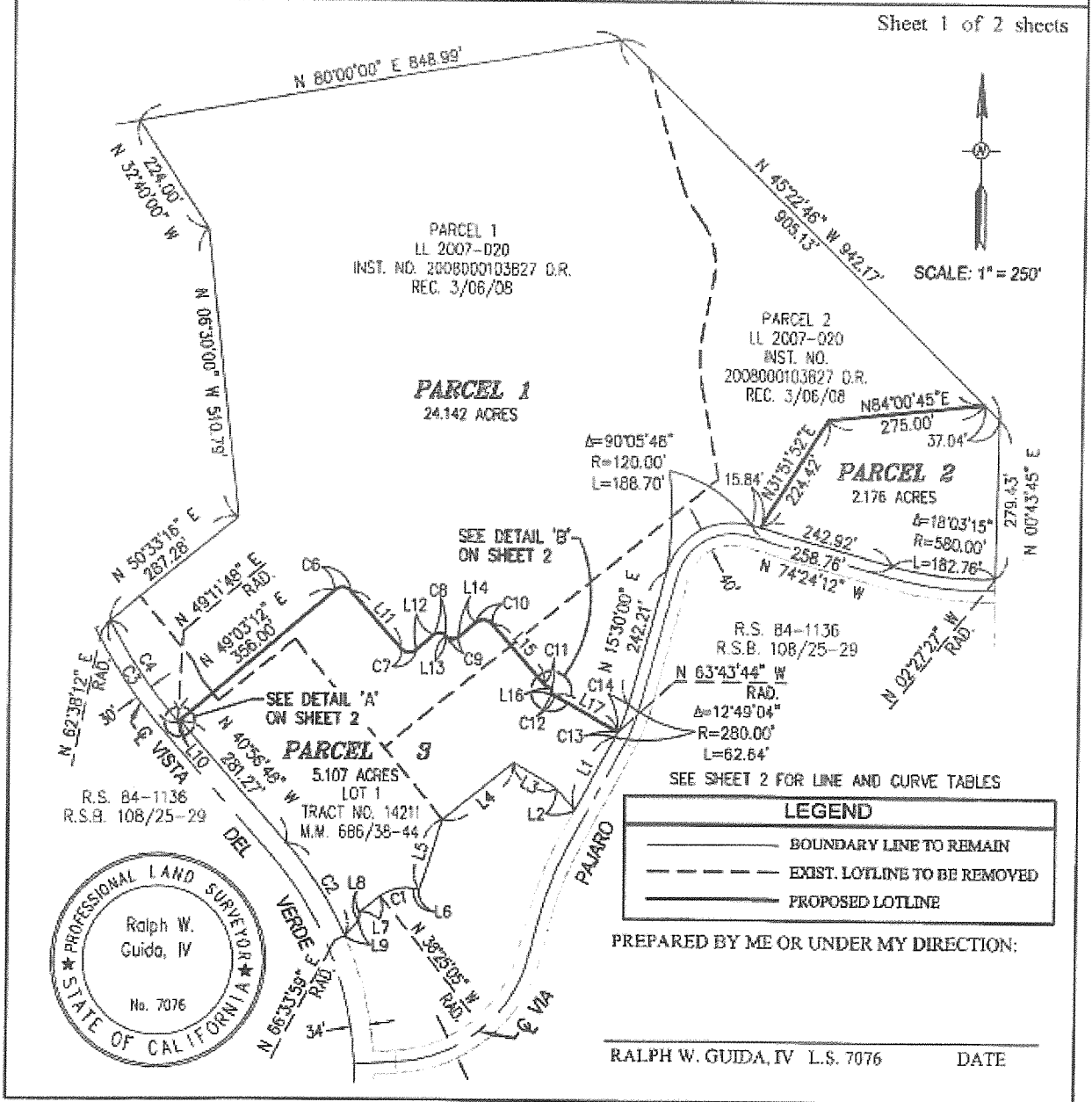
LEGAL DESCRIPTION

PARCEL 1 OF LL-2015-018 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA, CONSISTING OF A LOT LINE ADJUSTMENT OF PARCELS 1 AND 2 AS SHOWN OF LOT LINE ADJUSTMENT LL 2007-020, RECORDED MARCH 6, 2008, AS INSTRUMENT NO. 2008000103827, OF OFFICIAL RECORDS, AND LOT 1 OF TRACT NO. 14211, AS SHOWN ON A MAP FILED IN BOOK 686, PAGES 38 THROUGH 44, OF MISCELLANEOUS MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

LOT LINE ADJUSTMENT
LL 2015-018
MAP

Owners	Existing Parcels - AP Numbers	Proposed Parcels - Reference Number
SILVER-BRONZE CORPORATION	Portions 804-261-22, 23 & 24	Parcel 1
SILVER-BRONZE CORPORATION	Portion 804-261-22	Parcel 2
OAK GROVE 56.8% and SILVER-BRONZE CORPORATION 43.2%	804-261-12, Portions 804-261-23 & 24	Parcel 3

Sheet 1 of 2 sheets

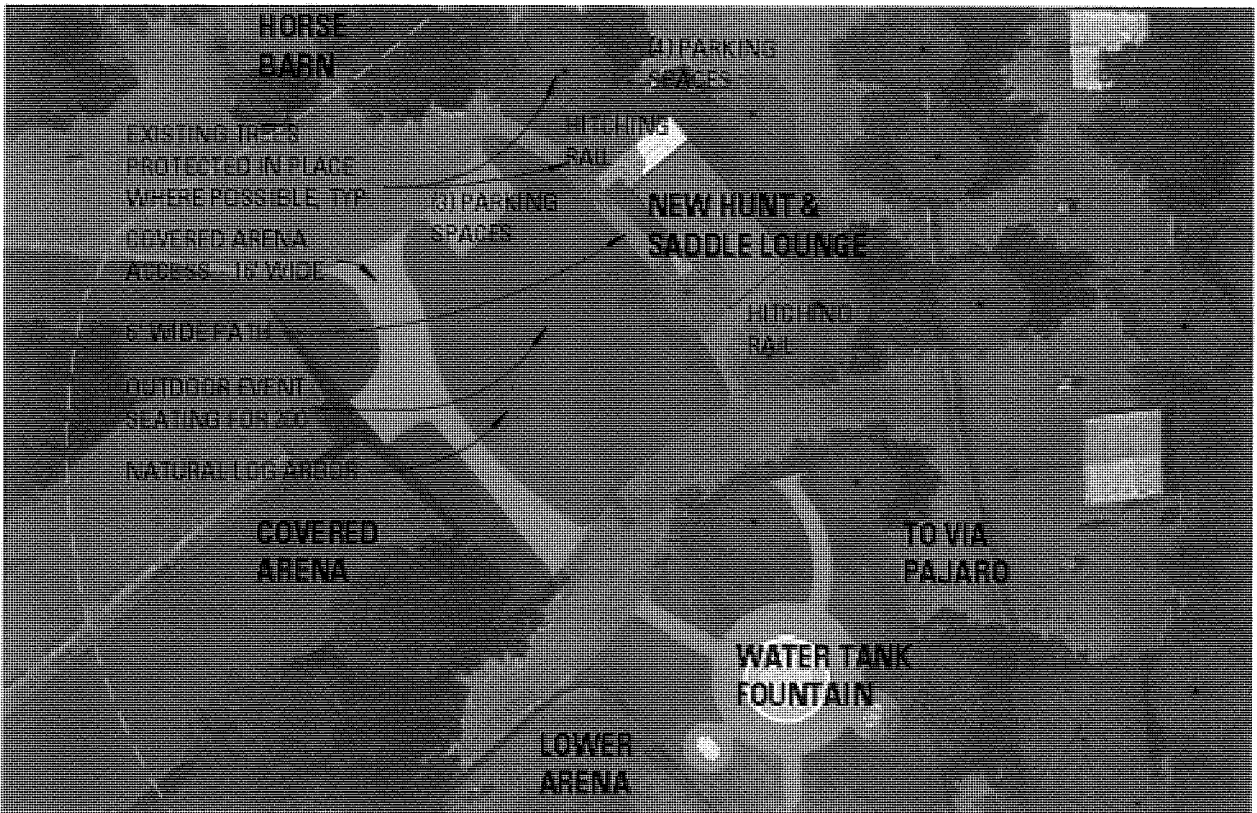


Images of Covered Arena and Upper Barn



COVERED ARENA
TEMPORARY BANQUET CONCEPT

Event Lawn & Wedding Gazebo



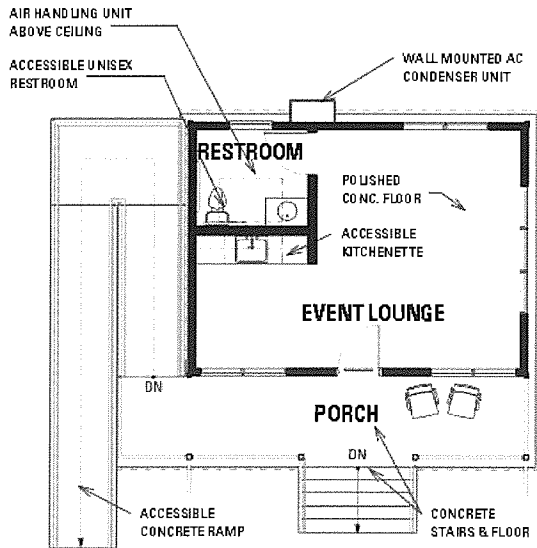
WEDDING &
EVENT LAWN PLAN
1" = 50'-0"



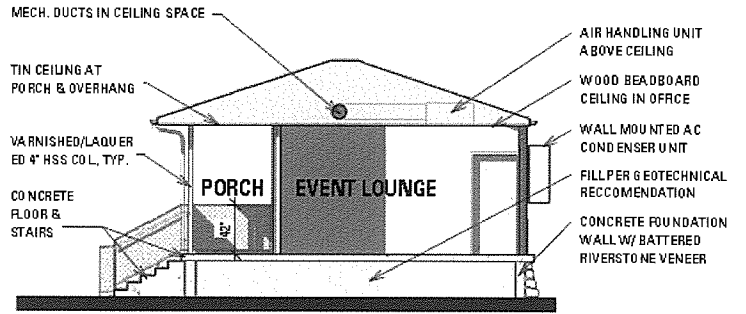
WEDDING GAZEBO

EXHIBIT D

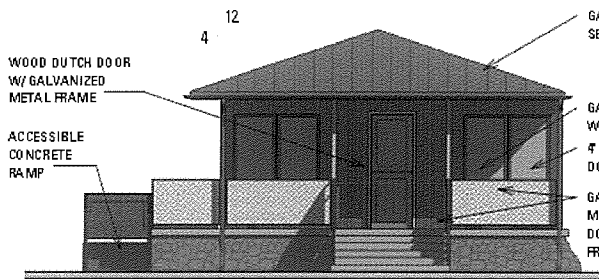
Event Lounge & Storage



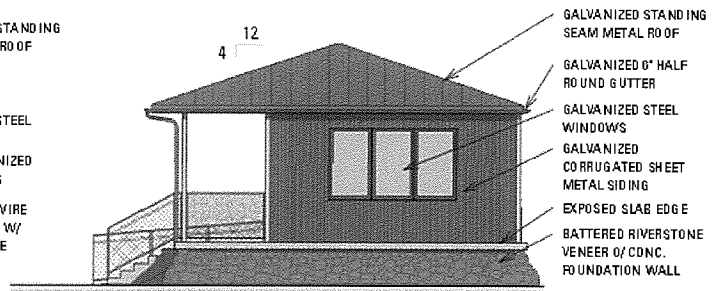
EVENT LOUNGE
1/8" = 1'-0"



SECTION
1/8" = 1'-0"



EVENT LOUNGE - FRONT
1/8" = 1'-0"



SIDE ELEVATION
1/8" = 1'-0"