

**SAVE ELEVADO ROAD ASSOCIATION
2020 TERMS AND CONDITIONS
FOR RECEIPT AND USE OF CONTRIBUTIONS
ELEVADO ROAD MAINTENANCE AND REPAIRS**

1. Our Mission

Save Elevado Road ("SER") is an unincorporated, nonprofit association, formed for the purpose of collecting and managing contributions from property owners (the "Owners") who own easements for passage on Elevado Road (the "Road").

The contributions will be used to solicit, hire and manage contractors for Road repair and maintenance (the "Work") in accordance with the Owners' collective responsibility under California Law. In addition, in order to support the maintenance of easements serving over 200 properties, the Work shall include reasonable out-of-pocket administrative expenses for general overhead, accounting, legal costs, insurance, web site and communications, including a part time manager responsible for billing, collecting, contracting for repairs and coordinating communications with interested parties.

The Association and its members are not being compensated for their services, but are willing to accept and manage the Owners' contributions solely in accordance with these Terms and Conditions. By depositing their payment with the Association, each Owner agrees that these Terms and Conditions are the exclusive understanding of the Association's obligations.

2. Scope Of Work

The Scope of Work shall be the annual and cyclical repair and maintenance of Elevado Road from Vista Grande to Flametree.

3. Allocation Of Costs Among Owners

The methodology for allocating the contributions among the Owners is set forth in the "Address Cost Allocation" published on the Association's web site. This is the same proportionate allocation uniformly adopted by the Owners for repairs funded and completed during 2017-18. For the Owner's convenience, the budgeted amount is based on the 2017-18 project cost, spread out over a period of five years.

This methodology is based on the Owners' shared interest in maintaining the Road in its entirety, the enhanced property value of the community's reputation in preventing the Road from falling into disrepair, the significant economic benefit of having the Work managed under one program, the different interests of Owners located along the length of the Road extending for approximately a mile and a half, the number of Owners involved, the difficulty in precisely determining the amount of use enjoyed by each Owner given the disparity in number of occupants in each property, the number and type of vehicles used, and the number of trips taken each day. The Owners acknowledge there is no one definitive formula that can economically address these legally relevant considerations, and have therefore used their best efforts in good faith in arriving at the published methodology.

4. Conditions

By accepting these funds entrusted to them by the Owners, and subject to the limitations and conditions stated herein, the Association agrees to the following:

- (i) All contributions will be deposited in a segregated, general fund for the benefit of all Owners, and will not be comingled with those belonging to any other parties.
- (ii) Access to the accounts shall be limited to the Association's authorized members;
- (iii) All interest earned on the deposits, if any, shall be retained for the Work;
- (iv) All contributions may be used for any Work authorized in these terms, regardless of how the contributions are calculated. The Association will not be required to maintain a specific breakdown as to how each Owner's contribution is individually spent;
- (v) All reserves and surplus funds shall be retained for future Work, without any obligation to make refunds; and
- (vi) A copy of the most recent bank statement covering the account shall be made available for inspection to any Owner on thirty days' written notice, provided their account is in good standing and they pay all reasonable third party and out-of-pocket costs, if any, for its production.

5. Limitation Of Liability

The Association's only responsibility under this Agreement is to safeguard all funds collected, and use reasonable efforts to enter into contracts within the Scope of Work.

In recognition of the fact that the Association is not being compensated for its services in organizing this Work. Accordingly, the Association, its members and its authorized representatives shall have no liability to any Owner except for willful misconduct or gross negligence. The Association's maximum liability to each Owner shall be limited to the amount contributed by such Owner, after deduction for (i) all amounts incurred, allocated on a pro rata basis, in the performance of the Work, and (ii) all funds returned to the Owner. The Association, its members and its authorized representatives shall have no liability for consequential, special, indirect or punitive damages of any kind whatsoever.

The third-party manager shall have no greater liability to the individual Owners than that of the Association and its volunteers under these terms.

6. Other Work

No other roads are covered by this Work. The owners of easements on other roads that access Elevado ("Side Roads") are responsible for organizing, funding and contracting for repairs on each of their respective roads. However, the Association will use reasonable commercial efforts to cooperate in organizing and facilitating performance of those services by the same contractors employed for Elevado Road, provided that the owners of each such Side Road pay all incremental costs incurred by the Association for these services.

7. Enforcement Against Non-Cooperating Owners

The amount calculated for each Owner's payment is based on their voluntary contribution to this Project. In the event legal proceedings are deemed appropriate to collect contributions, the Association (or its designee) shall have the right, on behalf of all contributing Owners, to assert claims for contribution to the fullest extent allowed by law.

Nothing herein shall be construed as an obligation to commence such proceedings, which shall be at the sole discretion of the Association or its designee. In the event the Association decides not to commence any such proceeding, after receiving a written demand from Owners to do so, Owners are free to do so on their own.

The scope of all legal services provided to the Association shall be determined solely by written agreement between such provider(s) and the Association (or its designees), and under no circumstances shall such services be deemed to create an attorney client relationship with any of the individual Owners.

8. Termination And Survival

These Terms and Conditions shall survive the Association's reorganization, merger or conversion into any other form of legal entity in accordance with California law, and shall be deemed assigned along with all funds in its possession to any such surviving entity.

The Association's responsibility under these Terms and Conditions shall terminate upon the return of all remaining funds in the Association's possession, if any, to Owners. All limitations on Holders' liability shall survive termination.

9. Amendments

These Terms and Conditions may not be amended without the Association's express written consent by one of its authorized volunteers.

Contact:

Please send all questions concerning these Terms and Conditions to "Volunteers @Elevado.info". For more information, see www.elevado.info.

By:

THE SAVE ELEVADO ROAD ASSOCIATION