

Solano Verde Ranches

Homeowners' Association

CC&Rs Amendment to CC&Rs By-Laws

Articles of Incorporation

Residential Development Standards

Solano Verde Ranches

Homeowners Association

Amendment to CC&Rs

REAL SUPPORT

PROPERTY MANAGEMENT

MALIBU, CA 90265

310/457-0019

RECORDED AT REQUEST OF AND
WHEN RECORDED MAIL TO:

ANDERSON & KREHBIEL
A Professional Law Corporation
31351 Via Colinas
Suite 204
Westlake Village, California 91362
Attention: William A. Anderson

AMENDMENT NO. 2 TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
SOLANO VERDE RANCH
Parcel Map 3361

This Amendment No. 2 to Declaration of Covenants, Conditions
and Restrictions is made this 10TH day of July, 1987.

by TOLD CORPORATION, a California Corporation, successor in interest to
SOMIS, a California limited partnership, hereinafter referred to as
"Declarant".

WITNESSETH:

WHEREAS, Declarant's predecessor in interest recorded a Declaration
of Covenants, Conditions and Restrictions (hereinafter referred to as
the "Declaration") on September 10, 1981, as Instrument No. 086037
of the Official Records of Ventura County, California, covering the
following described real

property:

Parcels 1 through 37, of Parcel Map 3361 in the County of Ventura, State of California, as per Map filed in Book 33 of Parcel Maps at Page 1 through 12, in the Office of the County Recorder of Ventura County, California

and,

WHEREAS, said Declaration was amended on November 9, 1981 by Declarant's predecessor in interest by an instrument recorded on November 17, 1981 as Instrument No. 109560 of the Official Records of Ventura County, California; and

WHEREAS, pursuant to Section 12.3 of the Declaration, the Declaration may be amended prior to the close of the first sale in the above described property to a purchaser other than* Declarant, by the execution by Declarant of an instrument amending the same, which instrument shall make reference to the Declaration and shall be acknowledged and recorded in the Office of the Ventura County Recorder.

WHEREAS, the Declaration has not conveyed title to any of the lots within the above described property;

NOW, THEREFORE, said Declaration is hereby amended as follows:

1. Section 2.1 is hereby deleted in its entirety and the following Section 2.1 is substituted therefor:

"2.1 Residential Use. None of the lots shall be used except for residential and agriculturally related purposes as defined herein. Residential purposes shall include the construction of one single family residence of not less than 3,500 square feet based on outside wall dimensions excluding the garage and on-site guest, farm labor or caretaker quarters. All residences and guest houses shall be constructed-on a permanent

foundation, have a minimum of two-by-four stud framing or masonry and have exterior walls of masonry, stucco or wood and shall have been submitted to and approved by the Architectural Committee in accordance with Section 8.6 hereof. All residences shall have enclosed garages for not less than two (2) cars." 2. The following sentence is hereby added at the end of

Section 2.2:

"Notwithstanding the foregoing, no row crops of any kind or nature may be grown on any lot or in any green house or other structure except for the private, non-commercial use and/or consumption of the owner or lessee of said lot."

3. The last sentence of Section 2.6 is hereby deleted in its entirety and the following sentence substituted therefor:

"It is also acknowledged that there shall be appurtenant to each lot one membership share in the Solano Verde Mutual Water Company with all membership shares of said Company being owned solely by the owners of lots 1-38 of Parcel Map 3361."

4. Section 2.11 is hereby deleted in its entirety and the following Section 2.11 is substituted therefor:

"2.11 Temporary Structures. No structures of a temporary character, trailer, mobile home, incomplete building, basement, tent, shack, garage, bam or other outside building shall be used on any lot at any time as a residence, either temporarily or permanently, except that Declarant may place a non-residential office trailer on a lot owned by Declarant for security during construction and sale of the lots in the Project and except that a lot owner may place a non-residential office trailer for daytime use on a lot owned by him for a maximum of twelve (12) months during construction of a residence thereon, provided same is approved and authorized by the County of Ventura."

5. The following sentence is hereby added to Section 2.19:

"Notwithstanding the foregoing, within 12 months following the initial purchase of lots 1, 2, 3, 4, 5,

6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36 and 37, each purchaser thereof shall construct a white three rail fence upon that portion of said purchaser's lot which is adjacent to either Coyote Canyon Road or Solano Verde Drive in such manner and in such location as is prescribed by the Architectural Committee Rules as described in Section 8.5, hereof and said purchaser and his successors in interest shall thereafter maintain said fence in good repair and in a white painted condition as also prescribed in said Architectural Committee Rules."

6. The following sentence is hereby added to Section 8.5:

"With regard to the white three rail fence required to be constructed and maintained on the lots described in Section 2.19 hereof, the Rules shall clearly describe the manner of construction type and color of paint and the location of said fence on each such lot so as to insure conformity of said fencing from lot to lot, thereby enhancing the beauty of the Project and the values of the owners' properties therein."

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Amendment No. 2 to Declaration of Covenants, Conditions and Restrictions on the date stated above.

TOLD CORPORATION,
A California Corporation

By: _____

V. Patrick Hall
Executive Vice.

STATE OF CALIFORNIA)
 } SS .
County of LOS ANGELES }

On July 10 1987, before me, the undersigned,
a Notary Public in and for said State, personally appeared V.
PATRICK HALL, personally known to me or proved to me on the basis
of satisfactory evidence to be one of the person who executed the
within instrument on behalf of the corporation therein named, and
acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Notary Public in and for said State

WHEN RECORDED RETURN TO:

Law Offices of:

NORDMAN, CORMANY, HAIR COMPTON 625
North "A" Street Post Office Box 1232
Oxnard, California 93032

Attention: Kenneth M. High, Jr.

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS

OF
SOLANO VERDE RANCH
Parcel Map 3361

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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF

SOLANO VERDE RANCH

Parcel Map 3361

WHEREAS, SOMIS, a California Limited Partnership (hereinafter referred to as "Declarant") owns certain real property (hereinafter referred to and defined as "the Project") described as follows:

Lots 1-37, of Parcel Map 3361 in the County of Ventura, State of California, as per Map filed in Book 33 of Parcel Maps at Page 1 through 12, in the Office of the County Recorder of Ventura County, California.

WHEREAS, Declarant will convey the lots in said Project to individual owners, and the common area therein to a nonprofit mutual benefit California corporation to act as a homeowners' association in accordance herewith, subject to certain protective covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth;

NOW, THEREFORE, said Declarant, the fee owner of said Project, hereby makes the following Declaration as to the divisions, easements, rights, liens, charges, covenants, restrictions, limitations, conditions and uses to which the above-described Project may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding on said Declarant, its successors and assigns, and all subsequent owners of all or any part of

said Project, together with their grantees, successors, lessees, heirs, executors, administrators, devisees, or assigns:

1. DEFINITIONS.

- 1.1 "ASSOCIATION" SOLANO VERDE RANCH HOMEOWNERS ASSOCIATION, INC., a California nonprofit mutual benefit corporation in which all owners shall have a membership interest as more particularly described in Section 3 hereof, provided that membership shall be limited to owners;
- 1.2 "BOARD OF DIRECTORS" The Board of Directors of SOLANO VERDE RANCH HOMEOWNERS ASSOCIATION as described in the Association Bylaws and Articles of Incorporation.
- 1.3 "COMMON AREA" A non-exclusive easement for ingress and egress on, over and across those portions of the lots designated for roadway purposes on Parcel Map 3361, and improvements thereon owned by the Association for the benefit of the Owners, including the streets, drainage and utility improvements, and security gate system;
- 1.4 "LOT" Lots 1-37 of shown on Parcel Map 3361;
- 1.5 "MEMBER" Every person or entity who holds membership in the Association;
- 1.6 "MORTGAGE" The conveyance of any lot or interest therein to secure the performance of an obligation which conveyance shall be

terminable upon the due performance of said obligation. Whenever the word "mortgage" is used herein, it shall mean and be synonymous with "deed of trust" and the same way be used interchangeable;

1.7 "MORTGAGEE"

A person or entity to whom a mortgage is made. The word "beneficiary" shall be synonymous with the word "mortgagee"

1.8 "ORGANIZATIONAL MEETING"

First meeting of members of the Association wherein members attend to elect a new Board of Directors;

1.9 "OWNER"

The record owner, whether one or More persons or entities, of a fee simple title to any lot which is part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation;

1.10 "PROJECT"

Lots 1-37 within Parcel Map 3361 including all structures and improvements thereon;

1.11 "UNIT"
"RESIDENCE"

Any portion of a building on a lot designated and intended for Use and occupancy as a residence By a single family and/or their guests.

2. USE RESTRICTIONS. In addition to all other covenants contained herein, the use of the Project and each lot therein is subject to the following;

2.1 Residential Use. None of the lots shall be used except for residential and agriculturally related purposes as

defined herein. Residential purposes shall include the construction of one single family residence of not less than 2,500 square feet based on outside wall dimensions excluding the garage, and on-site guest farm labor or caretaker quarters. All residences and guest houses shall be constructed on a permanent foundation, have a minimum of two-by-four stud framing or masonry, and have exterior walls of masonry, stucco, wood or masonite. All residences shall have enclosed garages for not less than two (2) cars.

2.2 Agriculturally Related Uses. Any portion of the Project may be used for agriculturally related purposes, including but not limited to the growing of crops, trees, bushes, vines; the storage and wholesaling of crops for agricultural products produced on the property; the growing and harvesting of flowers, ornamentals and turf; the installation, care and maintenance of an apiary; any operation performed in a permanently fixed structure or establishment on the Project or a moving packing plant which plant is solely for preparing agricultural or horticultural crops or products grown on the premises; raising and breeding animals, consistent with government zoning and other ordinances and regulations. However, no lot shall be used for a dog kennel, feed lot, dairy, turkey, chicken, or swine farm, or for the raising of dangerous animals.

2.3 Non-agricultural Uses Prohibited. Except as specifically stated above pertaining to agricultural uses, no portion of the project shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for

manufacturing, mercantile, storing, vending or other nonagricultural commercial purposes, including but not limited to electrical distribution stations; natural resource development; soil amendment manufacture or storage, the incorporation of oilfield waste into the soil; recreational activities for hiking, riding, fishing, hunting, camping or swimming; the operation of a disposal site for garbage, sewage or offal not originating on the premises; slaughter for sale of any animals; sport, athletic, recreational or amusement enterprises operated as a club, business or for commercial purposes; commercial warehouses for the collection, packaging, storage or distribution of agricultural products not produced on the premises'; operating a contractors plant or storage yard, including garages and sheds for the storage or service of vehicles, equipment and/or materials (unless the same relates solely to an agricultural operation on the premises on which it is located) , operations of schools or training grounds, even if related to agricultural subjects.

2.4 Greenhouses. Greenhouses shall be permitted in the Project provided that no combination of greenhouses on any one lot exceeds 2,000 square feet.

2.5 Set Backs. All structures erected on lots shall be a minimum of 100 feet from the center of the common area easement for roadway purposes and a minimum of fifty (50) feet from all property lines.

2.6 Water Easements. It is acknowledged that the grantor has granted or will grant to the Solano Verde Mutual Water Company easements for storage tanks, cisterns, water wells and related equipment, pumps, water lines and other necessary improvements necessary for the development and distribution of water to service the Project. It is also acknowledged that there shall be appurtenant to each lot one share in the Solano Verde Mutual Water Company for each full acre contained therein, with all shares of said Company being owned solely by owners of lots 1-38 of Parcel Map 3361.

2.7 Planting Restrictions. Not more than 50% of the area contained within those portions of lots 16, 17, 18, 24, 25, 32, 33 and 34 lying within the Fox Canyon Aquafier Recharge Area as shown on maps on file with the County of Ventura Public Works Agency shall be planted to irrigated crops or trees. Nothing herein shall be construed to limit the area that can be so planted on any lots or portions of lots lying outside the Fox Canyon Aquafier Recharge Area.

2.8 Grading. In addition to obtaining prior approval of the Architectural Committee, any owner intending to conduct grading and/or grubbing operations involving the removal or relocation of more than 100 cubic yards of earth, at one time or in stages, must submit plans to the County of Ventura, Public Works Agency and the Ventura County Resource Conservation District and receive prior approval before commencing work.

2.9 Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Project, or

any lot, except one sign for each lot, of customary and reasonable dimension, color, and/or design established as such by the rules of the Association advertising the property for sale or rent, or signs for such other purpose as may be approved by the Association, or except signs reasonably used by Declarant, its successors or assigns, to advertise the property during the construction and sales period.

2.10 Nuisance. No noxious or offensive activity shall be carried on upon any lot or any part of the Project, nor shall anything be done thereon which may be, or may become, an annoyance, nuisance to, or depreciate the value of the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective dwelling unit, or which shall in any way increase the rate of insurance.

2.11 Temporary Structures. No structure of a temporary character, trailer, mobile home, incomplete building, basement, tent, shack, garage, barn or other out-building, shall be used on any lot at any time as a residence, either temporarily or permanently, except that Declarant may place and occupy a residence or office trailer on a lot owned by Declarant for security during construction and sale of the lots in the Project and except that a lot owner may place and occupy a residence or office trailer on a lot owned by him for a maximum of twelve (12) months during construction of a residence thereon, provided the same is approved and authorized by the County of Ventura.

2.12 Animals. All animal maintenance shall comply with the ordinances and regulations of the County of Ventura and other

government agencies. In addition, the Board can limit, restrict or condition the maintenance of any animal. The board may specifically prohibit or condition the right to keep any animal that constitutes a nuisance by reason of abuse, smell, safety, noise or other detrimental consideration in the opinion of the Board, after notice and hearing. The procedures for notice and hearing shall be as set forth in Article IV, Section IV-2(c) of the Bylaws. Each person bringing or keeping an animal on the development shall be absolutely liable to other Owners, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members, guests, and Invitees for any damage to persons or property caused by such animal brought or kept on the Project by such person, his agents, family, guests or invitees.

2.13 Drilling. No oil or water well drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the surface or within five hundred (500) feet below the surface of the Project and no derrick or other structure designed for use in boring for water, oil or natural gas shall* be erected, maintained or permitted upon any lot, except for water well drilling conducted by the Solano Verde Mutual Water Company and oil well, drilling by mine right owners within established well sites for that purpose.

2.14 Rubbish. All rubbish, trash, garbage, garbage containers, or other inoperative or unusable objects shall be regularly removed from the Project, and shall not be allowed to

accumulate thereon and rubbish, trash, garbage, garbage containers, or other inoperative or unusable objects shall be placed in garages, back yards, or other areas obscured from public view from the common area or other residences, except on the day of collection when they may be set out for a reasonable period. All refuse containers and air conditioning units shall be prohibited unless obscured from view of adjoining lots and streets by a fence or appropriate screen architecturally integrated and consistent with the Project, approved by the Architectural Committee of the Association.

2.15 Rentals. The dwelling units within the Project shall not be rented by the Owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than one hundred eighty (180) days; or (b) any rental if the occupants of the residence are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. The obligation to pay assessments by the lot Owners shall not be affected or limited by any tenancy relationship entered into by the lot Owner. All leases or rental agreements shall be in writing. Any lease or rental agreement shall include the following language: "The terms of this agreement are subject in all respects to the provisions of the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, and Bylaws of Solano Verde Ranch Homeowners Association. Any failure by the lessee to comply with the terms of such documents shall be a default under the lease. The undersigned, as lessee or tenant, acknowledges

that he is familiar with all said restrictions and rules of the Solano Verde Ranch Homeowners Association and agrees to abide by them." No tenancy is valid and no lessee shall be permitted occupancy until the Association receives a copy of the lease or rental agreement. Unless this provision is complied with, the lessees or tenants shall not be entitled to use Association facilities. Other than the foregoing, there is no restriction on the right of a lot Owner to lease his lot.

2.16 Clotheslines. No exterior clothesline shall be erect or maintained, and there shall be no exterior drying of clothes, towels, or other fabrics on patios, porches, or other areas, except when the clotheslines or drying activities are shedded from view front the common area and other residences. No windows shall be covered with aluminum foil or similar material.

2.17 Trailers, Boats and Motor Vehicles. No mobile home (except as provided in Section 2.11), trailer of any kind, permanent tent, or similar structure, and no truck, camper or recreational motor home, or boat, or boat trailer, nor any other motor vehicle shall be used for residential purposes within the Project. No dilapidated or inoperable vehicles, trailers, campers, boats or equipment shall be maintained on a lot in view from the common area or any other residence.

2.18 Drainage. As an incident to the development of the Project, changes may occur in the amount of water flowing into natural water courses from that which would occur if the property were left in a natural state. One of the purposes of this Declaration is to minimize any such changes. No obstruc-

courses or of existing channels through which storm surface water naturally flows upon and across any lot shall be made by any Owner in such a manner as to cause drainage to adjacent lots. Any improvement or alteration of a lot which would affect the drainage pattern established upon the initial grading of the lot by the Declarant must be approved by the Architectural Committee prior to the commencement of such alteration or improvement. The Committee may require such plans, specifications, topography maps, surveys, hydrology reports and other materials to be provided by the owner proposing the work, as it deems appropriate.

2.19 Fencing. No fence or wall shall be constructed by any lot owner within the common area, and any fence or wall within 50 feet of the common area shall be no higher than six feet.

3. PROPERTY RIGHTS.

3.1 Owners' Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

3.1.1 The right of the Association to temporarily suspend the voting rights of an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations (other than failure to pay assessments) after hearing by the Board of Directors of the Association where said Owner has been given at least fifteen (15) days prior written notice and the opportunity to appear and be heard not less than five (5) days prior to the effective date of the

disciplinary action as more specifically set forth in Article IV, Section 1V-2(c) of the Bylaws which satisfies the minimum requirements of Section 7341 of the California Corporations Code.

3.1.2 The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance;

3.1.3 The right of the Association to establish uniform rules and regulations pertaining to the use of the common area, including but not limited to parking and speed limits.

3.1.4 The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving or renovating the common area and landscaping thereof.

3.2 Access to Common Area. All owners shall have the full and complete use, occupation and enjoyment of the common area, subject to the regulations and rules controlling the same promulgated from time to time by the Association.

3.3 Delegation of Use. Any member may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the common area to the members of his immediate family, his guests, invitees, agents, employees, tenants, or contract purchasers who reside on the property.

3.4 Waiver of Use. No member may exempt himself from personal liability for assessments duly levied by the Association, nor release the lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the common area or by abandonment of his lot.

4. MEMBERSHIP AND VOTING RIGHTS.

4.1 Creation of the Association. The Owners of lots shall constitute a homeowners association, which shall be incorporated as a California nonprofit mutual benefit corporation.

4.2 Membership. Every Owner of a lot, or an undivided interest in any lot, which is subject to assessment, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

4.3 Transfer. The membership held by an Owner of a lot shall not be transferred, pledged or alienated in any way except upon the sale or encumbrance of such lot, and then only to the purchaser or mortgagee of such lot. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

4.4 Voting Classes. The Association shall have two (2) classes of voting memberships:

4.4.1 Class A. Class A members shall be all lot Owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one (1) person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among

themselves determine, but in no event shall more than one (1) vote be cast with respect to any lot.

4.4.2 Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

4.4.2.1 When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership.

4.4.2.2 On December 31, 1983.

As long as two classes of members in the Association exist, no action by the Association that must have the prior approval of the Association members shall be deemed approved unless approved by the appropriate percentage of both classes of members.

4.5 Multiple Owner Voting. The vote for each such lot may be cast only as a unit, and fractional votes shall not be allowed. In the event joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain lot, it shall thereafter be conclusively presumed for all purposes that he or they were acting with authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular unit by Class A members, none of said votes shall be counted and all of said votes shall be deemed void.

4.6 Cumulative Voting. Every Owner entitled to vote at any election of the Board may, if the procedural prerequisites

set forth in Section 7615(b) of the California Corporations Code-is first followed, cumulate his vote and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his lot or lots are entitled, or may distribute his vote on the same principle among as many candidates as he desires. The entire Board may be removed from office by the affirmative vote of fifty-one percent (51%) of the Owners entitled to vote at any election of the Board. However, unless the entire Board is removed, an individual Director shall not be removed if the number of votes against the resolution for his removal exceeds the quotient arrived at when the total number of votes which all members are entitled to cast is divided by one plus the authorized number of Directors. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

5. COMMON AREA.

5.1 Conveyance of Common Area Easement. Prior to the first conveyance to an individual Owner of any lot, there shall be conveyed to the Association the common area (which, as an interest in property, is a nonexclusive easement) described in Section 1.3 hereinabove.

Such conveyance shall be made free and clear of all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements for utility and drainage purposes and conditions, restrictions and reservations then of record, including those set forth in this Declaration.

5.2 Exclusive Use. Said common area shall be for the exclusive use and enjoyment of the Owners of lots in this Project, their guests, employees, invitees, and lessees, and other third parties having pre-existing, non-exclusive rights thereon.

6. COVENANT FOR MAINTENANCE AND ASSESSMENTS.

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the Project, hereby covenants, and each Owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

6.1.1 Annual assessments or charges,

6.1.2 Special assessments for capital improvements or other purposes, such assessments to be established and collected as hereinafter provided, and

6.1.3 Any other obligations provided for herein, including but not limited to interest, late charges, attorneys' fees, and collection costs.

The annual, special and reimbursement assessments, together with interest, late charges, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used for the purpose of operating the Association for the benefit, welfare and enjoyment of its members, and in this connection, for the maintenance and improvement of the common area thereon and to provide funds for the Association to carry on its duties set forth herein, or in its Articles of Incorporation and Bylaws, and to the extent provided for herein, for the landscape maintenance of the lots situated in the Project.

6.3 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be _____ per lot.

6.3.1 From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without a vote of the membership.

6.3.2 From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased above said twenty percent (20%) by the vote or written assent of fifty-one percent (51%) of each class of members. Upon termination of the two class voting structure, such action shall require the vote of fifty-one percent (51%) of the total voting power of the Association as well as the vote on written assent of fifty-one percent (51%) of the total voting power of members other than the Declarant.

6.3.3 The Board of Directors may fix the annual assessment at an amount not in excess of the maximum, under Sub-Section 6.3.1 above, and the same shall be uniformly determined under Section 6.7.

6.4 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason (including, but not limited to, unanticipated delinquencies, litigation, costs of construction, unexpected repairs or replacements, or maintenance of capital improvements or landscaping on the common area or on the lots maintained by the Association due to default by the owner), the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board it shall become a special assessment. The Board may, in its discretion, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each lot. Unless exempt from federal or state income taxation, all proceeds from any special assessment shall be segregated and deposited into a special account and shall be used solely for the purpose or purposes for which it was levied or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the Association. Any special assessment in excess of five percent (5%) of the budgeted gross expense of the Association for the fiscal year in which a

special assessment is levied shall require approval by vote or the written consent of fifty-one percent (51%) of the total voting power of the Association as well as the vote on written consent of a majority of the total voting power of members other than the Declarant, or of each class of members if there be more than one, except in case of a special reimbursement assessment against an Owner as a remedy utilized by the Board under Section 6.5 below, to reimburse the Association for costs incurred in bringing the member into compliance with the provisions of this Declaration.

6.5 Reimbursement Assessments. The Board shall levy, without prior membership approval, a reimbursement assessment against any lot Owner and the lot owned by each Owner whose failure to comply with the provisions of this Declaration, any amendments thereto, the Articles, the Bylaws, or the Association Rules and regulations, has necessitated an expenditure of monies by the Association from the maintenance fund to bring such Owner and/or lot in compliance with said instruments, to pay damages for which the Owner is responsible under Section 7.4, or in otherwise performing its functions under this Declaration. Such assessment shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended and shall be due and payable to the Association when levied but after notice and an opportunity to be heard satisfying the requirements of Section 7341 of the California Corporations Code, as set forth in Article IV, Section IV-2(c) of the Bylaws.

6.6 Notice and Quorum for any Action Authorized Under Section 6.3 and 6.4. Any action authorized under Section

6.3 and 6.4 requiring membership approval shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. A quorum for such meeting shall be fifty-one percent (51%) of the members entitled to vote on such action. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite fifty-one percent (51%), members who are not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

6.7 Uniform Rate of Assessment. Regular and special assessments must be fixed at a uniform rate for lots 1-27 and 31-37, with the owner of each paying 2.8% of the total assessment for the Project. x The assessment for lots 28, 29 and 30 shall be equal to 1.6% of the total assessment for the Project, in recognition of the fact that because of topography their primary access is from Bradley Road rather than from the common area private road, and their only use thereof will be for occasional access for picking, spraying and maintenance.

6.8 Assessment Period. The regular assessment period shall commence on January 1 of each year and shall terminate on December 31 of such year, and regular assessments shall be payable in equal quarterly installments unless the Board adopts some

other basis for collection. However, the initial regular assessment period shall commence as to all lots of the Project on the first day of the calendar month following the date on which the sale of the first lot to a purchaser is closed and recorded (the "initiation date") or on the first day of the month following the conveyance of the common area to the Association, whichever shall first occur, and shall terminate On December 31 of said year. The first regular assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year and shall be payable in equal quarterly installments unless the Board adopts some other basis for collection.

6.9 Notice and Assessment Installment Due Dates.

Written notice of each annual regular assessment and each special assessment shall be given to any Owner of every lot subject to assessment in which the due dates for the payments of installments shall be specified. This date shall not be earlier than thirty (30) days after the giving of notice thereof. The due dates for the payment of installments normally shall be the first day of April, July, October and January of each year unless some other due date is established by the Board. Each installment of regular assessments and special assessments shall become delinquent if not paid within fifteen (15) days after its due date.

6.10 Maintenance Fund. Assessment charges so

collected shall be promptly deposited in a commercial bank account in a bank to be selected by the Board, which account shall be clearly designated: Solano Verde Ranch Homeowners Association Maintenance Fund Account. The Board or the manager, as the case may be,

shall have exclusive control over said account and shall be responsible to the Owners for the maintenance of accurate records thereof at all times. No withdrawal shall be made from said account, except to pay for the charges and expenses for the common benefit of all Owners.

6.11 Certificate of Payment. The Association shall, upon not less than twenty (20) days prior written notice, furnish to any Owner liable for assessment, a certificate in writing signed by an officer of the Association or the Association Manager setting forth whether the regular and special assessments on a specified lot have been paid and the amount of delinquency, if any. A reasonable charge of not less than Fifteen Dollars (\$15.00) may be made by the Board for the issuance of these certificates. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance

6.12 Collection of Assessments; Liens. The right to collect and enforce assessments is vested in the Board acting by and on behalf of the Association. The Board or its authorized representative can enforce the obligations of the Owners to pay assessments provided for in this Declaration by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to subsection 6.14 to enforce the lien rights created. Suit to recover a money judgment for unpaid assessments together with all other amounts described in Section 6.1 shall be maintainable without foreclosing or waiving the lien rights.

6.13 Creation of Lien. If there is a delinquency in the payment of any assessment, or installment on a lot, any amounts that are delinquent together with a late charge equal to fifteen percent (15%) of the overdue assessment plus interest at the rate of ten percent (10%) per annum, and all costs that are incurred by the Board or its authorized representative in the collection of the amounts, including reasonable attorneys' fees, shall be a lien against such lot on the recordation in the office of the County Recorder of Ventura County of a Notice of Delinquent Assessment as provided in California Civil Code Section 1356. The Notice of Delinquent Assessment shall not be recorded unless and until the Board or its authorized representative has delivered to the delinquent Owner or Owners of such lot, not less than fifteen (15) days before the recordation of the Notice of Assessment, a written Notice of Default and a demand for payment, and unless such delinquency has not been cured within fifteen (15) days after delivery of notice. The lien shall expire and be void unless, within one (1) year after recordation of the Notice of Delinquent Assessment, the Board or its authorized representative records a Notice of Default as provided in this Declaration or institutes judicial foreclosure proceedings. No Owner may waive or exempt himself or his lot from liability for such amounts by nonuse of the common area or abandonment of his lot. The Board may waive any late charge, interest, or collection costs in any particular instance.

6.14 Notice of Default; Foreclosure. Not more than one (1) year nor less than ten (10) days after the recording of the

notice of delinquent assessment, the Board or its authorized representative can record a Notice of Default and can cause the lot to be sold in the same manner as a sale is conducted under California Civil Code Sections 2924, 2924b and 2924c, or through judicial foreclosure. In that connection, the Association shall act as Trustee in handling any private sale. However, as a condition precedent to the holding of any such sale under Section 2924c, appropriate publication shall be made. In connection with any sale under Section 2924c the Board is authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California as trustee for purposes of conducting the sale. If a delinquency is cured before sale, or before completing a judicial foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the County Recorder of Ventura County a certificate setting forth the satisfaction of such claim and release of such lien on payment of a reasonable fee, not less than One Hundred Dollars (\$100.00) to cover actual expenses incurred, plus reasonable attorneys' fees not to exceed Two Hundred Fifty Dollars (\$250.00) by any delinquent Owner. During the pendency of any foreclosure proceeding, whether judicial or by power of sale, the lot Owner shall be required to pay to the Association reasonable rent for the lot and the Association shall be entitled to the appointment of a receiver to collect the rent. On becoming delinquent in the payment of any assessments, or installments, each delinquent Owner shall be deemed to have absolutely assigned all rent, issues, and profits of his lot to the Association and

shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association through specific performance). The Association, acting on behalf of the Owners, shall have the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

6.15 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Declaration, the benefit of any homestead or exemption laws of California in effect at the time any assessment, or installment becomes delinquent or any lien is imposed.

6.16 Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.

6.17 Subordination of the Lien of Mortgages. The lien of the assessments provided for herein shall be subordinate only to the lien of any first priority deed of trust or first mortgage (and not to any second priority deed of trust or mortgage). Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to foreclosure, based upon any first priority deed of trust or mortgage, shall extinguish the liens of such assessments as to payments which became due prior to such sale or transfer. No such sale or

transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof. Any purchaser or grantee in the event of foreclosure under any second priority trust deed or mortgage shall take subject to the obligation to pay all past-due and future assessments. Each Owner does hereby waive to the extent of any liens created pursuant to this Section the benefit of Section 1237 et seq. of the California Civil Code, Section 690.31 of the California Code of Civil Procedure, and any other homestead or exemption laws of the State of California, in effect at the time any assessment becomes delinquent or any lien is imposed, pursuant to the terms hereof.

7. DUTIES AND POWER OF THE ASSOCIATION.

7.1 Administration of Project. The Owners and each of them, together with all parties bound by this Declaration, covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the Bylaws, and such rules and regulations as may be adopted by the Board, and amendments, changes, and modifications thereto, as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Bylaws, or said rules and regulations, the provisions of this Declaration shall prevail.

7.2 Creation of Board of Directors. The members of the Association shall hold an organizational meeting within forty-five (45) days of the closing of escrow for the sale of the lot which represents the fifty-first (51st) percentile interest authorized for sale under the Final Subdivision Public Report for

the Project, or six (6) months after the closing of the escrow for the first lot, whichever occurs first.

7.3 Authority of Board. Prior to the organizational meeting and thereafter, until their successors are elected, the initial Board or its duly appointed successors, elected by the Declarant, shall manage or cause to be managed the affairs of the Association. The Board, as constituted from time to time, shall at all times be responsible for the day-to-day operation and management of the affairs of the Association, and shall have the sole power and duty to perform and carry out the powers and duties of the Association as set forth in this Declaration and the Bylaws, together with the powers and duties otherwise expressly delegated to the Board by this Declaration or the Bylaws, except for action or activity expressly set forth herein or in the Bylaws, or the California Corporations Code, as requiring the vote or assent of members of the Association, or a given percentage thereof. Without limiting the generality of the foregoing, the Association, acting through the Board, shall:

7.3.1 Own, maintain, improve, construct, reconstruct (in the event of deterioration or destruction) and manage all of the common area and improvements, lighting, and landscaping thereon, and all property acquired by the Association, and to pay all the costs thereof.

7.3.2 Pay all real and personal property taxes and other charges assessed against the common area, unless said assessments are included in the assessments to the lots.

7.3.3 Have the authority to obtain, for the benefit of the common area electric service.

7.3.4 Grant easements where necessary for utilities and sewer facilities over the common area to serve the common area.

7.3.5 Maintain such policy or policies of insurance on the common area as the Board of Directors of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members.

7.3.6 Enforce applicable provisions of this Declaration and the Bylaws and Articles of Incorporation of the Association and establish, modify from time to time, and enforce uniform rules and regulations pertaining to the maintenance and use of the lots and the common area, including but not limited to, signs, refuse collection and disposal, maintenance standards, parking, traffic control, view obstruction, noise, animal maintenance and control, and architectural restrictions. The Association may exercise all rights in law and equity, hire legal counsel, and levy fines for any violation by an Owner, guest, tenant, agent, or children, not to exceed One Hundred Fifty Dollars (\$150.00) per violation. Any action by the Association to levy fines shall be taken at a special meeting of the Board held after the accused Owner has been given fifteen (15) days prior written notice of such meeting, indicating the factual basis for the breach of the rules, where such Owner shall have the right to appear and be heard not less than five (5) days prior to the effective date of the disciplinary action, as more specifically set forth in Article IV, Section IV-2(c) of the

Bylaws which satisfies the minimum requirements of Section 7341 of the California Corporations Code. Such fine may be collected as an additional assessment. Such rules shall be mailed to each Owner on his purchase of a lot and upon each subsequent modification thereof, and may be recorded.

7.3.7 Contract for materials and/or services for the common area or for the Association, with the term of any service contract limited to one (1) year, unless a longer term is approved by a majority of the voting power of each class of members of the Association. Any such contract entered into prior to the organizational meeting shall terminate within thirty (30) days thereafter.

7.4 Exterior Maintenance of Lots. The Association shall not be responsible for exterior maintenance of dwelling units, walks, driveways, landscaping, orchards, open or cultivated areas or any other improvements. Said exterior maintenance is the responsibility of each respective lot Owner. Strict compliance to the architectural control provisions of Section 8 herein shall be required of all, Owners with regard to all said maintenance and repair. Each respective lot Owner shall be responsible for landscaping and landscape maintenance within the area reasonably considered as the yard of the residence on each lot and for maintaining and repairing of the driveways, walks and fences, and for maintaining all areas within the lots reasonably weed free and for maintaining good farming or animal husbandry practices so as to avoid any threat to the productivity of other lots. Such responsibility shall include the duty to maintain the

dwelling, driveways, walkways and fencing in a good, neat, clean, and well-painted condition, including but not limited to repairing, painting, resurfacing, and/or maintaining the roof, doors, exterior walks, siding, stucco, windows, and screens of the dwelling, and walks and¹ driveways.

Each lot Owner shall perform necessary rodent and insect control activities on his lot. Each lot Owner shall properly maintain his private on-site sewage disposal system, if any, so as to comply with all Ventura County Health and Sanitation requirements. In the event any Owner fails to fulfill any of his obligations hereunder which are the responsibility of such Owner as provided above in a manner satisfactory to the Architectural Committee, then, upon vote of a majority of the Board of Directors and after not less than thirty (30) days notice to the Owner, the Association shall have the right through its agents and employees (but not the obligation) to enter upon the lot at any time during daylight hours to provide such maintenance or make such repairs or replacements Pursuant to Section.

6.5, the cost thereof shall be added to the assessments chargeable to such lot and shall be payable to the Association by the Owner of such lot within thirty (30) days of notice thereof and an opportunity to be heard satisfying the requirements of Section 7341 of the California Corporations Code, as set forth in Article IV, Section IV-2(c), of the Bylaws.

7.5 Access at Reasonable Hours. For the purpose solely of exercising its right to do landscape and other maintenance and repair and for inspection to ascertain if the Owner is in default of any of his obligations hereunder, the Association shall have a nonexclusive easement and right of entry for its agents or employees to enter upon any lot at any time without notice during daylight hours, or, in the event of an emergency, at any time. If entry into a dwelling is necessary to accomplish said maintenance and repair, the lot Owner shall permit said entry by the Association's agents or employees on due notice, no less than twenty-four (24) hours, or by mail on no less than three (3) days prior to such entries. Neither the Association nor its agents shall be liable for trespass or invasions of privacy or otherwise for exercising this right of entry.

7.6 Liability and Indemnification of Officers and Directors. The Association may indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors) to which he may be made a party by reason of being or having been an officer or director, whether or not such person is an officer or director at the time such expenses are incurred; except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on

behalf of the Association (except to the extent that such officers or directors may also be members of the Association) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director may be entitled. The Association may, at the Board's option, as a common expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

7.7 Owner Liability for Children and Guests. Each and every lot Owner and their agents and employees and any tenant occupying a unit with the consent of the Owner shall be jointly and severally liable for all property damage, to the extent not covered by insurance, occurring to the common area or the lots or any improvements thereon, no matter how occurring if such damage is proximately caused by the acts or omissions of the Owner or his agents, employees, guests, invitees, or children (whether or not minors). Said Owner(s) shall be assessed for all such damages as reimbursement assessments, including costs and attorney's fees, and such assessments shall be due and payable within thirty (30) days after written notice thereof.

7.8 Insurance. The Association shall obtain and maintain comprehensive public liability insurance insuring the Association, any manager, the Declarant, and the Owners and occupants of dwelling units, and their respective family members,

guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the common area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000 covering all claims for death, personal injury, and property damages arising out of a single occurrence. Such insurance shall include coverage against liability for nonowned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location, and use.

8. ARCHITECTURAL COMMITTEE.

8.1 Organization. There shall be an Architectural Committee consisting of three (3) persons.

8.2 Designation of Members and Terms of Office.

(a) Initial Members. The initial members of the Architectural Committee shall be appointed by Declarant. The Declarant shall designate said members prior to the conveyance of the first lot to a public purchaser. Such designation shall be reflected in the Minutes of the Association. Each of said members shall serve for a term of two (2) years unless they have resigned or been removed from office and the terms of all Architectural Committee members appointed thereafter shall be one (1) year. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term. Members who have resigned, been removed or whose terms have expired may be reappointed; however, no person shall serve

as a member of the Architectural Committee, either regular or alternate, for a period in excess of six (6) years in any ten (10) year period.

(b) Appointment and Removal. The Declarant reserves to itself the power to appoint a majority of the members of the Architectural Committee until ninety percent (90%) of the lots within the Project have been sold or until the fifth anniversary of the date of issuance of the Final Subdivision Public Report for the Project. After one (1) year from the date of issuance of the Final Subdivision Public Report for the Project, the Board shall have the power to appoint one (1) member to the Architectural Control Committee until ninety percent (90%) of the lots within the Project have been sold or until the fifth anniversary of the date of issuance of the Final Subdivision Public Report for the Project. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Control Committee. Architectural Control Committee members appointed by the Board shall be members of the Association. Members appointed to the Architectural Control Committee by the Declarant need not be members of the Association. Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the specification in the Minutes of the Board of each new Committee member or alternate member of the Board or alternate member appointed and each member or alternate member replaced or removed from the Architectural Committee.

(c) Resignations. Any member or alternate member of the Architectural Committee may at any time resign from the

Committee upon written notice delivered to Declarant or to the Board, whichever then has the right to appoint members.

(d) Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant or the Association, whichever then has the power to appoint members. In the event that a vacancy has not been filled within two (2) months, an interim appointment may be made by the remaining members of the Architectural Committee.

8.3 Duties. It shall be the duty of the Architectural Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Association, and to carry out all other duties imposed upon it by these restrictions.

8.4 Meetings. The Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the Architectural Committee shall constitute an act by the Architectural Committee. The Architectural Committee shall be entitled to reasonable compensation and reimbursement for reasonable expenses incurred by them in the performance of any Architectural Committee function. The Architectural Committee shall keep and maintain for three (3) years a record of all actions taken.

8.5 Architectural Committee Rules. The Architectural Committee may, from time to time and in its sole discretion, adopt, amend and repeal, by unanimous vote, rules and regulations to be known as "Architectural Committee Rules". Said Rules shall

interpret and implement the provisions hereof by setting forth the standards and procedures for Architectural Committee review and guidelines for architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, which are recommended for use in the Project, provided, however, that said Rules shall not be in derogation of the minimum standards required by these Restrictions. In promulgating such Rules, the Architectural Committee shall consider that corral fencing is preferably to be pipe or wood and painted white; metal buildings or sheds should be obscured from view, outbuildings should be of similar exterior material, roofing, color and design as the residence.

8.6 Application for Approval of Improvements. No work on any new residence, guest house, outbuilding, fence, wall, shed, patio cover, or other structure and no grading involving the removal or relocation of 100 cubic yards of earth at once or in stages, shall be commenced, nor shall any addition, attachment, change or alteration be made to the exterior of any of the foregoing, including any fence or wall, or change of color; nor shall any planting be commenced which is reasonably likely to obstruct the view of a nearby residence without the prior written approval of the Architectural Committee and compliance with any building codes or similar regulations or ordinances. The application for approval shall describe the nature of the proposed work with such information as the Architectural Committee may require, including, but not limited to, (1) a plot plan of the lot showing the location of all existing and proposed

improvements; (2) floor plans; (3) elevation drawings; (4) samples of exterior materials and colors; and (5) the Owner's proposed construction schedule. The Architectural Committee may require that the application for approval in connection with any improvement to be constructed be accompanied by an inspection fee in an amount not to exceed One Hundred Dollars (\$100.00), increased, every five (5) years in accordance with any increase in the Consumer Price Index for the Los Angeles-Long Beach Area.

8.7 Basis for Approval of Improvements. The Architectural Control Committee shall grant the requested approval only if:

(1) The Owner shall have strictly complied with the provisions of Section 8.6 above;

(2) The Architectural Committee shall find that the plans and specifications, conform to these Restrictions, and to the Architectural Committee Rules, in effect at the time such plans were submitted to such Committee; and

(3) The members of the Architectural Control Committee in their sole discretion determine that the proposed improvements would be compatible with the standards of the Project and the purposes of these Restrictions as to quality of workmanship and materials, as to harmony of external design and quality with existing structures and topography, and as to location with respect to natural topography and finished grade elevations.

8.8 Form of Approval. All approvals given under Section

8.7 herein shall be in, writing; provided, however, that

any request for approval which has not been rejected within sixty (60) days from the date of submission thereof to the Architectural Committee shall be deemed approved. One set of all plans and specifications, and other materials submitted with the application shall be kept as a permanent record.

8.9 Proceeding with Work. Upon receipt of approval from the Architectural Committee pursuant to Section 8.7 above, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations pursuant to said approval, such commencement, in all cases, shall be within one (1) year from the date of such approval. If the Owner shall fail to comply with this Section, any approval given pursuant to Section 8.7 above, shall be deemed revoked unless the Architectural Committee, upon written request of the Owner made prior to the expiration of said one (1) year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Architectural Committee that there has been no change in the circumstances upon which the original approval was granted.

8.10 Failure to Complete Work. The Owner shall in any event complete the construction, reconstruction, refinishing, or alteration of any such improvement within one year after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control

of the Owner or his agent. If Owner fails to comply with this Section, the Architectural Committee shall notify the Board of such failure, and the Board shall proceed in accordance with the provisions of Section 8.11 below, as though the failure to complete the improvement were a noncompliance with approved plans.

8.11 Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(1) Upon the completion of any construction or reconstruction or the alteration or refinishing of the exterior of any improvements, or upon the completion of any other work for which approved plans are required under this Section, the Owner shall give written notice thereof to the Architectural Committee.

(2) Within sixty (60) days thereafter, the Architectural Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans. If the Architectural Committee finds

that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such noncompliance with such sixty (60) day period, specifying particulars of noncompliance, and shall require the Owner to remedy such noncompliance.

(3) If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall have failed to remedy such noncompliance, the Architectural Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held

regarding the alleged noncompliance. The hearing date shall be not more than thirty (30) days nor less than fifteen (15) days after notice of the noncompliance is given to the Board by the Architectural Committee. Notice of the hearing date shall be given at least fifteen (15) days in advance thereof by the Board to the Owner, the Architectural Committee and, in the discretion of the Board, to any other interested party.

(4) At the hearing, the Owner, the Architectural Committee and, in the Board's discretion, any other interested person may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board, shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board, in its discretion may grant, the Board, at its option, may either remove the noncomplying improvement, remedy the noncompliance or seek an injunction requiring the Owner to do so. The Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy a reimbursement assessment against such Owner pursuant to Section 6.5 hereof.

(5) If for any reason the Architectural Committee fails to notify the Owner of any noncompliance within sixty (60) days after receipt of said notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans.

8.12 Application for Preliminary Approval. Any Owner proposing to construct improvements requiring the prior approval of the Architectural Committee may apply to the Committee for preliminary approval by submission of preliminary drawings of the proposed improvements in accordance with the Architectural Committee Rules. The purpose of the preliminary approval procedure is to allow an Owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Applications for preliminary approval shall be considered and disposed of as follows:

(1) Within thirty (30) days after proper application for preliminary approval, the Architectural Committee shall consider and act upon such request. The Architectural Committee shall grant the approval only if the proposed improvement, to the extent its nature and characteristics are shown by the application, would be entitled to a final approval of a full and complete application. Failure of the Architectural Committee to act within said thirty (30) day period shall constitute an approval. In granting or denying approval, the Architectural Committee may give the applicant such directions concerning the form and substance of the final application for approval as it may deem

proper or desirable for the guidance of the applicant.

(2) Any preliminary approval granted by the Architectural Committee shall be effective for a period of ninety (90) days from the date of the issuance thereof. During said period, any application for final approval which consists of proposed improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of these Restrictions, shall be approved by the Architectural Committee.

(3) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the subject improvements.

8.13 Waiver. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Committee under these Restrictions, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

8.14 Estoppel Certificates. Within thirty (30) days after written demand is delivered to the Architectural, Committee by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Association), the Architectural Committee shall record an estoppel certificate, execute by any two (2) of its members, certifying (with respect to any lot of said Owner) that as of the date thereof either (a) all improvements made and other work done upon or within said lot

comply with these Restrictions, or (b) such improvements or work does not so comply in which event the certificate shall also identify the noncomplying improvements or work and set forth with particularity the basis of such noncompliance. Any purchase from the Owner, or from anyone deriving any interest in said lot through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, Declarant and all Owners and such persons deriving any interest through them.

8.15 Liability. Neither the Architectural Committee nor any member thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development of any property within the Project; or (d) the execution and filing of an estoppel certificate pursuant to Section 8.14 herein, whether or not the facts therein are correct; provided, however, that such member has acted in good faith on the basis of such information as may be possessed by him. Without in any way limiting the generality of the foregoing, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of any architects, engineers or other outside consultants and any Owner with respect to the proposal submitted to it.

10. UTILITIES. Easements over the Project for the installation and maintenance of electric, telephone, television, antenna, water, gas and sanitary sewer lines and facilities, and for drainage facilities as shown on the recorded Parcel Map of the Project and as may be hereafter required or needed to service the Project, are hereby reserved by Declarant, together with the right to grant and transfer the same.

11. DAMAGE AND DESTRUCTION OF COMMON AREA. If any portion of the common area is damaged or destroyed by fire or other casualty, then:

11.1 If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the Board of Directors shall thereupon contract to repair or rebuild the damaged portions of the common area substantially in accordance with the original plans and specifications therefor;

11.2 If the cost of repairing or rebuilding exceeds the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, and if the Owners holding an aggregate fifty-one percent (51%) interest in the common area agree to the repair or restoration of the Project, then the Board of Directors shall contract as provided in subsection 11.1 above. If said Owners do not so agree, then all insurance proceeds shall be applied to the account of the Board of Directors, to be held for the benefit of the Owners and their mortgagees as their respective interests shall appear.

to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or an Owner or Owners. However, any other provision to the contrary notwithstanding, only the Board of Directors or their duly authorized agents may enforce by self-help, any covenant, condition or restriction herein set forth. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Project is hereby declared to be a violation of this Declaration, Articles of Incorporation, and/or Bylaws and subject to any or all of the enforcement procedures herein set forth. Each remedy provided by the Declaration is cumulative and not exclusive. The failure to enforce the provisions of any covenant, condition or restriction contained in the Declaration, Articles of Incorporation and/or Bylaws shall not constitute a waiver of any right to enforce any such "provision or any other provisions of said Declaration, Articles of Incorporation and/or Bylaws. If any action is brought to enforce any of the covenants, conditions and restrictions of the Declaration, Articles of Incorporation and/or Bylaws, and any rule of conduct stated therein or any rule of conduct instituted by the Association or its Board of Directors whether said action be for money damages or for injunctive relief, the prevailing party shall be entitled to all litigation expenses, including reasonable attorney's fees.

12.2 Severability. Invalidation of any one of the covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

12.3 Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended by a notarized instrument signed by Owners of not less than seventy-five percent (75%) of the lots. However, if the two (2) class voting structure is still in effect, the vote or written consent of not less than seventy-five percent (75%) of each class shall be required. Any material amendment shall be effective upon recordation in Ventura County and only upon approval by the State of California Department of Real Estate pursuant to Section 11018.7 of the Business and Professions Code, or any other similar law, if applicable.

Notwithstanding the above, the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

Prior to the close of the first sales escrow, Declarant shall have the right to amend this Declaration by executing and recording in the Office of the Ventura County Recorder the desired amendment hereto, after receiving prior written approval of the State of California Department of Real Estate, if required, and any other state administrative agency then having regulatory jurisdiction over said Project and the recording of said amendment shall be presumed to be valid as to anyone relying thereon in good faith.

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Notwithstanding the foregoing, no amendment or revocation of any provision of this Declaration shall be effective without the prior written consent of the County of Ventura, provided, however, that such consent shall not be withheld due to or conditioned upon any requirements which do not have a direct relationship with the amendment proposed.

12.4 Encroachment Easement. Each lot within the Project shall be subject to an easement for the benefit of owners of adjoining lots for the purpose of:

12.4.1 Accommodating any encroachment due to engineering errors in original construction, settlement, or shifting of the building, or any other cause;

12.4.2 Drainage of water onto the adjoining lot, provided, however, said lot Owner shall be obligated to make repairs for damages caused by such drainage.

There will also be easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any lot is partially or totally destroyed and then repaired or rebuilt, the Owners of each lot agree that minor encroachments over adjoining lots shall be permitted, and that there shall be easements for the maintenance of said encroachments so long as they shall exist.

12.5 Sales Easement. Declarant shall reserve and retain (1) the right to own, maintain and reasonably use all unsold lots in the Project as a sales office; (2) the right to reasonable ingress and egress upon the common area for sales purposes so that prospective lot purchasers may inspect and view the Project; and (3) an easement for maintenance and reasonable use of sales signs and flags in the common area. Said rights shall continue until all lots have been sold by Declarant, or its successor, or until the expiration of three (3) years from the date of recordation of this instrument, whichever first occurs.

12.6 No Racial Restrictions. No Owner nor the Association shall execute or file or record any instrument which imposes a restriction upon the sale, lease or occupancy of his unit on the basis of race, creed, or color.

12.7 Books and Records of the Association. Books and records of the Association and books and records of any agent thereof pertaining to the maintenance fund or any other funds may be inspected or audited by any Owner or his duly authorized representative for such purposes, at all reasonable times.

12.8 Taxes. Each Owner shall pay any real and personal property taxes separately assessed against his respective lot and all utility charges separately metered or charged against his lot, and such payments shall be made, by each Owner in addition to and separately from assessments otherwise payable to the Association by each such Owner.

12.9 Liberal Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the

operation of the Project for the mutual benefit of all Owners,

12.10 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, successors, assigns, and sublessees of the Owners.

12.11 Waiver of Breach of Declaration. No waiver of any breach of any of the covenants or conditions of this Declaration shall constitute a waiver of any succeeding or preceding breach of the same or any other covenant or condition herein contained. It is expressly acknowledged that due to the few number of lots in the Project, the large lot sizes, and the usual congeniality of neighbors, there may be instances where the Association may not prohibit or require prior approval of modifications to the existing structures, installation of new ones, or other violations of this Declaration because no affected neighbor complains. No such waiver shall be construed or admissible as a defense to any action to enforce this Declaration as to any other violation instituted due to the complaint of an affected neighbor or anyone else or for any other reason.

12.12 Delivery of Notices and Documents. Any written notice or document required by this Declaration may be delivered personally or by mail. If by mail, such notice, unless expressly provided for herein or in the Bylaws to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

12.12.1 If to an Owner, other than Declarant, to the address of any lot in the Project owned by him in whole or in part, or to the address last furnished to the Board by such Owner for the purpose of giving notice and delivering documents. Each Owner, other than Declarant, shall file in writing with the Board, promptly upon becoming an Owner, his address for the purpose of giving notice and delivering documents and shall promptly notify the Board in writing of any subsequent change of address.

12.12.2 If to Declarant, whether in its capacity as an Owner or otherwise to 951 Westlake Boulevard, Suite 200, Westlake Village, California 91361, or such other address as may be designated for notices by the Declarant to the Association secretary.

12.12.3 Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth herein for the giving of notice to Declarant. Thereafter, notices to the Board shall be addressed to the secretary of the Association, and the Board shall cause the address of the secretary to be listed in the telephone directory for the County of Ventura.

12.13 Notification of Transfer. Within five (5) business days after any transfer of any lot, the transferee shall notify the Board in writing of: (1) the name of the transferee and his transferor: (2) street address or lot number of the lot transferred: (3) transferee's mailing address; and (4) date of the transfer. Prior to receipt of such notification any and all communications required or permitted to be given by Declarant or the Board or any agent or representative thereof, shall be deemed

12.12.4 If to an Owner, other than Declarant, to the address of any lot in the Project owned by him in whole or in part, or to the address last furnished to the Board by such Owner for the purpose of giving notice and delivering documents. Each Owner, other than Declarant, shall file in writing with the Board, promptly upon becoming an Owner, his address for the purpose of giving notice and delivering documents and shall promptly notify the Board in writing of any subsequent change of address.

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13. PROTECTION OF MORTGAGEES.

13.1 Mortgage Permitted. Any Owner may encumber his lot with a mortgage.

13.2 Subordination. Any lien created or claimed under the provisions, of this Declaration is expressly made subject to and subordinate to the rights of any first mortgage that encumbers all or a portion of the development, or any lot, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such mortgage unless the mortgagee expressly subordinates his interest, in writing, to. such lien.

13.3 Distribution of Insurance and Condemnation Proceeds. No lot Owner, or any other party, shall have priority over any right of first mortgagees of lots pursuant to their mortgages in case of a distribution to lot Owners of insurance proceeds or condemnation awards for losses to or taking of lots or common area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected mortgagees naming the mortgagees, as their interests may appear.

13.4 Foreclosure. If any lot is encumbered by a first mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments shall not operate to affect or impair the lien of the first mortgage. On foreclosure

of the first mortgage, the lien for assessments, or installments that has accrued up to the time of foreclosure, shall be subordinate to the lien of the mortgage, with the foreclosure-purchaser taking title to the lot free of the lien for assessments or installments that has accrued up to the time of the foreclosure sale. On taking title to the lot, the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the lot. The subsequently levied assessments or other charges may include previously unpaid assessments provided all Owners, including the foreclosure-purchaser, and his successors and assigns, are required to pay their proportionate share as provided herein.

13.5 Non-Curable Breach. Any mortgagee who acquires title to a lot by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

13.6 Loan to Facilitate. Any mortgage given to secure a loan to facilitate the resale of a lot after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this Section.

13.7 Right to Furnish Information. Any mortgagee may furnish information to the Board concerning the status of any mortgage, and the same shall not be construed by the mortgagee as

a violation of his right of privacy or confidentiality.

13.8 Conflicts. In the event of any conflict between any of the provisions of this Section 13 and any other provisions of this Declaration, the provisions of this Section 13 shall control.

14. SCHOOL FACILITIES FEE.

14.1 It is acknowledged that the Declarant has executed, as a condition to the approval and recordation of the original Parcel Map for Parcel Map 3361, agreements to cause a fee to be paid to the Somis School District and the Oxnard High School District upon the issuance of a building permit for each lot. The amount of the fee is to be pursuant to District policy (which changes from time to time), effective as of the date the permit is issued.

14.2 Upon conveyance of each unimproved lot within the Project, the buyer thereof, by accepting title, shall thereby be automatically, without any other express agreement, obligated to pay said fees when the same become due and further agrees to personally assume the obligation of Declarant under said agreement with respect to the lot so purchased and to indemnify, defend and hold the Declarant harmless, of any liability, claims, obligations or expenses, including attorneys fees, arising out of any default or claim of default by any subsequent Owner of such lot in paying said fees when due.

14.3 Nothing contained herein shall be construed in obligating the buyer of any particular lot for the payment of

fees or otherwise with respect to other lots in which such buy has no interest.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this Declaration of Covenants, Conditions and Restrictions this ____ day of _____, 1981.

SOMIS, a Limited Partnership

By _____
George L. Dobson,
"General Partner"