

**PROPOSED
AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF
BEN JOHNSON'S FAIRWAYS HOMES PROPERTY OWNERS' ASSOCIATION
Thousand Oaks, California**

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**PROPOSED AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
BEN JOHNSON'S FAIRWAYS HOMES PROPERTY
OWNERS' ASSOCIATION
A Planned Development
Thousand Oaks, California**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions of BEN JOHNSON'S FAIRWAYS HOMES PROPERTY OWNERS' ASSOCIATION, a California non-profit mutual benefit corporation, is made this day of _____, 20____, by the undersigned with reference to the following:

RECITALS

A. A *Declaration of Covenants, Conditions, and Restrictions* ("Original Declaration") was executed by Coast Mortgage & Realty Investors, a California corporation, and recorded on May 9, 1979, as Instrument No. 047410 in the Official Records of Ventura County, for the real property legally described as:

Lots 1 to 113, inclusive of Tract 2996, in the City of Thousand Oaks, County of Ventura, as per Map recorded in Book 80, pages 88 through 93 or miscellaneous records of said County.

Lots 115 to 118, inclusive, of Tract 2996, in the City of Thousand Oaks, County of Ventura, as per Map recorded in Book 80, Pages 88 through 93 or miscellaneous records of said County.

B. An *Amendment to Declaration of Covenants, Conditions and Restrictions* ("First Amendment") was executed by the Ben Johnson's Fairways Homes Property Owners' Association, and recorded on June 2, 1994, as Instrument No. 94-095569 in the Official Records of Ventura County, for said real property.

C. The undersigned certify and confirm that the necessary percentage of the Owners of the Lots required by the Declaration, as amended or restated, have approved this Amended and Restated Declaration of Covenants, Conditions and Restrictions, which follows.

D. All provisions of the Original Declaration and amendments described above are hereby deleted, canceled, and revoked in their entirety, and the following new provisions inserted in their place to supersede said Declaration, as amended.

E. All real property in the Development shall be held, conveyed, leased, rented, used, occupied, hypothecated, encumbered, and improved, subject to the

covenants, conditions, restrictions, and easements set forth in this Declaration, for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development, all of which shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

F. The Property which is the subject of this Declaration possesses great charm and natural beauty which the Association intends to preserve through the use of a coordinated plan of development and the terms of this Declaration; and it is assumed that each purchaser of property in Ben Johnson's Fairway Homes will be motivated to preserve these qualities through community cooperation and by enforcing not only the letter but also the spirit of this Declaration, and it is the intention of the Association that each covenant, condition and restriction contained herein shall be understood and construed to achieve the objective of preserving the charm and natural beauty of the area and the value of each Lot therein.

ARTICLE I

APPLICATION AND CONSTRUCTION

1.1 Application. This Declaration applies to all Common Areas and Lots within the Development, as well as their respective Owners, Tenants, Residents, and Invitees. Any Lease shall provide that all Tenants, Residents, and Invitees are bound by the Governing Documents. All present and future Owners, Tenants, Residents, and Invitees shall be subject to, and shall observe, comply with and abide by, each and every provision of the Governing Documents, as defined herein, for the purpose of protecting the interests of all Owners and the Common Areas. The acceptance of a deed, Lease, or contract of sale with respect to any Lot, or occupancy of any Lot, shall constitute consent and agreement that each and all of the provisions of the Governing Documents, as defined herein, shall be binding and that said person(s) will observe and comply with them.

1.2 Term. This Declaration and its provisions shall continue to run with, benefit, and burden the Lots and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, and their respective successors in interest, for a term of sixty (60) years from the date of the recording of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial 60-year term or any such 10-year extension period, a written instrument, approved by seventy-five percent (75%) of all Owners terminating the effectiveness of this Declaration shall be recorded in the Official Records of Ventura County.

1.3 Conflicts. In the case of any conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. The Rules, Architectural

Guidelines, Board Resolutions, and all other policies are subordinate to, and shall not be inconsistent with or materially alter, any provision of the other Governing Documents.

1.4 General Plan. The Governing Documents create and perpetuate a general plan of development for the Development, and may be supplemented by additional covenants, restrictions, and easements applicable to particular areas within the Development, which may be more restrictive than the provisions of this Declaration, in which case the more restrictive provisions shall control as to the encumbered area. The Association may enforce any such additional covenants, restrictions, or other instruments, but unless required by this Declaration, shall be under no obligation to do so.

1.5 Construction of Declaration.

A. Restrictions Construed Together. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property, as set forth in this Declaration.

B. Restrictions Severable. Notwithstanding the provisions of Paragraph A above, the covenants, conditions, and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

ARTICLE II

DEFINITIONS

2.1 "Architectural Guidelines" means those Rules adopted pursuant to Article VII hereof, to govern alterations and improvements to Lots, Common Areas and Exclusive Use Common Areas.

2.2 "Architectural Committee" or "AC" refers to any committee established to govern alterations and improvements to the Development pursuant to Article VII hereof, or to the Board, if serving in that capacity.

2.3 "Articles" refers to the Articles of Incorporation of the Association, as filed with the California Secretary of State.

2.4 "Assessment" means any Regular, Special, or Special Individual Assessment levied or imposed by the Association against an Owner and his or her Lot in accordance with this Declaration.

2.5 "Association" means Ben Johnson's Fairways Homes Property Owners' Association, a California non-profit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined by applicable law.

2.6 "Board" means the Board of Directors of the Association.

2.7 "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.

2.8 "Common Area" means (i) all real property (including any Improvements thereon) owned or to be owned by the Association for the common use and enjoyment of the Owners and (ii) all real property (including the Improvements thereon) over which the Association or the Owners own or will own or an easement for the maintenance of the area for the benefit of the Owners. The Common Area owned by the Association at the time of recordation of this Declaration is defined pursuant to Civil Code Section 4095, or its amendments, including without limitation all property except the Lots therein.

2.9 "Common Driveway Easements" refers to a portion of the Common Area over which an easement is reserved, as shown and described in the Subdivision Map and/or the deed to the Lot, as described in **Exhibit "A"** attached hereto.

2.10 "Common Expense" means any use of Common Funds authorized by this Declaration, by law, or by the Bylaws, including without limitation, expenditures for the administration, management, operation, insurance, maintenance, improvement, replacement, repair, addition, alteration or reconstruction of all or any portion of the Common Area and any Maintenance Area; any amounts estimated to be reasonably necessary for reserves for anticipated long-term maintenance, repair and replacement of capital improvements upon the Common Area and any Maintenance Area (the cost of which would not ordinarily be incurred on an annual basis); taxes paid by the Association; expenditures for the discharge of any lien or encumbrance levied against any Common Area; expenditures in collecting Assessments, including amounts expended to purchase a Lot in connection with the foreclosure of an Assessment lien against such Lot; unpaid Assessments; contingencies; and the service obligations of the Association, including costs for water, sewer, garbage, electrical, communications, gas, and other utilities services for the Common Area and (if not separately metered or charged) for the individual Lots. Common Expenses, however, shall not include the cost of any new construction, or unanticipated repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto.

2.11 "Common Funds" or "Operating Funds" mean all funds collected or received by or on behalf of the Association and/or due and payable to the Association, including but not limited to the proceeds from insurance carried or obtained by the

Association which are payable to or received by the Association for the benefit of the Owners or otherwise.

2.12 "Declarant" refers to the original Developer of the Development, i.e., Coast Mortgage & Realty Investors, a California corporation.

2.13 "Declaration" means this instrument, as it may be amended or restated from time to time.

2.14 "Development" means the Property, and all Improvements on the Property, which are intended to create a planned development as described by applicable law.

2.15 "Exclusive Use Common Area" means a portion of the Common Area over which an exclusive easement(s) is reserved appurtenant to one or more, but fewer than all, of the Lots, or otherwise designated for the exclusive use of one or more, but fewer than all, of the Owners of the Lots.

2.16 "Good Standing" shall mean those Members who are current in the payment of Assessments, fees, and fines, and who are not in violation of the Governing Documents, and/or not engaged as an opponent in any litigation or other formal action against the Association. Members who are more than thirty (30) days delinquent in the payment of their Assessments, fees or fines, or have been found in violation of the Governing Documents, following notice and hearing as described in the Bylaws, shall be in Good Standing only at such time as all Assessments, fees and fines are paid, any violations of the Governing Documents are cured, and any litigation or Board initiated litigation or formal action against the Association resolved or terminated.

2.17 "Governing Documents" means and refers to all of the following, collectively: this Declaration and recorded amendments and supplemental declarations, if any; the Subdivision Map; the Articles; the Bylaws; the Rules and Architectural Guidelines; and any Resolutions of the Board; all as the same may be lawfully amended or modified from time to time.

2.18 "Improvement" includes, without limitation, any buildings, walls, fences, swimming pools, landscaping, landscape structures, solar heating equipment, spas, saunas, utility lines, or any physical structure of any kind, or to the construction, installation, alteration, or remodeling of any such structure. In no event shall the term "Improvement" be interpreted to include improvement projects that are restricted entirely to the interior of any Residence and which involve no modification of or entry into the roof, foundation or slab, or Party Walls or other load bearing walls, nor any alteration, modification, or additional stress upon any physical portion or mechanical system (including plumbing or electrical systems) of the Common Area or of any other Residence.

2.19 "Invitee" means any person or entity entering any part of the Development for purposes relating to a Lot, or to any Owner, Tenant, or Resident thereof, including without limitation guests, vendors, contractors, maids, child care providers, health care providers, and any other visitor to a Lot.

2.20 "Lease" refers to an agreement between an Owner and a Tenant, as defined herein, for occupancy of a Lot or any part thereof. "Lease" includes any lease, rental agreement, occupancy agreement, contract of sale, or any other form of agreement providing for occupancy of a Lot by any person other than the Owner and his or her co-resident family members.

2.21 "Lot" shall mean any plot of land or parcel in the Development that is not part of the Common Area, as shown on any recorded Subdivision Map for the Development. When appropriate within the context of this Declaration, the term "Lot" shall also include the Residence and other Improvements constructed or to be constructed on a Lot.

2.22 "Maintenance Area" means any area within or outside of the Property which is not Common Area but which the Association is required to maintain by the Governing Documents, or by contract between the Association and any governmental authority.

2.23 "Manager" shall mean any person or company employed or retained by the Association to administer the operation, maintenance, and management of the Association and the Development.

2.24 "Member" means every person or entity who owns or exercises a Membership in the Association. The Members are the Owners of each of the one hundred thirteen (113) Lots which are located on the Property, as further described herein and in the Bylaws.

2.25 "Membership" refers to the legal relationship and status of being a Member of the Association, and an entitlement to the rights and privileges appurtenant thereto as defined herein and in the Bylaws. Membership rights and privileges may be limited or suspended as provided in the Governing Documents and by applicable law. "Membership" may also refer to the Members collectively.

2.26 "Owner" means any person or entity in which title to a Lot is vested as shown by the Official Records of Ventura County. Family members and entity officials in whom title to a Lot is not so vested are not "Owners" for purposes of this Declaration, notwithstanding their occupancy of the Lot.

2.27 "Property" means all land described in **Recital "A."**

2.28 "Record," and/or its variants, refer to a complete, valid, lawful, and verifiable document evidencing rights or title to any part of the Property, including without limitation a Lot, recorded in the Official Records of Ventura County, or to the process of recording a document in said Official Records.

2.29 "Residence" ~~refers to means~~ a private, single family attached dwelling and a private single family dwelling designed, constructed, or to be constructed on a Lot, together with garages, structures and other Improvements on the same Lot or parcel.

Commented [BT1]: This section has been revised to refer to "residence" as a private single family attached dwelling as well as a private single family dwelling (i.e., the one or possibly more residences that are not attached), as requested.

2.30 "Resident" means any natural person residing in a Lot or any part thereof, for any duration, including any Owner, Tenant, family member, guest, or otherwise.

2.31 "Residential Use" means occupancy and use of a Lot for single family dwelling purposes, and recreational and other purposes incidental to such purposes, in conformity with this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of persons who may occupy residential dwellings.

2.32 "Rules" or "Rules and Regulations" means any and all written operating rules, regulations, architectural standards or guidelines (including the Architectural Guidelines), and other policies lawfully adopted by the Board, all as the same may be in effect from time to time.

2.33 "Subdivision Map" means the Map recorded in Book 80, Pages 88 through 93 inclusive of Parcel Maps, in the Official Records of Ventura County], respecting the Property, and any amendments thereto pursuant to applicable law. A copy of the Subdivision Map may be obtained from the County Recorder.

2.34 "Tenant" means any natural person or entity occupying a Lot, except the Owner and his or her co-resident family members, with or without the payment of rent.

2.35 "Civil Code", "Corporations Code" and similar references shall refer to those California statutes so referenced and any and all comparable superseding statutes.

ARTICLE III

PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

3.1 Lot Ownership. Each Lot within the Development includes a fee simple interest in the Lot; a Membership in the Association; and any exclusive or nonexclusive easement(s) appurtenant to such Lot over the Common Area as described in the Declaration, the Subdivision Map, and the deed to the Lot. The fee title to all such elements of the respective Lot shall conclusively be deemed to be conveyed,

transferred or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to a Lot or Residence Unit.

A. Joint Ownership. In the event of joint ownership of any Lot, the obligations and liabilities of such Owners shall be joint and several. Joint and several liability shall apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments. All Owners may exercise rights to use and enjoy the Lot and Common Areas, subject to the provisions and limitations herein; ~~however, Owners of less than ten percent (10%) interests in any Lot shall not be considered "Members" for purposes of exercising certain rights and privileges of Membership, as further provided in the Bylaws.~~

Commented [BT2]: This Section has been revised to comport with the change in the law created by SB 323.

B. Entity Ownership. If fee title to a Lot is owned by any trust, LLC, corporation, partnership, or other impersonal entity, the entity shall be responsible for the obligations and liabilities of the Owner. Unless the entity designates a natural person to exercise the rights and privileges of Membership, such rights and privileges may be exercised only by the trustee(s), president, proprietor, managing partner, or similarly empowered executor of such entity's interests; however, the entity shall be deemed to delegate its rights to use and enjoy the Common Area to any Tenant(s) or Resident(s).

3.2 Ownership of Common Areas. The Common Areas shall be owned in fee by the Association.

3.3 Prohibition of Partition or Severance. No Owner shall have any right to partition, subdivide, or sever his or her Lot from the Development, except as such partition may be provided for in provisions of this Declaration relating to destruction or condemnation, or as otherwise provided by applicable law. Nothing herein shall prevent partition of a co-tenancy in a Lot.

3.4. Power of Attorney for Partition after Destruction or Condemnation. Each Owner hereby irrevocably appoints the Association as attorney-in-fact for partition of the Common Areas, when the same may lawfully be partitioned in cases of destruction and condemnation, and irrevocably grants to the Association full power in the Owner's name and stead to sell the Common Areas, and to execute deeds and conveyances to it in one or more transactions, for the benefit of all Owners. Such power of attorney shall: (a) be binding on all Owners, whether they assume the obligations under this Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Owners, subject to the prior approval by vote or written consent of a majority of the Members and institutional first Mortgagees; and (c) be exercisable only after Recordation of a certificate, executed by those who have power to exercise the power of attorney, confirming that the power of attorney is properly exercisable under applicable law. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

3.5 Prohibition on Avoidance of Obligations. No Owner, by non-use of the Common Area, abandonment of the Lot, or otherwise, may avoid the burdens and obligations imposed by the Governing Documents, including, without limitation, the payment of Assessments.

3.6 Termination of Obligations. Upon the conveyance, sale, assignment or other transfer of a Lot, the transferor Owner shall not be liable for any Assessments respecting such Lot which become due after the date of Recording of the instrument evidencing said transfer and, upon such Recording, all Membership rights possessed by the transferor by virtue of the ownership of said Lot shall cease.

3.7 Duty to Notify Association of Sales and Delegations. Each Owner or Owner's agent shall notify the Association in writing of any pending or proposed sale of a Lot, including the identity of any escrow company, proposed purchaser, or contract purchaser for the Lot. Each Owner or contract purchaser shall also notify the Association of the names of any person(s) to whom such Owner or contract purchaser has delegated any rights to use and enjoy the Property, and the relationship that each such person bears to the Owner or contract purchaser.

ARTICLE IV

LEASING OF LOTS

4.1 Delegation of Use and Leasing of Lots. Any Owner may delegate the rights to use and enjoy the Lot and the Common Area to Tenants or other Residents of the Lot, provided that any Lease must be for Residential Use, in writing, and for a term not less than one year.

A. During any period when a Lot has been Leased, the Owner, his or her family and Invitees shall not be entitled to use and enjoy the Common Areas, except to the extent reasonably necessary to perform any responsibilities of the Owner with respect to the Lot. However, this restriction shall not apply to an Owner who is contemporaneously residing in any other Lot.

B. Any Lease or contract of sale respecting a Lot shall be in writing and shall require the Tenant or contract purchaser to comply with the Governing Documents, all of which shall be deemed incorporated by reference in the Lease or contract of sale. The Owner shall provide to the Association a copy of the written Lease or contract of sale. The Lease shall require the Tenant to maintain renter's insurance, and proof of such insurance shall be provided to the Association prior to Tenant's taking possession. Each Owner shall provide any Tenant with a current copy of all Governing Documents and shall be responsible for compliance by the Tenant with all of the provisions of the Governing Documents during the Tenant's occupancy and use of the Lot.

C. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of Assessments or performance of the covenants, conditions and restrictions contained in this Declaration.

4.2 Eviction by Association. Subject to Section 4.7, in the event that any Tenant fails to honor the provisions of any Governing Document, the Association shall be entitled to take corrective action as it deems necessary or appropriate under the circumstances, which may include initiation of an action against the Owner to compel the Owner to evict the Tenant, or initiation of an eviction proceeding in accordance with this Article, or the imposition of disciplinary fines and penalties against the Owner and/or Tenant.

A. Whether or not such right is stated in any Lease, every Owner who Leases his or her Lot, or any portion thereof, automatically grants to the Association the right to determine a Tenant's default under the Governing Documents, which may result in terminating the tenancy and evicting the Tenant in the case of nuisance or damage as described herein. If the Board takes such eviction action, either in its own name or in the Owner's name, either directly against the Tenant or against the Owner, the Owner shall be responsible for all costs thereof, including reasonable attorney's fees, and shall reimburse the Association upon demand for the entire amount of such costs. If the Owner refuses to make such reimbursement, the sums shall be levied as a Special Individual Assessment.

B. The Association's right to maintain an eviction action hereunder is derived from applicable law and shall only arise if the Tenant's conduct causes damage to or destruction of Common Areas, improvements or other property of the Association, or the property of other Owners or Residents, or constitutes a nuisance or unreasonable interference with the quiet enjoyment of other Residents, or if such Tenant has occupied the premises without the Owner's permission and consent or without a written Lease.

4.3 Recoverable Costs and Expenses. In the event of: (i) damage to, or destruction of, Common Areas by a Tenant or the Owner of a Leased Lot; (ii) the imposition of a fine or penalty against an Owner as a result of any act or omission of his or her Tenant; or (iii) expenses incurred by the Association in the successful prosecution of an eviction proceeding pursuant to this Declaration, the Association shall be entitled to apply the security deposit to recover its costs and expenses. The Owner shall thereupon immediately reimburse the security deposit fund in an amount equal to the sums thus applied. Upon termination of the Lease and notification to the Association of such termination, the security deposit, or the balance thereof, if any, shall be refunded to the Owner without interest. As a condition to the Association's right to apply security deposit funds in the manner provided in Section 4.3 above, the

Association must give the Owner the notice and hearing rights specified in this Declaration and/or in the Bylaws.

4.4 Assignment of Rents. In the event of a default by the Owner in the payment of Assessments, late charges, fines, and collection costs, the Owner grants, conveys, and confers to the Association the right, power and authority to collect the rents from the Tenant and assigns such rents to the Association to be retained by the Association to pay such delinquent sums, which may include current Assessments. This assignment shall not become effective until after the Association has provided the Owner with notice and hearing rights specified in this Declaration and/or in the Bylaws. After complying with such notice and hearing procedures, the Association shall give written notice to the Tenant that all future rental payments shall be paid directly to the Association until the delinquent Assessment(s), fines, and collection costs are paid in full and, at the option of the Board, the Tenant may thereafter be required to deduct from rental payments paid to the Owner, the amount of the Assessment(s) due for each month and to pay that amount directly to the Association to be credited to the Owner's account.

A. Prior to any default in the payment of assessments, late charges, and fines, the Owner shall retain the right, power and authority to collect and retain all rents collected from the Lot.

B. The Association may exercise its right to collect rents through its Board, Manager, agents, attorneys, or through a receiver to be appointed by the Court.

4.5 Discipline of Tenants. Subject to Paragraph 4.7 below, in the event that any Tenant fails to honor the provisions of any Governing Document, the Association may, but shall not be obligated to, take such corrective action as it deems necessary or appropriate under the circumstances, which may include, but is not limited to suspension of the Tenant's privileges to use any recreational facilities, if any, or the imposition of fines and penalties against the Owner and/or Tenant.

Any fine or penalty levied pursuant to this Section shall be considered a Special Individual Assessment, but shall not be enforced by foreclosure of a lien. If a Special Individual Assessment is imposed as a result of the conduct of a Tenant, the Tenant agrees to be personally obligated for the payment of such assessments in the event the Owner fails to pay the assessments prior to the delinquency date. This provision, however, shall not be interpreted to release the Owner from any obligation, including the obligation to pay any duly imposed Special Individual Assessments for which such Owner would otherwise be responsible. Any Tenant charged with a violation of the Governing Documents is entitled to the same notice and hearing rights to which the Owner is entitled as provided in Section 4.7 below. Every Owner shall be responsible for assuring his or her Tenant's compliance with the Governing Documents.

4.6 Due Process Requirements for Disciplinary Action. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Property or to preserve the rights of quiet enjoyment of other Owners and Residents, the Association shall have no right to initiate disciplinary action against an Owner or Tenant on account of the misconduct of the Tenant unless and until the following conditions have been satisfied:

A. The Owner has received written notice from the Board, Manager or authorized representative detailing the nature of the Tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter. Such written notice shall be deemed satisfied by sending it to the Owner's address, as it appears in the Association's records.

B. The Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, not less than ten (10) days from the date of the notice.

C. The Owner has failed to prevent or correct the Tenant's objectionable actions or misconduct, or evict the Tenant.

~~4.7. Limitations. In order to comply with lenders' guidelines, prevent transient tenancy, and avoid increased insurance premiums, any Owner who acquires title to a Lot on or after the effective date of this provision may use the Lot as a Rental Lot, provided that Rental Lots do not exceed twenty five percent (25%) of the total number of Rental Lots in the Project, or a maximum of twenty-eight (28) Rental Lots.~~

Commented [BT3]: This Section has been removed as requested.

~~A. Waiting List. Once twenty five percent (25%) of the Lots become Rental Lots, the Board shall establish a waiting list to permit other Owners who have a genuine intent to rent their Lots to have the opportunity to do so, who shall be entitled to priority on a first-come, first-served basis. Once any Rental Lot ceases to be a Rental Lot as provided herein, the Owner entitled to priority on the waiting list shall be permitted to rent his or her Lot, unless the Owner having such priority is not ready, willing or able to do so at that time, in the reasonable judgment of the Board, in which case the Owner may remain on the waiting list but shall lose priority over any other Owners on the waiting list at that time.~~

~~B. Terminating Rental Lot Status. A Rental Lot shall not lose its status as a Rental Lot solely by virtue of the fact that a particular tenancy terminates, and any Owner who Leases his or her Lot in compliance with the Governing Documents may continue to Lease the Rental Lot, unless and until any of the following events occurs:~~

~~(1) The Owner sells or otherwise transfers title to the Lot, except for transfers allowed by Civil Code Section 4740;~~

~~_____ (2) The Owner, or his or her immediate family member(s), resume occupancy of the Lot; or~~

~~_____ (3) Upon the expiration of one (1) year following the termination of a rental tenancy, unless (a) the Owner has re-let the Lot within that period, (b) no other Owners are currently on any waiting list to Lease before such time as the Owner is able to secure a new tenant, or (c) the Owner was unable to re-let the Rental Lot by circumstances beyond his or her control, expresses a genuine intent to continue Leasing the Lot, and the Board grants an exception as described below.~~

~~_____ 4.8 Occupancy Prior to Rental. Prior to any Lease or acceptance on the waiting list to Lease, the Lot must be owned by its Owner for a period of not less than one (1) year.~~

~~_____ 4.9 Exemptions and Exceptions. Any Owner whose title pre-dates the date of recording of this provision shall be exempt from compliance with any provisions hereof that prohibit rental of his or her Lot. Furthermore, the Board may, in its sole and reasonable discretion, allow exceptions to any requirement(s) of this Section based upon death, illness, or dire emergency rendering an Owner unable to occupy his or her Lot, or in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships. Any request for such an exception shall be in writing, and shall include all relevant explanation and/or documentation of the circumstances supporting the request. The Board shall follow the procedures for notice and hearing described in Civil Code Section 5855 or any comparable or superseding law, when considering the request. Any decision on such a request shall be documented in writing, either in the minutes of a meeting or by formal resolution. If the Board does not respond in writing within sixty (60) days of any such request, the request shall be deemed denied. If the Board grants such an exception, no violation of the governing documents shall be deemed to have occurred, but an exception to any particular requirement hereof shall not be deemed to waive any of the remaining terms hereof.~~

ARTICLE V

BEN JOHNSON'S FAIRWAYS HOMES PROPERTY OWNERS' ASSOCIATION

5.1 Association Membership. One Membership shall be appurtenant to each Lot. Every Owner of a Lot shall be deemed a Member of the Association, except as described in this Declaration or the Bylaws. The Association shall have one class of Membership and the rights, duties, obligations and privileges of the Members shall be uniformly as set forth herein and in the Bylaws.

5.2 Transfer of Memberships. No Membership may be transferred, encumbered, pledged or alienated in any way, except upon the sale, transfer, or encumbrance of the Lot to which it is appurtenant and then only to the purchaser or transferee. In the case of a sale, inheritance, or other transfer, the Membership

transfers automatically to the transferee upon recording of a deed evidencing transfer of title to the Lot. In the case of an encumbrance, Membership does not transfer to a Mortgagee until Recording of a foreclosure or deed in lieu thereof. Delegation of rights does not constitute a transfer of Membership. Any attempt to make a prohibited transfer is void. In the event any Owner should fail or refuse to transfer his or her Membership to the lawful purchaser or other transferee, the Association shall have the right to record the transfer upon its books and thereupon any Membership in the name of the transferor shall be null and void.

5.3 Voting Rights of Members. Each Membership shall be entitled to one vote in any Membership action, or to one vote for each vacancy to be filled in an election, as provided in the Bylaws. In no event shall more than one such vote per action, or per vacancy, be cast with respect to any Lot. Voting rights may be temporarily suspended, following the notice and hearing procedures herein or in the Bylaws, for non-payment of Assessments or other violations of the Governing Documents.

5.4 Powers and Authority of the Association.

A. Powers Generally. The Association shall have the power, and responsibility, to manage and maintain the Common Areas and to discharge the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a non-profit corporation organized under the laws of the State of California in the ownership and management of the Property and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and Board shall have the power to do any and all lawful acts which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. The Association shall have the power to establish, fix and levy Assessments against the Lots and to collect and enforce payment thereof in accordance with the provisions of this Declaration and applicable law. Specific powers and limitations of the Association shall be as set forth in the Bylaws.

B. Association's Limited Right of Entry. The Association, and/or its agents, shall have the right, when necessary, to enter any Lot to perform the Association's obligations under this Declaration, including: (i) exterior maintenance or repair obligations; (ii) obligations to enforce the Governing Documents; (iii) any obligations with respect to construction, maintenance and repair of adjacent Common Areas; or (iv) after ten (10) days written notice, to make necessary repairs (including landscaping) to a Lot, Residence, or Exclusive Use Common Area (including the patio or yard area) that an Owner has failed to perform which, if left undone, will pose a threat

to, or cause an unreasonable interference with, any property, health, or welfare of the Association or other Owners.

In case of an emergency originating in or threatening the Lot where entry is required, or any adjoining Lots or Common Areas, the Association's rights of entry hereunder shall be immediate and the entry and repair may be performed whether or not the Owner, Tenant, or Resident of the Lot is present. In all other situations, the Association or its agents shall furnish the Owner, and any Tenant or other Resident, with at least 24 hours' written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry and shall make every reasonable effort to schedule and perform its entry and work in a manner that respects the privacy of the Resident(s). In no event shall the Association's right of entry, for non-emergency situations, be construed to permit the Association or its agents to enter any Lot without the Owner's express permission.

C. Security Owners, Residents, and Invitees of a Lot are responsible for their own personal safety and the security of their property in the Development. The Association may, but shall not be obligated to, maintain or support certain activities within the Development designed to enhance the level of safety or security which each person provides for himself and his property, but neither the Association nor any board member, Manager, agent or employee, shall in any way be considered an insurer or guarantor of safety or security within the Development, nor shall such parties be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

D. Enforcement of Association's Rights. The Association shall have the right to institute, defend, settle or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Owners, in matters pertaining to the following:

- (1) Enforcement of the Governing Documents.
- (2) Damage to the Common Area.
- (3) Damage to the Lots that the Association is obligated to maintain or repair.
- (4) Damage to the Lots that arises out of, or is integrally related to, damage to the Common Area or Lots that the Association is obligated to maintain or repair.

5.5 Association Rules.

A. Rule-Making Power. The Board may, from time to time, propose, enact, amend, or repeal reasonable Rules and Regulations. Such Rules may concern,

but are not limited to: (i) the management and use of the Common Area by Owners, Tenants, Residents, and Invitees; (ii) use of a Lot, including pets, conduct, leasing/rental of Lots and any aesthetic or architectural guidelines; (iii) discipline, including any procedure for conducting disciplinary proceedings and schedule(s) of monetary or other penalties for violation of the Governing Documents; (iv) standards and procedures for resolution of Assessment disputes, including for delinquent Assessment payment plans; (v) restrictions on the use and parking of vehicles within the Property; and any other matter within the authority of the Association as provided in the Governing Documents.

B. Adoption and Amendment of Rules.

(1) Notice. The Board shall provide written notice to the Members of a proposed rule change, except for an emergency rule change, at least thirty (30) days before making the rule change. The notice shall include the text of, and a description of the purpose and effect of, the proposed rule change.

(2) Adoption. A decision on a proposed rule change shall be made at a meeting of the Board, after consideration of any comments made by Members.

(3) Distribution of Rules. As soon as possible, but not more than 15 days, after making a rule change, the Board shall mail or otherwise deliver notice of the rule change to each Member and each Lot. If an emergency rule change is made under paragraph (4), the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.

(4) Emergency Rule Change. If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change without prior notice to the Members. An emergency rule change is effective for 120 days, unless the rule change provides for a shorter effective period. An emergency rule change made may not be readopted.

C. Reversal of Rule Change.

(1) Five percent (5%) or more of the Members may call a special meeting of the Members to reverse a rule change (other than an emergency rule change) by delivering a written request to the President or Secretary not more than thirty (30) days after notice of the rule change. Upon receipt of such request, the Board shall either notice and hold a Membership meeting, or distribute a written ballot to each Member, in conformity with applicable law and the Bylaws, to vote on reversal of the rule change.

(2) Not more than fifteen (15) days after the close of voting, the Board shall mail or otherwise deliver notice of the results to each Member and each Lot.

(3) The rule change may be reversed by a majority of a quorum of Members present in person, by proxy, or by ballot at the meeting. If the rule change is reversed by this procedure, the rule change may not be readopted for one year after the date of the reversal; however, the Board may adopt a different rule on the same subject.

D. All Rules must be in writing. Any duly adopted Rule or amendment to the Rules shall become effective immediately following the date of adoption and distribution by the Board to the Owners and Tenants.

5.6 Breach of Rules or Restrictions. Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in this Declaration.

5.7 Limitation on Liability of Association's Directors and Officers.

A. Claims Regarding Breach of Duty. No director, officer, committee member, Manager, employee, or other agent of the Association shall be personally liable to any of the Association's Members, or to any other party, including the Association, for any error, negligence, or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or under the Bylaws, provided that such director or other actor has, upon the basis of such information as may be possessed by the director or actor, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

B. Other Claims Involving Tortious Acts and Property Damage. No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) and/or property damage as a result of the tortious act or omission of a volunteer director or officer of the Association shall recover damages from such director or officer if all of the following conditions are satisfied:

(1) The act or omission was performed within the scope of the volunteer director's or officer's Association duties;

(2) The act or omission was performed in good faith;

(3) The act or omission was not willful, wanton, or grossly negligent;

(4) The Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made one or more policies of insurance that include coverage for general liability of the Association in a sum not less than \$3,000,000 and individual liability of the officers and directors of the Association for

negligent acts or omissions in their official capacities, with minimum coverage of insurance being not less than \$1,000,000.

(a) The reimbursement of actual expenses incurred by a director or officer in the execution of that person's Association duties shall not affect that person's status as a volunteer for the purposes of this section.

(b) The provisions of this paragraph B are intended to reflect the protections accorded to volunteer directors and officers of community associations under applicable law. In the event that any applicable law providing such liability protections is amended or superseded by another similar provision of the California statutes, this paragraph B shall be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor statutory provision.

ARTICLE VI

ASSESSMENTS

6.1 Covenant to Pay Assessments. Each Owner, by acceptance of the deed to the Owner's Lot, is deemed to covenant and agree to pay to the Association Regular, Special and Special Individual Assessments levied pursuant to the provisions of this Declaration. Each such Assessment shall be established and collected as hereinafter provided. The Owner may not waive or otherwise escape liability for these assessments by non-use of the Common Area or abandonment of the Owner's Lot.

A. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the persons who were the Owners of the Lot at the time the Assessment was levied. Each Owner who acquires title to a Lot (whether at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Lot so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

B. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such Assessment is made. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided in this Declaration.

6.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote, protect, enhance and maintain the recreation,

health, safety and welfare of the residents in the Development and for the improvement, maintenance, replacement, repair and operation of the Common Area and the improvements and personal property in the Common Area that are owned or maintained by the Association, as set forth in this Declaration, and to further any other purpose that is for the common benefit of the Owners in their use and enjoyment of the Development.

6.3 Regular Assessments.

A. Preparation of Annual Budget: Establishment of Regular Assessments. Not less than thirty (30) nor more than ninety (90) days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the Common Areas) by preparing and distributing to all Association Members a budget satisfying the requirements of the Bylaws and this Declaration. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Board shall not be permitted to increase Regular Assessments for that fiscal year unless the Board first obtains the approval of eligible Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with the Bylaws.

B. Establishment of Assessments: Membership Approval Requirements. The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that, except as provided in this Declaration otherwise, the Board of Directors may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of eligible Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association, conducted in accordance with applicable law.

C. Assessments to Address Emergency Situations. The requirement of a membership vote to approve Regular Assessment increases in excess of twenty percent (20%) of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph (c), an "emergency situation" is defined by applicable law, and includes the following:

- (1) An extraordinary expense required by an order of a court.
- (2) An extraordinary expense necessary to repair or maintain the Common Areas or any portion of the separate interests which the Association is obligated to maintain where a threat to personal safety is discovered.

(3) An extraordinary expense necessary to repair or maintain the Common Areas or any portion of the separate interests which the Association is obligated to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to Paragraph A, above, provided that, prior to the imposition or collection of an assessment under this Subparagraph (3), the Board shall adopt a Resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Resolution shall be distributed to the Members together with the notice of assessment.

6.4 Mailing Notice of Assessment. The Board of Directors shall mail to each Owner at the street address of the Owner's Lot, or at such other address as the Owner may from time to time designate in writing to the Association, notice of any increase or decrease in the amount of the Regular or Special Assessments for the next succeeding fiscal year no less than thirty (30) days nor more than ninety (90) days prior to the increased assessment becoming due.

6.5 Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made for that year, shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Association.

6.6 Reserve Funds. Each annual regular assessment shall include a portion for reserves in such amounts as the Board in its discretion considers appropriate to meet the cost of the future repair, replacement, or additions to the major components of the Common Area Improvements that the Association is obligated to maintain and repair. Reserve funds shall be deposited in a separate account and the signatures of at least two persons who shall either be Members of the Board, or one officer who is not a Member of the Board and a Member of the Board, shall be required to withdraw money from the reserve account. Except as provided below, no money shall be transferred from a reserve fund to the Association's general operating fund and reserve funds may not be expended for any purpose other than the repair, restoration, replacement, or maintenance of major components that the Association is obligated to maintain or as otherwise permitted by applicable law.

Notwithstanding the foregoing, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve

fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, on the making of a finding supported by documentation that a temporary delay is in the best interest of the Association, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve accounts, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by applicable law. This special assessment is subject to the limitations imposed by applicable law and the restrictions imposed herein. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of any unpaid special assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of the Association of that decision in the next available mailing to all Members pursuant to applicable law and of the availability of an accounting of those expenses. Unless the Governing Documents impose more stringent standards, the Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by Members at the Association's office.

6.7 Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her Lot shall be due and payable in advance to the Association on a quarterly basis, and shall be due on the first day of the month. Installments of Regular Assessments shall be delinquent if not paid by the 15th day of the month in which the Assessment is due.

6.8 Equal Allocation of Assessments. Regular and Special Assessments shall be allocated among, assessed against, and charged to each Owner so that each Lot bears an equal share of the total Assessment.

6.9 Special Assessments.

A. Purposes for Which Special Assessments May Be Levied. Subject to the membership approval requirements set forth in paragraph B below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes, among others:

(1) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then the Board of Directors shall levy and collect a Special Assessment, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.

(2) Capital Improvements. The Board may levy Special Assessments for capital improvements within the Common Area.

(3) Loan Repayments. The Board may levy Special Assessments to repay disaster loans or loans obtained for the purpose of repairing Common Area facilities or financing litigation.

(4) Litigation. The Board may levy Special Assessments to fund litigation.

B. Special Assessments Requiring Owner Approval. No Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment(s) is levied shall be made without the vote or written assent of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association, provided that this membership approval requirement shall not apply to any Special Assessment levied to address "emergency situations" as defined above.

C. Special Assessments for purposes described in this Section shall be due as a separate debt of each Owner and a lien against his or her Lot.

6.10 Special Individual Assessments.

A. Circumstances Giving Rise to Special Individual Assessments. In addition to the Special Assessments levied against all Owners in accordance with Section 6.7, above, the Board of Directors may impose Special Individual Assessments against an Owner in any of the following circumstances, after the Owner has been given the notice and hearing rights to which the Owner is entitled, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents.

(1) Damage to Common Area. If any damage or destruction of any portion of the Development is caused by the willful misconduct or negligent act or omission of any Owner, Tenant, or Resident, or any Invitee, servant, or employee thereof, which causes the Association to incur any costs and expenses to repair, all such costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Lot as a Special Individual Assessment.

(2) Expenses Incurred in Gaining Member Compliance. If the Association incurs any costs or expenses to (a) obtain the compliance with any provision of the Governing Documents (including to remedy any noncompliance) of a Lot's Owner Tenant, Resident, or Invitee, and/or the Lot itself, or to (b) accomplish any repair, maintenance or replacement to any portion of the Property that the Owner is

responsible to maintain but has failed to undertake or complete after at least fifteen (15) days' written notice, the amount incurred by the Association (including without limitation fines and penalties, accounting fees, management fees, court costs and reasonable attorney's fees, including those incurred prior to filing a lawsuit) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(3) Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of the Governing Documents with respect to a Lot, or its Owner, Tenant, Resident or Invitee, or to determine the rights or duties of a Member under the Governing Documents, may be levied against that Member as a Special Individual Assessment which may be collected in any manner provided for by the Governing Documents or by law.

B. Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied, notice of such Special Individual Assessment shall be mailed to the affected Owner(s) and shall thereafter be due as a separate debt of the Owner(s) payable in full to the Association within thirty (30) days after the mailing of notice of the Assessment, or within such other time period as the Board may determine.

6.11 Maintenance of Assessment Funds. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors which has offices located within the State of California, County of Ventura. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees.

6.12 Collection of Assessments; Enforcement of Liens.

A. Delinquent Assessments. If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment assessed to any Owner is not paid within fifteen (15) days after the same becomes due, such payment shall be delinquent and may, at the Board's election, bear interest at the rate of twelve percent (12%) per annum, or any other percentage provided by law, beginning thirty (30) days after the due date until the same is paid. In addition to the accrual of interest, the Board of Directors is authorized and empowered to impose a late charge for any delinquent Assessments not exceeding ten percent ten percent (10%) of the delinquent assessment or \$10.00, whichever is greater, or such other amount as provided by law.

B. Effect of Nonpayment of Assessments.

(1) Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided by applicable law, the amount of any delinquent Regular Assessment, Special Assessment, Special Individual Assessment (pursuant to Section 6.13 of this Article), or Emergency Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) shall become a lien upon the Lot of the Owner so assessed when the Association causes to be recorded, in the Office of the County Recorder, a Notice of Delinquent Assessment (or equivalent) executed by the Board or an representative of the Association authorized by the Board. The Association shall record the lien in accordance with and pursuant to applicable statutory law.

(2) Remedies Available to the Association to Collect Assessments. After the expiration of the statutory time period, prescribed by applicable law, following the recording of Notice of Delinquent Assessment, the Association may initiate legal action against the Owner personally obligated to pay the delinquent Assessment for a money judgment and/or foreclosure of said lien against the Owner's Lot, or accept a deed in lieu of foreclosure, in a manner consistent with applicable statutory law. Foreclosure by the Association of said lien may be by judicial or non-judicial foreclosure.

6.13 Limitation on Right to Lien Lots for Special Individual Assessments. A Special Individual Assessment imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas for which the Owner, or his or her Tenants, Residents, or Invitees were responsible may become a lien against the Lot enforceable by the sale of the Lot pursuant to applicable law. However, other Special Individual Assessments imposed by the Association pursuant to Section 6.10A(2), as a disciplinary measure for failure to comply with the Governing Documents, such as for fines, levied pursuant to this Declaration and/or applicable law, except for late payment penalties for delinquent Assessments, may not be characterized nor treated as an Assessment that may become a lien against the Lot that is enforceable by sale pursuant to applicable law. Special Individual Assessments relating to delinquent Assessments shall be subject to imposition of a lien and enforceable through foreclosure or sale under a power of sale for failure of an Owner to pay such Assessment, all as more particularly provided in herein.

6.14 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed against the Owner's Lot.

6.15 Prohibition on Avoidance of Obligations. No Owner, by non-use of the Common Area, abandonment of the Owner's Lot or otherwise may avoid the burdens and obligations imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her Lot pursuant to this Declaration.

6.16 No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Association is not properly exercising its duties and powers as provided in this Declaration; (ii) a Member has made or elects to make no use of the Common Areas; or (iii) any construction or maintenance performed or not performed by the Association shall in any way postpone Assessments or entitle a Member to claim any such offset or reduction.

ARTICLE VII

ARCHITECTURAL CONTROL

7.1 Generally. No Improvement of any kind shall be erected, commenced, or maintained within the Property, nor shall any exterior or structural addition, change or alteration be made in or to any portion of the Common Area, any Residence, Lot, or Exclusive Use Common Area, without the prior written approval of the Association as provided herein.

7.2 Improvements. Under no circumstances shall any Owner undertake any activity or work that will affect the exterior appearance, structural soundness, mechanical systems, or integrity of the Owner's, or any other, Residence, Lot, or Common Area, nor impair any easement. No Owner shall undertake the joining of adjacent Residences, as such work will impair the structural integrity of other Residences.

7.3 Architectural Guidelines. The Board may adopt, amend and repeal, under the procedures set forth in Section 5.5 hereof, rules and regulations to be known as Architectural Guidelines. Said Guidelines will interpret and implement the provisions of this Declaration by setting forth particular standards and procedures for review and approval of proposed Improvements; guidelines for architectural design; placement of any Improvement; color schemes; exterior finishes; materials; and similar features, which are approved for use within the Property. Said Guidelines shall not conflict with, nor be in derogation of, the standards required by this Declaration.

7.4 Review by Board or Committee. In accordance with the Bylaws, the Board shall appoint an Architectural Committee ("AC"), consisting of Members in Good Standing, to review proposed Improvements. Members of the AC will serve for a one

(1) year term, unless removed earlier therefrom by resignation, disqualification, or the vote of a majority of the Board. If the Board does not appoint an AC, the Board shall exercise the Association's review authority as described herein.

A. Compensation of AC Members. Unless the members of the AC are professional consultants hired to perform review services, the members of the AC shall receive no compensation for services rendered, other than reimbursement for actual expenses incurred by them in the performance of their duties hereunder. In no event may a director or officer of the Association receive compensation for service on the AC, notwithstanding any professional qualifications he or she may possess. Any member of the AC may at any time resign from the same upon written notice delivered to the Board.

B. Meetings of the AC. The AC shall meet as necessary to perform its duties hereunder, in accordance with any provisions of the Governing Documents governing committee functions. The AC may from time to time, in accordance with such provisions of the Governing Documents and subject to the Board's direction, designate an AC member to perform any delegated actions or duties of the AC, except the approval of requests or the granting of variances. In the absence of such delegations, the vote or written consent of a majority of the AC shall constitute an act of the AC.

C. Duties of AC Members The AC shall carry out all duties imposed upon it by the Governing Documents as well as other duties delegated to it by the Board.

7.5 Submission of Plans. A Member proposing an Improvement shall submit a written request by completing a Resident Improvement Application in accordance with this Declaration and any Guidelines, together with plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same. The Board or AC may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Said requests and plans may be submitted by personal delivery, or certified mail, to the Secretary or Manager. The term "plans and specifications" as used in this Article may include:

(1) A professionally prepared plot plan, which indicates: (a) the size of the Lot; (b) Lot contour lines; (c) the location of all existing and proposed Improvements; (d) setbacks from Lot lines of all existing and proposed Improvements; (e) the proposed drainage plan for the Lot, as improved; (f) the location of all trees and vegetation which are to be removed as part of the construction plan; and (g) the location of all proposed utility installations.

(2) A professionally prepared (prepared by an architect or licensed building designer) set of plans showing all: (a) elevations (including foundation); (b) floor plans; (c) location of all heating and/or cooling equipment; (d) decking; (e) screening devices; and (f) retaining walls.

(3) Description of exterior materials (if not included with above plans) and samples of roofing material and exterior colors, if appropriate.

(4) A complete and professionally prepared landscape plan which includes the names, location, and sizes of all proposed trees, shrubbery, and lawn area(s), identifies any trees scheduled for removal, and describes the Owner's plans for replanting trees and vegetation and for stabilizing slopes during and after construction.

(5) The Owner's proposed construction schedule. If the contemplated Improvement project is of a nature that does not merit extensive plans and specifications, the AC may (but shall not be obligated to) waive or modify any of the above plan and specification requirements upon receipt of a written request from the applicant to do so.

7.6 Review and Decision. The AC shall fairly, reasonably and expeditiously render decisions regarding Members' requests for approval, after consideration of compliance with the Declaration and Guidelines, quality of workmanship and materials, aesthetic appearance, harmony of external design and location in relation to surrounding structures, setback lines, topography and finish grade elevation.

A. All decisions regarding proposed Improvements shall be in writing. In the event the AC fails to approve or disapprove a request within forty-five (45) days after said plans and specifications have been submitted, the request shall be deemed approved, unless the delay is a result of the Board or AC request for additional information regarding the request or for additional plans and specifications.

B. The AC may condition its approval of proposals or plans and specifications for any improvement: (1) upon the Member furnishing the Association with security acceptable to the Association against any mechanic's lien or other encumbrance which may be Recorded against the Common Area as a result of such work; (2) on such changes to the request and/or plans and specifications as it deems appropriate; (3) upon the Member's agreement to grant appropriate rights of entry to the Association for the maintenance of Improvements; (4) upon the Member's agreement to reimburse the Association for any increase in Common Expenses as a result of such Improvement; (5) upon the Member's agreement to install (at its sole cost) water, gas, electrical, or other utility meters to measure any increased consumption; or (6) upon the Member's agreement to complete the proposed work within a stated period of time.

C. The AC shall approve a request if it deems: (i) that the installation, construction, alterations or additions contemplated thereby in the locations indicated are of a quality of workmanship and materials as similar Improvements to the Properties, will not be detrimental to the appearance of the surrounding area of the Properties as a whole and will not interfere with the reasonable enjoyment of any other Owners or his or her property; (ii) that the appearance of any structure affected thereby will be in harmony with the external design of surrounding structures, including size, and with the natural topography and landscaping within the Properties, considering the location of the proposed Improvement with respect to topography and other structures and finished grade elevation, the nature of other Improvements in the area, other land uses in the area, the adequacy of site dimensions and all other criteria which, in the opinion of the AC, should be evaluated in making such determination; (iii) that the installation or construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Common Area or the enjoyment thereof by the Members; and (iv) with respect to an irrigation system, that the AC determines, in its sole discretion, that the proposed system and drainage pattern is designed to recognize water conservation on all Lots.

D. If a request is disapproved, the written decision reflecting same shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration or appeal of the decision by the Board. Appeals from decisions of the AC may be made to the Board, who must hear the appeal and either affirm, reverse or modify the decision at an open meeting. An appeal must be submitted in writing not more than thirty (30) days following the final decision of the AC. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. This does not require reconsideration of a decision made by the Board or a body/committee that has the same membership as the Board. The Rules or Guidelines may include additional fair, reasonable and expeditious procedures to process appeals.

7.7 Inspection of Work. The AC may at any time inspect any work for which approval is required under this Article, and may require any Owner to take such action as may be necessary to remedy any noncompliance with the approved plans or with the requirements of this Declaration.

7.8 Enforcement. In the event of an architectural violation, the Board shall have the right to suspend the Member's voting rights, and levy fines against the Member (or Tenant, if applicable), after notice and the opportunity to be heard is provided. The Board may also pursue such legal remedies as the Board deems appropriate, including, but not limited to, an action for a temporary restraining order and/or injunction to compel the Member (or Tenant) to bring its Lot into compliance with the Governing Documents, including architectural decisions made by the AC pursuant to this Section. The Association shall have no duty to identify architectural violations, and any failure of the Association, its Board, its officers, its Manager or any agent or employee to detect and identify an architectural violation shall not operate to waive the

Association's rights or remedies with respect to any such violation, unless (1) the Board or Manager shall have been notified in writing of the violation and (2) no remedial or enforcement action shall have been taken by the Association within five (5) years following such notice, except as otherwise provided by law.

7.9 Variances. The Board, in its sole discretion, shall be entitled to allow reasonable variances from these requirements in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships.

7.10 Limitation on Liability. Neither the Association, Board, AC, if any, nor any member thereof, shall be liable to any Member (or Tenant) for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance in connection with the approval or disapproval of any plans, drawings and specifications, whether or not defective, or the construction or performance of any improvement, whether or not pursuant to approved plans, drawings or specifications.

7.11 Compliance With Governmental Regulations. Review and approval of any requests, proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Member who desires to construct, install or modify the Improvement.

7.12 No Waiver of Future Approvals. The approval of the AC or Board in any matter described in this Article shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar matter subsequently submitted for approval.

ARTICLE VIII

RESTRICTIONS ON USE OF LOTS AND COMMON AREA

In addition to the restrictions established by law and the Rules, which are not inconsistent with this Declaration, the following restrictions are hereby imposed upon the use of Lots, Common Areas, and Exclusive Use Common Areas within the Property.

8.1 Residential Use. The Lots, Residences, and Exclusive Use Common Areas are restricted to Residential Use except as provided herein.

8.2 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Lot, Residence, garage, Exclusive Use Common Areas, or Common Areas. No restrictions contained herein shall be interpreted to prohibit any Owner or Tenant from maintaining a home office, nor from conducting any other activities within the Lot otherwise compatible with Residential Use and the provisions of this Declaration which are permitted under applicable zoning laws, and

health ordinances, resolutions, Rules and Regulations of the County of Ventura without the necessity of a special use permit or governmental authorization, unless other Residents are disturbed by an unreasonable number of visitors to the Property, excessive noise, or additional traffic and provided further there shall be no signs advertising their home office.

8.3 Prohibition of Noxious Activities. No illegal, noxious or offensive activities shall be carried on or conducted within the Property, including within any Residence, nor shall anything be done within the Property which is or could become an unreasonable annoyance or nuisance to other Residents nor otherwise interfere with the quiet enjoyment of the Property by other Residents. Without limiting the foregoing, no Owner shall permit unreasonable noise, including, but not limited to, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from Lot or from activities within the Common Area, which would unreasonably disturb any other Resident's enjoyment of his or her Residence or the Common Area. Lights shall be located wherever possible to limit beams to each Owner's Lot and shall not be of an intensity which unnecessarily illuminate any area which would unreasonably disturb any other Resident's enjoyment of his or her Residence or the Common Area.

8.4 Behavior of Persons on the Property. Each Owner and Tenant of a Lot shall be accountable for the conduct and behavior of all Residents and Invitees of such Owner or Tenant, and shall be liable to the Association and to other Owners, Residents, and Invitees, for any property damage or nuisance caused by such persons.

8.5 Damage to Common Area. No Owner, Tenant, Resident, Invitee, or contractor employed by anyone other than the Board may make any Improvement to the Common Area, nor remove or alter any furnishings, structures, improvements or landscaping materials therein. The Common Area shall not be obstructed by any person. Each Owner shall be liable to the remaining Owners for any damage to the Common Area that may be sustained by reason of the negligent or willful conduct of said Owner, or that Owner's family members, contract purchasers, Tenants, Residents, or Invitees. Each Owner, by acceptance of his or her deed, agrees personally and for family members, contract purchasers, Tenants, Residents, and Invitees, to indemnify each and every other Owner, and to hold every other Owner harmless from, and to defend him or her against any claim of any person for personal injury or property damage occurring within the Lot or Exclusive Use Common Area of the Owner, except to the extent that the injury or damage occurred by reason of the willful or negligent act or omission of the Association or of an Owner, Tenant, Resident, or Invitee of another Lot.

8.6 Activities Affecting Insurance. Nothing shall be done or kept within any Lot, Exclusive Use Common Area, or the Common Area which will increase the rate of insurance on any policy maintained by the Association without the prior written consent of the Association and no Owner shall permit anything to be done or kept within his or

her Lot, Exclusive Use Common Area, or the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Lot or any part of the Common Area.

8.7 Pets. No animals of any kind shall be raised, bred or kept in any Lot or Common Area, except that domesticated dogs, cats, birds in cages, aquatic animals in an aquarium, or other animal(s) as agreed to between the Association and the Owner, may be kept in a Lot, and provided they are not kept, bred or maintained for any commercial purpose or in unreasonable numbers. Notwithstanding the foregoing, no animals may be kept in the Development which result in an annoyance or nuisance, or which are threatening or obnoxious to Residents. The Board, in its sole discretion, shall have the right to determine what are reasonable numbers and what constitutes a threat or nuisance. Pet owners shall be responsible for the prompt disposal of wastes deposited by their pets in the Property. Every Owner shall be liable for any damage, nuisance, or unreasonable noise or odors, caused to any person or property by any animals brought or kept upon the Property by any other Owner, Resident, Tenant, or Invitee of his or her Lot.

A. Leash Required. No Owner, Tenant, Resident or Invitee who possesses a dog or other animal shall permit, allow, or cause the animal to run, stray, be uncontrolled or in any manner be in, upon, or at large upon any part of the Common Area, unless it is restrained by a substantial leash and under the control of a person responsible for and capable of controlling the animal.

B. Dangerous Animals.

(1) Notwithstanding the foregoing, no domestic dogs or other animals shall be within the Common Area that are deemed by the Board to be vicious or potentially dangerous. All vicious and potentially dangerous animals must be kept indoors or in a securely fenced area within the Lot from which it cannot escape, and into which children or other individuals cannot trespass. An animal shall be deemed "vicious" for purposes of this Section if, when unprovoked: (i) it has bitten a person (however, an animal may be vicious even though it is not proven to have bitten any person); (ii) in an aggressive manner, it inflicts severe injury on or kills a human being; or (iii) it is previously determined to be and currently listed as a potentially dangerous animal (as determined by the Board or governmental authority) and, after its owner or keeper has been notified of this determination, it continues to engage in behavior deemed potentially dangerous. For purposes of determining if an animal is "vicious," "severe injury" means any physical injury to a human being that results in muscle tears, disfiguring lacerations, or requires multiple sutures or corrective or cosmetic surgery.

(2) An animal shall be deemed "potentially dangerous" if, when unprovoked: (i) on two separate occasions within the prior 36-month period, it engages in any behavior that requires a defensive action by any person to prevent bodily injury

when the person and the animal are off the property of its owner or keeper; (ii) it bites a person causing a less "severe injury" than as defined above; or (iii) on two separate occasions within the prior 36-month period, it has killed, seriously bitten, inflicted injury, or otherwise caused injury attacking a domestic animal off the property of its owner or keeper.

8.8 Garbage and Unsightly Items. No rubbish, trash, or garbage shall be allowed to accumulate within or outside of any Lot. No Owner or Tenant shall allow an accumulation of trash, debris, paper, or other items which would create a fire, safety, or health hazard, including any infestation of vermin, contamination by noxious substance or biohazard, obnoxious odors or related nuisance. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) shall be removed from the Property to a public dump or trash collection area by the Owner or Tenant at his or her expense. All refuse containers, wood piles, stored areas, machinery and equipment shall be prohibited upon any Residence and Lot unless obscured from view of adjoining Lots, streets or portions of the Property. Refuse containers may be set out for a reasonable period of time before and after scheduled trash pick-up times.

8.9 Temporary Structures. No structure of a temporary character, trailer, mobilehome, camper, tent, shack, garage or other outbuilding shall be used on any Lot at any time as a Residence, either temporarily or permanently.

8.10 Storage. There shall be no storage of personal property within the Common Areas without the prior written permission of the Board. Storage of personal property shall be within a Lot, or within designated storage areas. The Board may regulate storage in designated storage areas, subject to conditions determined by the Board and included in the Rules. Absolutely no hazardous materials shall be stored within the Development, including without limitation any explosives, ammunition, accelerants, corrosives, or biohazard, which either by its nature or by unreasonable accumulation thereof may result in a threat to health or safety of persons or property in the Development.

8.11 Clotheslines. Except as authorized by law, no exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes in any Lot in a manner which is visible from any neighboring Lot, street, or Common Area. The Board may adopt reasonable Rules and Regulations to regulate the drying or laundering of clothes or the use of exterior clotheslines or drying racks in the Lots. Notwithstanding the foregoing, there shall be no drying or laundering of clothes or other items on any balcony or patio railing, awning, or other part of a structure or building, including, without limitation, fences in a manner which is visible from any neighboring Lot, street, golf course, or Common Area.

8.12 Window Covers. Only curtains, drapes, blinds, shutters, and shades may be installed as interior window covers. No window shall be covered, on the interior or exterior, by tint, paint, foil, sheets or similar items. The Board may adopt rules regulating the type, color and design of window covers. Absolutely no sunshades, awnings, canvass, ornamental screens, or any other window covering shall be installed on the exterior of a Residence, including the exterior walls within the Patio or balcony areas, without the prior written permission of the Board.

8.13 Signs

A. Commercial Signs. No advertising signs or billboards shall be displayed on any building containing Residences nor posted within or upon any portion of the Common Area, except that Owners may display one sign which advertises their Lots "For Rent," "For Lease", "For Sale", or "For Exchange" or advertise directions to the Lot on a common sign post to be reasonably located in plain view of the public. The sign shall be of reasonable dimensions and design, and unless otherwise contrary to applicable law, shall be in conformance with the Architectural Guidelines.

B. Noncommercial Signs.

(1) Noncommercial signs, posters, flags, or banners may be posted or displayed on or in an Owner's Lot, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.

(2) For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the window, door, balcony, or outside wall of the Residence, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces.

(3) Noncommercial signs and posters may not be more than nine (9) square feet in size and noncommercial flags or banners may not be more than fifteen (15) square feet in size.

C. The Board may adopt reasonable rules and regulations governing placement and display of signs consistent with the law and this Declaration.

8.14 Antennas and Similar Devices. In order to ensure adequate aesthetic controls and to maintain the general attractive appearance of the Property, no Owner or Tenant shall place or maintain any objects, such as masts, towers, poles, television and radio antennas, or television satellite reception dishes, on or about the roof or exterior of any building or on any Common Area within the Property, except as authorized by law.

The Board may establish guidelines on the placement of satellite dishes which are consistent with applicable law.

8.15 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon any Lot, Exclusive Use Common Area, or the Common Area, except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a Lot or appurtenant structures within the Property. No hobby or carpenter shops are permitted on the Property.

8.16 Parking and Vehicle Restrictions. Owners, Tenants, and Residents shall park in their garage areas and not, without Board approval, in parking spaces provided for guests, if any. In addition, the following parking and vehicle restrictions shall apply within the Property:

A. The Board shall have the authority to make reasonable rules and restrictions regarding parking, use, washing, and maintenance of vehicles within the Property as may be deemed prudent and appropriate. The Board shall have the authority to tow, at the Owner's expense, any vehicle parked or stored in violation of any restriction in this Section or any parking or vehicle Rules adopted by the Board. The Board shall post such notices or signs within the Common Area as may be required by law to effectuate this towing provision.

B. No boat, trailer, house trailer, motor home, camper, bus, truck, or other commercial or recreational vehicle shall be parked, or stored in any open area, Common Area, Exclusive Use Common Area, street, driveway, roadway, or guest parking area, other than any such area specifically designated for the parking of such vehicles, except as permitted in writing by the Board. No motor vehicle shall be dismantled, repaired, painted or restored upon any portion of the Development which is visible from the streets or roadways surrounding the Development, except for emergency work needed to move the vehicle to an appropriate repair facility. Temporary parking shall mean parking of vehicles belonging to Invitees, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services and parking of vehicles belonging to or being used by Owners for loading or unloading purposes.

C. The parking of commercial, recreational, and oversized vehicles must conform at all times to local governmental laws and ordinances.

D. Upon application by any Owner, the Board shall be authorized and empowered to grant reasonable variances to the parking restrictions set forth herein, as well as any operating rule related to same.

8.17 Garage Doors. When garages are not in use, garage doors shall be kept closed. Garages shall be used only for the purpose of parking vehicles and equipment

and storing an Owner's household goods, and shall not be converted for living or recreational activities. No garage doors shall be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of garage doors, including the imposition of disciplinary fines or other penalties on Owners Residents, Tenants, or Invitees who violate such rules.

8.18 Sports Apparatus. The erection of basketball standards or fixed sports apparatus is prohibited.

8.19 Oil and Mineral Rights. No oil, mineral, or water drilling, development operations, refining, quarrying, or mining operations of any kind shall be permitted upon or in the Property nor, subsequent to the recording of this Declaration, shall wells, tanks, tunnels, or excavations or shafts be installed upon the surface of the Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Property.

8.20 Drainage. As used herein, the term "drainage pattern and system" includes, but is not necessarily limited to, underground drain pipes, area drains, gutters, downspouts, berms, swales, and other drainage facilities and above or below ground patterns of drainage over or through Lots and roofs from and to adjoining properties and improvements. Each Owner with respect to his Residence and the Association with respect to the Common Area shall have the right to use the established drainage pattern and system for the purpose of draining their respective Lots and Improvements thereon; provided that such right of drainage shall not include the right to discharge noxious or offensive matter. Water from any Lot and the Improvements thereon may drain or flow into adjacent streets. Water shall not be allowed to drain or flow onto adjacent Lots except to the extent provided for by the natural drainage contour and/or the established drainage pattern and system. All slopes or terraces on any Lot shall be maintained as provided herein so as to prevent the modification or erosion of the established drainage patterns and system and to prevent any erosion of the Lot upon adjacent streets or adjoining property. No structure, planting, or other material shall be placed or permitted to remain or other activities undertaken on any slope area or any other area within the Property which might damage or interfere with established slope ratios, drainage facilities or systems or create erosion or subsidence problems. Any drainage patterns and systems which are not maintained by the Association shall be maintained by the Lot Owner in a neat, orderly, safe and sanitary condition and in such a manner as to facilitate the orderly discharge of water.

8.21 Variances. Upon application by any Owner, the Board shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article, if specific application of the restriction will, in the sole discretion of the Board, either deny a substantial right of the affected Owner or Tenant, or cause an

undue hardship to the affected Owner or Tenant, or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

8.22 Maintenance of Indigenous Oaks or other Protected Plant Species. Each owner shall be responsible for the cultivation and maintenance of oak trees on the Owner's Lot and shall follow the guidelines for oak tree maintenance provided by the Architectural Committee or the City of Thousand Oaks.

8.23 Deterioration or Removal of Trees. No living tree shall be allowed to suffer from preventable deterioration nor shall be destroyed or removed from any Lot without the express written consent of the Architectural Committee and an approved permit for removal from the City of Thousand Oaks. In the event of a violation of same, the Board may cause such tree to be treated or replaced with another tree of similar size and type at the Owner's sole cost. If the Owner fails to do so, the Board may undertake such action whereupon the Owner of such Lot shall reimburse the Association for all reasonable expenses so incurred by it.

ARTICLE IX

MAINTENANCE RESPONSIBILITIES

9.1 Association's Responsibilities. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement of the Common Area, as required by applicable law, and to keep the same in good order and repair. No person other than the Association or its duly authorized representatives shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. The Association's maintenance, repair and replacement obligations, which may differ from any applicable law are specifically set forth, in detail, in the Maintenance Responsibility Check List, attached hereto as **Exhibit "B"** and incorporated by this reference. In the event of any ambiguities or conflicts regarding maintenance, repair or upkeep obligations, the Maintenance Responsibility Check List shall control. Without limiting the foregoing, the Association shall be responsible for:

A. The maintenance, reconstruction, replacement, or refinishing of any other Common Area Improvements, including sewer, water, telephone, plumbing and electrical lines located under or within the Common Area. However, the cost to maintain, repair and replace any such lines, when servicing only one Lot, shall be assessed to the Owner of the Lot that is so serviced and the cost of which shall be deemed a Special Individual Assessment.

B. The Association shall be responsible for the repair and maintenance of the Common Area occasioned by the presence of wood-destroying

pests or organisms, and for all pest eradication services within the Common Areas, except for Exclusive Use Common Areas.

9.2 Owner Maintenance, Repair and Replacement Responsibilities.

A. Each Owner of a Lot shall be responsible for the maintenance, repair, and upkeep of his or her Lot and Residence, in a clean, sanitary and attractive condition and good state of repair. No Improvements (including but not limited to Residences, garages, walls and fences) shall be permitted to fall into disrepair and all Improvements shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In addition each Owner shall have the right, at his or her sole cost and expense, to paint, tile, finish, alter, substitute, add, or remove any fixtures within such Owner's Residence; however, no Owner may interfere with or damage any Common Area, Maintenance Area, or otherwise impair the structural integrity of the building in which the Residence is located, or interfere with the use and enjoyment of the Common Areas or the Lots or any other part of the Development.

In addition, each Owner shall be responsible for the maintenance of any and all Exclusive Use Common Areas appurtenant to his or her Lot, in a clean, sanitary, workable, and attractive condition, as set forth in applicable law. Each Owner's maintenance, repair and replacement obligations, which may differ from any such applicable law are specifically set forth, in detail, in the Maintenance Responsibility Check List (**Exhibit "B"**). In the event of any ambiguities or conflicts in regards to maintenance, repair or upkeep obligations, the Maintenance Responsibility Check List shall control.

B. Each Owner of a Lot shall be responsible for the maintenance, repair, upkeep of plumbing, electrical, telephone, and other utility installations within such Owner's Lot, and for all heating and air conditioning systems, including air conditioning compressors and equipment, servicing his or her Lot whether located within the Lot or otherwise.

(I) With respect to said systems located within the Common Area, the Association may maintain, repair and/or replace same and assess the costs to the Owner of the Lot that is so serviced by way of a Special Individual Assessment.

(ii) Each Owner shall also be responsible for maintaining in an open and unobstructed condition all sewer and drainage pipes and lines serving only his or her Lot. If the Association is called upon by an Owner to investigate a stoppage or leak, the origin of which is unknown, the Association's plumber shall determine whether the repair or replacement involves a portion of the plumbing or sewer lines required to be maintained by an individual Owner. If it is, the Owner agrees to reimburse the Association for the expense within thirty (30) days. If the Owner fails to reimburse the

Association, the expense may be levied against the Owner as a Special Individual Assessment, which may be subject to collection procedures set forth herein.

C. In the event an Owner shall do anything with respect to his or her Lot that might have the effect of increasing the level of noise or sounds that can be heard outside his or her Lot during normal use and occupancy of his or her Lot, including, but not limited to, the replacement of carpeting with tile, parquet or other hard floor covering, he or she shall be required to take at his/her own expense all reasonable measures to deaden, insulate and otherwise decrease the level of such noise or sounds to the minimum level reasonably possible.

D. Owners shall be responsible for the cost to repair any damage to any property, including property which is Common Area or which is part of or appurtenant to another Lot, which is caused by any component within and/or servicing his or her Lot, whether or not said damage was foreseeable to occur.

E. No brush, weeds, undergrowth, rubbish or debris of any kind or character shall ever be placed or permitted to grow or accumulate upon any Lot or Exclusive Use Common Area so as to render said premises a fire hazard, unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity or the Residents thereof. The Owner of each Lot for himself/herself, his successors and assigns, agrees to care for, irrigate, cultivate, prune and maintain in good condition any and all trees, lawns and shrubs growing on the Lot and should an Owner or his successors or assigns fail to do so, or fail to keep said realty free from rubbish, brush, weeds, undergrowth or debris of any character, the Association may, at any time, (i) initiate legal proceedings to enforce compliance with this Section or (ii) upon fifteen (15) days' written notice to such Owner or his successors and assigns, of its intention so to do, enter upon said Lot and remove such rubbish, brush, weeds, undergrowth or debris or replace dead lawn, trees or plants and assess said Owner or his successors or assigns for the cost thereof. The Association shall notify Owner or his successors or assigns in writing for the cost thereof, and in the event such person or persons fails to reimburse the Association for its costs and expenses, such charges shall constitute a Special Individual Assessment as set forth in the Declaration, and which may be enforced by the Association in accordance with the provisions of this Declaration.

F. No Owner or Resident shall alter or obstruct a natural drainage course, or materially add to the natural water volume of said drainage course.

9.3 Obligation To Permit Entry by Association and Adjacent Owners. Each Owner shall be obligated to permit the Owners or representatives of adjacent Lots to enter the Owner's Lot for purposes of performing installations, alterations, maintenance or repairs to utilities, mechanical or electrical services, including installation of television antennas and related cables, which are reasonably necessary for the use and enjoyment of the adjacent Lot, provided that requests for entry are made at least

twenty-four (24) hours in advance and that entry is at a time convenient to the Owner whose Lot is being entered, except in the event of an emergency when no notice shall be required. Each Owner shall also honor the right of the Association and its agents to enter his or her Lot as provided in this Declaration for maintenance, repairs and/or to gain compliance with this Declaration.

9.4 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

9.5 Non-Responsibility for Consequential Damages / Mold Remediation / Reconstruction. Except for damages for which the Association has insurance, neither the Association nor its Board of Directors, officers, manager or its employees or agents shall be liable to any Owner, or any other person, for injury, damage or loss to any Owner or any Owners' property, or any other persons or property, in the Properties resulting from any casualty, or from any water, rain, dust, sand, or any other element which may leak or flow from outside of any Lot or from any part of the building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, provided the Association, such Board Members or other persons have, upon the basis of such information as may be possessed by them, acted in good faith, and without willful or intentional misconduct. The Association's Non-Responsibility for Consequential Damages, as herein stated, includes, but is not limited to, fixtures, cabinets, paint, wall coverings, window coverings and floor coverings, costs necessary to test for the presence of mold, abate the same, and reconstruct Lots damaged by said damages.

9.6. Party Walls. Each wall or fence which is built as a part of the original construction of the Residences within the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. A party wall shall be considered to adjoin and abut against the property line dividing the Lots from the bottom of the foundation over the full length and height of any structure or wall.

A. Use of Party Wall. Owners whose Lots are separated by a party wall shall equally have the right to use such party wall, except that each shall have the right to the exclusive use of the surface of the wall on his side. Neither such Owner shall use any portion of such party wall so as to interfere with the use and enjoyment of the other Owner.

B. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the

wall in proportion to such use. If a party wall is destroyed or damaged by fire or other casualty, then, to the extent such damage is not covered by insurance and repaired out of the proceeds of same, any Owner who has used the wall may restore it, and the other adjoining Owner shall contribute to the cost of restoration thereof in equal proportion to such use without prejudice, however, subject to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding any other provision of this Article, to the extent that any such damage is not covered and paid by the insurance provided for herein, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

C. Party Wall Easements. In all cases where a structural wall constituting a portion of a single Residence, or a structural wall or fence constituting a common wall or fence for two Residences, is located upon the dividing line between adjacent Lots, the Owner of said adjoining Lot shall have reciprocal mutual nonexclusive easements for the maintenance of said wall or fence, the reconstruction of said wall or fence in the event of the partial or total destruction of same, drainage associated with said wall or the Residence of which said wall is a part, and an easement to accommodate the foundation and/or roof or eaves encroachment as depicted in the original design, plans and specifications which were the basis for the original construction of the Residence or Residences on said Lot or Lots. The Owner of a Lot having a structural wall or fence situated on the boundary line between his or her Lot and the adjoining Lot shall not attach anything to the outside of the wall which shall protrude across the boundary line into the adjoining Lot, and the Owner of the adjoining Lot upon which such a wall or fence is situated shall not attach anything to the outside of said wall or fence without the consent and permission of the Owner of the adjoining Lot upon which the Residence of which said wall or fence is a part is situated.

ARTICLE X

EASEMENTS

10.1 Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas within the Property, including ingress and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights and restrictions:

A. The right of the Association to assign, rent, lease, and to otherwise designate and control the use of any unassigned parking within the Common Area.

B. The right of the Association to adopt Rules regulating the use and enjoyment of the Property for the benefit and well-being of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Documents by any Owner, Tenant, Resident, or Invitee of a Lot, to temporarily suspend the voting rights and/or right to use the Common Areas, other than parking and roads, by any person and any other Owner or Resident of the Lot, subject to compliance with due process requirements.

C. The right of the Association to enter into or upon any Lot or Exclusive Use Common Areas when such access is essential for the maintenance of the Common Area or to enforce the provisions of the Governing Documents, subject to Section 5.6(B) hereof.

D. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage said property; provided, however, that the rights of any such Mortgagee in said properties shall be subordinate to the rights of the Owners hereunder; and further provided that any such indebtedness shall be considered a Common Expense.

E. 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 by the Owners; provided, however, that no such dedication or transfer shall be effective unless an instrument, approved by at least two-thirds of the voting power of the Members, and their First Mortgagees, consenting to such dedication or transfer has been recorded. Furthermore, no dedication shall be permitted that impairs the ingress and egress to any Lot. Said instrument may be executed in counterparts so long as each counterpart is in recordable form.

F. The right of the Board or AC, if any, to approve any proposed alteration or modification to the Common Area or any Lot.

10.2 Encroachment Easements. If any portion of the Common Area encroaches on any Lot or if any portion of a Lot encroaches on the Common Area, regardless of the cause which may include but is not limited to settlement or shifting of the building, except to the extent any encroachment is due to the willful conduct of an Owner or other party, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Lots and the Common Area are made subject to such easements.

10.3 Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer,

gas, telephones, drainage and electricity and the master television antenna or cable television system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially designed and approved by the Declarant or thereafter approved by the Board. The easements provided for in this Section shall in no way effect any other recorded easement on the Property.

10.4 Common Driveway Easements. Certain of the lots shown on the recorded Subdivision Map of Tract 2996 require the use of driveway areas in common with other lots. Attached hereto marked **Exhibit "A"** is a description of each common driveway area. It is hereby declared that the Owner of each lot shown in **Exhibit "A"**, his successors and assigns, shall have the right to use the driveway area designated in said Exhibit for ingress, egress and incidental driveway purposes. The easements hereby created shall not be altered or affected by any modification or amendment of this Declaration unless the Owners of the Lots which benefit from such easements approve said modification or amendment in writing. Each Owner who is entitled to the use of driveway area in common with other Owners shall be jointly responsible with such other Owners for the care and maintenance of such common driveway area including the maintenance of all shrubbery, plantings and landscaping of every kind, and of all paved area and structures of every kind within such area. If any common driveway area is not adequately and properly maintained it shall be the obligation of the Association to provide for the maintenance thereof. The cost of such maintenance shall be assessed to the Owners benefited thereby.

10.5 Other Easements. Each Lot and its Owner, and the Association as to the Common Area, are hereby declared to be subject to all the easements, dedications and rights-of-way granted or reserved in, on, over and under the Property and each Lot and Common Area.

10.6 Maintenance Easements. An easement is hereby granted to the Association, its officers, agents, employees, and to any Manager or contractor selected by the Board, to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the Common Area, Maintenance Areas, or any other area required or permitted to be maintained by the Association, provided that any entry by the Association or its agents shall only be undertaken in strict compliance with this Declaration.

ARTICLE XI

INSURANCE

11.1 Fire and Casualty Insurance. The Association shall obtain and maintain a policy of fire and casualty insurance naming as parties insured the Association and any Mortgagee of the Common Area, and containing the standard extended coverage and replacement cost endorsements and, in the Board's discretion, such other or special endorsements as will afford protection and insure, for the full insurable, current replacement cost, all Common Area, and Maintenance Areas that the Association is required to repair or restore in the event of partial or total destruction thereof and, also in the Board's discretion, all or portions of the Lots, and the personal property of the Association for or against the following:

- (a) Loss or damage by fire or other risks covered by the standard extended coverage endorsement;
- (b) Loss or damage from theft, vandalism or malicious mischief; and
- (c) Such other risks, perils or coverage as the Board may determine.

Such policy or the endorsement made a part thereof shall, to the extent available, provide that the insurer issuing the policy agrees to abide by the decision of the Association made in accordance with the provisions of this Declaration as to whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Areas. If available for a reasonable cost, the insurance policy shall include building code upgrade coverage.

The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be reevaluated on an annual basis.

11.2 General Liability and Property Damage Insurance. The Association shall obtain and maintain a policy of commercial general liability and property damage insurance naming as parties insured the Association, each member of the Association's Board of Directors, any manager, the Owners of all Lots, and such other persons as the Board may determine and agreed upon by the respective carrier. The policy shall insure each named party against liability incident to the ownership, maintenance, and repair of the Common Area and any other Association-owned or maintained real or personal property. The limits of such insurance shall not be less than three million dollars (\$3,000,000.00) covering all claims for death, personal injury, and property damage arising out of a single occurrence, or in such other minimum amount as required by applicable law to protect Owners from civil liability arising solely by reason of their ownership interest in the Common Area.

11.3 Directors and Officers Liability Insurance. The Association shall obtain and maintain Directors and Officers Liability Insurance covering prior acts in order to ensure that past Board Members are protected for decisions made during their term of service. The policy shall name as insureds not only the current Board Members but also volunteer committee members, if such insurance is available. The limits of such insurance shall not be less than one million dollars (\$1,000,000.00), or in such other minimum amount as required by applicable law to protect volunteer officers or directors from personal liability in excess of the insurance coverage. If commercially available for a reasonable price, such Directors of Officers Liability coverage shall include an endorsement extending coverage for the acts, errors, and omissions committed by the Association's Manager.

11.4 Fidelity Bond and Other Insurance.

A. The Board shall obtain and maintain fidelity bonds or insurance, in an amount equal to at least three (3) months operating expenses plus Reserves." Any such policies or bonds must contain an endorsement that includes as covered individuals under said policies or bonds any non-compensated Board members and also the Association's Manager.

B. To the extent such insurance is reasonably obtainable or required by any institutional First Mortgagee, the Association may also purchase with Common Funds such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limitation, demolition insurance, flood insurance, worker's compensation, commercial umbrella coverage, and boiler and machinery coverage.

11.5 Coverage Not Available. If any insurance policy or endorsement required herein is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above.

11.6 Copies of Policies. Copies of all insurance policies shall be retained by the Association and shall be available for inspection by any Owner in accordance with applicable law.

11.7 Individual Fire, Casualty and Earthquake Insurance Limited. The Association's blanket insurance policy maintained pursuant to Section 11.1 above shall be the primary coverage in the event of a loss covered by the Association's insurance. If any Lot Owner maintains insurance coverage which results in a reduction in insurance proceeds otherwise payable to the Association pursuant to policies obtained by the Association, the Association shall specially assess the Owner to the extent of any reduction.

11.8 Individual Assessment Loss Coverage and Other Individual Coverage.

A. Each Owner must obtain and maintain loss assessment coverage for fire, earthquake, and other casualties with a minimum limit of \$50,000.00. In the event of fire, earthquake, or other casualty which results in each Owner becoming responsible for the payment of a special or emergency assessment, each Owner shall instruct the insurance carrier to pay the proceeds directly to the Association to pay for services, labor and materials provided to the Association for repair and/or reconstruction or to replenish reserve funds.

B. Each Owner must also carry the following insurance (any premises liability and property damage insurance policy shall include a waiver of subrogation clause as to the Association, other Owners, and any institutional First Mortgagee of such Lot, and shall cover damages caused by Owner's Tenant, if any):

(1) Premises liability insurance in an amount not less than one million dollars (\$1,000,000) against physical injury, death and property damage arising out of a single occurrence within the Lot.

(2) Coverage on portions of the structure not covered by the Master Policy of the Association. ("Tenant's Improvements" coverage).

(3) Loss of use coverage for living expenses.

(4) Personal property coverage.

C. The Association shall have no responsibility for the adequacy or extent of any such insurance coverage outlined herein.

11.9 Renters Insurance. If an Owner does not reside in his/her Lot and the Lot is leased to a Tenant, then the Owner must carry a rental dwelling policy as well as require the Tenant to carry a renters policy both of which, shall provide, at a minimum, the coverage outlined in Section 11.8 (a) and (b) above.

11.10 Trustee. All insurance proceeds payable pursuant to policies maintained by the Association may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests appear. Said trustee shall be a commercial bank, escrow company, title company, or other person or institution with trust powers within the County that agrees in writing to accept such trust.

11.11 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy

carried by the Association. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

11.12 Board's Discretion to Submit Insured Losses. The Board shall have the discretion as to whether or not it is in the best interests of the Association to submit an insurance claim to its insurer.

11.13 Losses Solely Attributable to a Lot; Deductibles. Each Owner shall be responsible to pay the deductible for any claims made under the Association's policies of insurance for losses solely attributable to the respective Owner's Lot.

ARTICLE XII

DAMAGE OR DESTRUCTION

12.1 Destruction of Common Area. If there is a destruction of some or all of the Common Area, resulting from any casualty loss, including without limitation fire, earthquake, wind, rain, subsidence, flood, or any other cause, the procedures in this Article shall be followed. For purposes of this Article, "destruction" applies to any Improvements that are rendered unsafe for any human habitation by being razed, destroyed, or annihilated, but not merely unsatisfactory for habitation by a particular individual, regardless of sensitivity to particular conditions.

A. If the proceeds of insurance maintained by the Association is at least eighty-five percent (85%) of the projected costs of the repair, the Common Area shall be repaired to its former condition as promptly as is practical and in a lawful and workmanlike manner. Available insurance proceeds shall be used for such purpose and the Board shall levy a uniform Special Assessment at such time and in such amount as is necessary to cover any costs in excess of insurance proceeds.

B. If such proceeds of insurance is less than eighty-five percent (85%) of the projected costs of the repair, the Common Area shall nevertheless be repaired unless, within ninety (90) days from the date of destruction, Members holding at least seventy-five percent (75%) of the total voting power of the Association object in writing to such repair. In such event, the Common Area shall be cleared and landscaped for community park use; provided, however, that there shall exist in such Common Area adequate vehicular and pedestrian rights of way to ensure lawful access to the Lots. The costs of such clearing and landscaping shall be paid for with available insurance proceeds, and any deficiency shall be raised by the levy of Special Assessments in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board may, in its discretion, retain such funds in the Common Funds or distribute

pro rata all or a portion of such sums to the Owners, subject to any prior rights of mortgagees whose interests may be protected by the insurance policies.

12.2 Destruction of Residences Covered by Association Insurance. In the event of the partial or total destruction of any Residence(s) resulting from any casualty loss, including without limitation fire, earthquake, wind, rain, subsidence, flood, or any other cause, which is covered by insurance carried by the Association, the following procedures shall be followed:

A. The Board, on behalf of the Owner(s) of the damaged Residence(s), shall cause the same to be repaired as soon as reasonably possible and in a lawful and workmanlike manner, so that its exterior appearance substantially resembles its appearance prior to such damage and destruction. Notwithstanding the foregoing, any affected Owner may, within thirty (30) days after the casualty occurs, request permission from the Board and/or AC to have the Residence repaired in accordance with new or changed plans and specifications, in accordance with Article VII hereof.

B. The Board shall levy a Special Individual Assessment against the Owner of each such damaged Residence in an amount equal to the difference, if any, between the insurance proceeds available for the repair of each such Residence and the cost of such repair thereof. Insurance proceeds available for repair shall include any such proceeds payable to any mortgagees which have agreed to commit to such repair. If such Assessment remains unpaid thirty (30) days after its due date, the Board may be relieved of any obligation to repair such Residence, or may effect the remedies for collection of such Assessment as provided in Article VI hereof, at the option of the Board.

C. All insurance proceeds not expended to perform the repair of the Residence(s) shall be distributed to the affected Owner(s) and their mortgagees, as their respective interests shall appear.

D. If the Board determines that any Residence has become uninhabitable by reason of its total or partial destruction, Regular Assessments shall abate against the Owner of such Lot until the Board determines that repairs have restored its habitability. However, if the Board determines that such abatement will adversely and substantially affect the management, maintenance and operation of the Association, it may elect to disallow such abatement.

12.3 Minor Restoration and Repair Work. The Association shall order restoration or repair work without complying with the other provisions of this Article whenever the estimated cost of the work does not exceed \$50,000.00. If insurance proceeds are unavailable or insufficient, the Association shall levy a Special Assessment for the cost of the work.

12.4 Destruction of Residences Not Covered by Association Insurance.

A. Obligation to Rebuild. Except as provided in Section 12.2, if all or any portion of any Residence is damaged or destroyed by fire or other casualty, it shall be the duty of the Lot Owner to rebuild, repair or reconstruct said Residence in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty, or to remove any damaged structures from the Lot without unreasonable delay.

B. Association Approval. Any Owner who has suffered damage shall apply to the AC for approval of plans for the reconstruction, rebuilding, or repair of his or her Residence pursuant to Article VII hereof. Such application shall be made in writing together with full and complete plans, specifications, working drawings and elevations showing the proposed reconstruction and the end result thereof. The AC shall grant such approval only if the design proposed by the Owner would result in a finished Residence in harmony with the exterior design of other Residences within the Properties.

C. Time Limitation. The Owner(s) of any damaged Residence(s) and the AC shall be obligated to proceed expeditiously to discharge their respective obligations. Unless otherwise waived, the Owner(s) shall commence reconstruction or removal of the damaged or destroyed structure within ninety (90) days after the casualty occurs, and complete the same within six (6) months after the casualty occurs.

ARTICLE XIII

CONDEMNATION

13.1 Sale by Unanimous Consent or Taking. If an action to condemn all or any portion of the Common Area is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional Mortgagees, the Property, or a portion thereof may be sold and conveyed to the condemning authority by the Board or its designees acting as the attorney-in-fact of all Owners pursuant to Section 3.4 hereof, for a price deemed fair and equitable by the Board. However, if the Owners or Mortgagees do not consent to such a sale, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

13.2 Distribution and Sale; Proceeds of Condemnation Award.

A. Total Sale or Taking. A total sale or taking of the Property is a sale or taking that: (I) renders more than fifty percent (50%) of the Lots uninhabitable (such

determination to be made by the Board in the case of a sale and by the court in the case of a taking); or (ii) renders the Property as a whole uneconomical as determined by the vote or written consent of sixty-six and two-thirds percent (66-2/3%) of those Owners and their respective institutional Mortgagees whose Lots will remain habitable after the taking. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Property, after payment of all expenses relating to the sale or taking, shall be paid to all Owners and to their respective Mortgagees in the proportion that the fair market value of each Lot bears to the fair market value of all Lots on the Property. The fair market value of Lots shall be determined in the condemnation action, if such be instituted, or by an appraiser.

B. Partial Sale or Taking. In the event of a partial sale or taking of the Properties, meaning a sale or taking that is not a total taking, as determined in section 13.2, paragraph A, above, the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgments of condemnation shall include the following provisions as part of its terms:

(1) To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then

(2) To Owners and to their respective Mortgagees, as their interests may appear, of Lots on the Property whose Lots have been sold or taken, an amount up to the fair market value of such Lots as determined by the court in the condemnation proceeding or by an appraiser, less such Owners' share of expenses paid pursuant to section 13.2, subparagraph B(1) (which share shall be in proportion to the ratio that the fair market value of each Owner's Lot bears to the fair market value of all Lots.

(3) To any remaining Owner(s) and to his or her Mortgagees, as their interests may appear, whose Lot has been diminished in value as a result of the sale or taking disproportionate to any diminution in value of all Lots, as determined by the Court in the condemnation proceeding or by an appraiser, an amount up to the total diminution in value; then

(4) To all remaining Owners and to their respective Mortgagees, as their interests may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Lot bears to the fair market value of all remaining Owners' Lots as of a date immediately prior to commencement of condemnation proceedings, as determined by the Court in the condemnation proceeding or by an appraiser.

13.3 Appraiser. Wherever in this Article reference is made to a determination of the value or fair market value of one or more Lots by an appraiser, this shall mean an appraisal by an independent appraiser selected by the Board, who shall be a member of the Society of Real Estate Appraisers (SREA) or other nationally recognized appraiser organization and who shall apply the SREA or other national appraisal organization's standards in determining the value or fair market value of each Lot. The costs of such appraisals shall be paid from the condemnation proceeds as an expense of the Association.

ARTICLE XIV

RIGHTS OF LENDERS

14.1 Rights of First Lenders. No breach of any of the covenants, conditions and restrictions contained in this Declaration, nor the enforcement of any of its lien provisions, shall render invalid the lien of any First Lender on any Lot made in good faith and for value, but all of those covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through Foreclosure or trustee's sale, or otherwise. For purposes of this Article XIV, the following definitions shall apply:

A. "First Lender" shall mean any person, entity, bank, savings and loan association, insurance company, or other financial institution holding a recorded First Mortgage on any Lot.

B. "Eligible Mortgage Holder" shall mean a holder, insurer, or guarantor of a First Mortgage on a Lot which has requested timely written notices from the Association, in a written request that includes the name and address of the Eligible Mortgage Holder, and the Lot number.

C. "Eligible Insurer or Guarantor" shall refer to an insurer or governmental guarantor of a First Mortgage.

D. "First Mortgage" shall mean any Mortgage recorded in the County made in good faith and for value on a Lot with first priority over other Mortgages encumbering the Lot.

E. "Foreclosure" shall refer to the legal process by which a Lot owned by an Owner who is in default under a Mortgage is sold pursuant to California Civil Code section 2924(a) et seq. or sale by the Court pursuant to California Code of Civil Procedure section 725(a) et seq. and any other applicable laws.

14.2 Notwithstanding any provision in the Governing Documents to the contrary, First Lenders shall have the following rights:

A. Notice of Action: Upon written request to the Association, identifying the name and address of the Eligible Mortgage Holder or Eligible Insurer or Guarantor, and the Lot number or address, such Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of:

(1) Any condemnation loss or any casualty loss that affects either a material portion of the Project or any Lot on which there is a First Mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable;

(2) Any default in performance of obligations under the Governing Documents or delinquency in the payment of Assessments or charges owed by an Owner of a Lot subject to a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, which remains uncured for a period of sixty (60) days;

(3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and,

(4) Amendments to the Declaration only as follows:

(a) Amendments of a material adverse nature to First Lenders require the approval of at least fifty-one percent (51%) of Eligible First Lenders (based on one (1) vote for each First Mortgage owned);

(b) Any action to terminate the legal status of the Project, or to use insurance proceeds for any purpose other than to rebuild, requires approval of at least fifty-one percent (51%) of Eligible First Lenders (based on one (1) vote for each First Mortgage owned); and,

(c) Implied approval may be assumed when a Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after the Mortgagee actually receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

The Association shall discharge its obligation to notify Eligible Mortgage Holders or Eligible Insurers or Guarantors by sending written notices required by this Declaration to such parties, at the address given on the current request for notice. An Eligible Mortgage Holder who receives a written request to approve or consent to a proposal, and who fails to deliver or post to the requesting party a negative response within sixty

(60) days after the notice of the proposal shall be deemed to have approved such request, provided the notice has been delivered to the Eligible Mortgage Holder by certified or registered mail, return receipt requested.

B. Reserves: The Association shall establish and maintain a Reserve Fund for replacements and a general operating reserve sufficient in amount to satisfy the minimum amounts necessary to comply with the requirements of Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), and the Federal Housing Administration ("FHA").

C. First Lenders Rights Confirmed: Any First Lender who comes into possession of the Lot by virtue of Foreclosure of the Mortgage, or any purchaser at a Foreclosure, will take the Lot free of any claims for unpaid Assessments and fees, late charges, fines or interest levied in connection with such claims, against the Lot which accrue more than six (6) months prior to the time such First Lender or purchaser at a Foreclosure takes title to the Lot, except for fees or costs related to the collection of the unpaid Assessments, claims for a pro rata share of such Assessments or charges to all Lots including the mortgaged Lot, and except for Assessment Liens as to which a Notice of Delinquent Assessment has been recorded prior to the Mortgage.

D. Distribution of Proceeds of Insurance, Condemnation or Termination: No provision of the Governing Documents gives an Owner, or any other party, priority over any rights of First Lenders in the case of a distribution to Owners of proceeds of termination or any insurance proceeds or condemnation awards for losses to or taking of Lots and/or Common Area.

ARTICLE XV

ENFORCEMENT

15.1 Remedy at Law Inadequate. Except for nonpayment of any Assessment, the remedy at law to recover damages for the breach, default or violation of any of the Governing Documents are hereby declared and agreed to be inadequate. Any such breach, default, or violation may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

15.2 Nuisance. Without limiting the generality of the foregoing section, the result of every act or omission whereby any provision of this Declaration is violated is hereby declared to be a nuisance. Violation of any law, ordinance or regulation by any Owner, Tenant, resident, guest, invitee, agent or contractor which affects the health, safety, or property rights of other Members is hereby declared to be a nuisance and a

violation of this Declaration. Every remedy against nuisance, either public or private, shall be applicable against every such violation of law or the Declaration.

15.3 Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or Tenant of any Lot, the court may award to the prevailing party in any such action such attorneys' fees and other costs as the court deems just and reasonable. An Owner shall be responsible for attorneys' fees and costs incurred by the Association to cure the defaults respecting his or her Lot, including those of his or her Tenant(s) or of any guest, invitee, agent, or contractor thereof.

15.4 Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or Tenant or others to perform or observe any provision of this Declaration.

15.5 Failure Not a Waiver. The failure of any Owner, the Association, or its Board, officers, or agents to enforce any of the provisions of this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

15.6 Rights and Remedies of the Association.

A. Rights Generally. In the event of a breach or violation of any Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's Tenants, guests, employees, invitees, or contractors, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to, the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action or suspension of the Owner's voting rights as a Member of the Association.

B. Schedule of Fines: Due Process. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles). The Board shall distribute to each Owner, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, or any changes thereto. Such fines may not be levied unless the Board first provides written notice to the Owner, by either personal delivery or first-class mail, at least ten (10) days prior to the meeting to consider or impose discipline upon an Owner, and provides the Owner an opportunity for a hearing before the Board. The

notice shall contain the date, time, and place of the meeting, the nature of the alleged violation for which the Owner is subject to discipline, and a statement that the Owner has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Owner being disciplined. No penalty or temporary suspension of rights shall be imposed pursuant to this Section unless the Owner alleged to be in violation is given, by either personal delivery or first-class mail, at least fifteen (15) days prior written notice of the penalty imposed or temporary suspension.

C. Notwithstanding the foregoing, under circumstances involving conduct that constitutes: (1) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (2) a traffic, life safety, or fire hazard; (3) a threat of material damage to, or destruction of, the Common Area; or (4) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as parking violations), the Board of Directors or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the offending Owner, or on its own initiative, conduct a hearing as soon thereafter as reasonably practicable.

D. Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules and shall provide for notices and procedures satisfying the alternative dispute resolution requirements of applicable law.

E. Court Actions. Before initiating any court action seeking solely declaratory or injunctive relief to interpret or enforce the Governing Documents or declaratory or injunctive relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits for small claims court, the Association or Owner shall first comply with the provisions of applicable law relating to alternative dispute resolution, except in the case of an emergency in which immediate injunctive relief is necessary.

ARTICLE XVI

AMENDMENT OF DECLARATION

16.1 Amendment in General. This Declaration may be amended or revoked by the vote or assent of fifty-one percent (51%) of all Owners eligible to vote, using voting procedures prescribed in the Bylaws or by law. The percentage of Owners necessary to amend a specific provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision.

16.2 Effective Date of Amendment. An amendment will be effective upon the Recording of a Certificate of Amendment, and the distribution of a copy of the Recorded amendment to each Owner. The Certificate of Amendment shall be executed by the President and Secretary of the Association, setting forth the amendment in full, and certifying that the approval requirements herein have been duly met. Notwithstanding anything to the contrary herein, no amendment shall affect the rights of the holder of any deed of trust or Mortgage recorded prior to such amendment.

16.3 Amendment by Board. Where permitted by the *Davis-Stirling Common Interest Development Act* or other applicable law, the Board may amend this Declaration to conform to current law, or otherwise to remove restrictive covenants in violation of law, or otherwise. Any such amendment shall be approved by the Board in a duly held open meeting, and shall be conducted in strict accordance with applicable law.

ARTICLE XVII

GENERAL PROVISIONS

17.1 No Public Rights. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Development to the general public or for any public use or purpose whatsoever.

17.2 Survival of Association. In the event the Association as a corporate entity is dissolved, then a nonprofit, unincorporated association shall automatically be deemed formed to succeed to all the rights and duties of the Association, all of which shall continue to be governed by the Governing Documents and applicable law.

17.3 Notices. Communications or notices of any kind required, permitted, or described herein shall be in writing, and may be served and delivered (unless otherwise provided by applicable law), as an alternative to personal service, by mailing same as provided in the Bylaws.

17.4 Failure of Mortgagee to Respond. Any Mortgagee and/or governmental agency who receives a written request from the Board to respond or consent to any action shall be deemed to have approved such action, unless the receives a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

17.5 Natural Drainage Courses. The drainage system for the property within Ben Johnson's Fairway Homes contributes to a series of interconnected natural channels known generally as the Arroyo Conejo (hereinafter called "Drainage Courses") situated throughout the area known generally as the Westlake North Ranch and within

and without the real property initially encumbered by this Declaration. In order to equitably distribute the responsibility for the maintenance of these Drainage Courses along all landowners benefiting therefrom, the real property covered by this Declaration has been made subject to those provisions of the Westlake North Property Owners' Association Restrictions regarding Natural Drainage Courses (hereinafter called the "Provisions") as copy of which is attached hereto as **Exhibit "C"**. The Provisions are hereby incorporated herein as though set forth fully. The Association and its Members shall jointly and severally have the duty to pay any drainage course maintenance assessments levied by the Westlake North Property Owners Association pursuant to the Provisions and shall have the rights and obligations enumerated in said Provisions. The Westlake North Property Owners Association shall have the rights of assessment and enforcement indicated in the Provisions.

17.6 Approval by City of Thousand Oaks. Any amendments, additions to, or deletions from this Declaration of any provision affecting compliance with ordinances of the City of Thousand Oaks or conditions imposed by the City upon development of the property subject to this Declaration shall not become effective until reviewed by the consented to, by the City Planning Department. Certificates of amendment recorded in the Ventura County Recorder's Office evidencing such alterations shall recite compliance with this provision.

IN WITNESS WHEREOF, this Amended and Restated Declaration of Covenants, Conditions and Restrictions are adopted effective this ___ day of _____, 201_.

BEN JOHNSON'S FAIRWAYS HOMES PROPERTY OWNERS' ASSOCIATION

By: _____
President

By: _____
Print Name

By: _____
Secretary

By: _____
Print Name

CERTIFICATE

I, the undersigned, the duly elected and acting Secretary of Ben Johnson's Fairways Homes Property Owners' Association a California non-profit corporation, do hereby certify that the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions were duly approved and adopted by the membership of Ben Johnson's Fairways Homes Property Owners' Association by secret ballot vote pursuant to the requirements of the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000-6150) on _____, 20____, and that the same do now constitute the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Association.

This Certificate is executed under penalty of perjury on _____, 20____, in _____, California.

By: _____
Secretary

By: _____
Print Name

EXHIBIT “A”

LEGAL DESCRIPTION
(Tract 2996 Driveway Easements)

Parcel 1 (For the benefit of Lot 5)

An easement for driveway purposes over that portion of Lot 4 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the southeasterly line of which is described as follows:

Beginning at the most southerly corner of said lot; thence along the southeasterly line of said lot, North 59°23'13" East 40.00 feet.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southwesterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 2 (For the benefit of Lot 4)

An easement for driveway purposes over that portion of Lot 5 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the northwesterly line of which is described as follows:

Beginning at the most westerly corner of said lot; thence along the northwesterly line of said lot, North $59^{\circ}23'13''$ East 40.00 feet.

The southeasterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southwesterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 3 (For the benefit of Lot 7)

An easement for driveway purposes over that portion of Lot 6 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the southeasterly line of which is described as follows:

Beginning at the most southerly corner of said lot; thence along the southeasterly line of said lot, North $64^{\circ}43'53''$ East 30.00 feet.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southwesterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 4 (For the Benefit of Lot 6)

An easement for driveway purposes over that portion of Lot 7 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the northwesterly line of which is described as follows:

Beginning at the northwesterly corner of said lot; thence along the northwesterly line of said lot, North $64^{\circ}43'53''$ East 30.00 feet.

The southeasterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southwesterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 6 (For the benefit of 10)

An easement for driveway purposes over that portion of Lot 9 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, which lies westerly of the northerly prolongation of that certain course having a bearing and length of North 26°05'05" West 220.57 feet in the southwesterly boundary of said lot.

LEGAL DESCRIPTION
(Tract 2996 Driveway Easements)

Parcel 7 (For the benefit of Lot 11)

An easement for driveway purposes over those portions of Lots 9 and 10 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, described as follows:

Beginning at a point in that certain course shown as having a bearing and length of North $89^{\circ}58'49''$ West 44.53 feet in the southerly boundary of said Lot 10, said point being distant thereon North $89^{\circ}58'49''$ West 20.80 feet from the easterly terminus thereof; thence along the boundary of said Lot 10

- 1st: South $89^{\circ}58'49''$ East 20.80 feet; thence
- 2nd: South $25^{\circ}48'17''$ East 30.00 feet; thence leaving said boundary
- 3rd: North $64^{\circ}11'43''$ East 8.00 feet; thence
- 4th: North $25^{\circ}48'17''$ West 30.00 feet; thence
- 5th: North $0^{\circ}01'11''$ East 36.52 feet to the northerly boundary of said Lot 9; thence along the boundary of said Lot 9,
- 6th: North $89^{\circ}58'49''$ West 46.65 feet to the beginning of a non-tangent curve concave westerly and having a radius of 218.00 feet; thence
- 7th: Southerly along said curve through a central angle of $5^{\circ}16'31''$ a distance of 20.07 feet; thence
- 8th: South $89^{\circ}58'49''$ East 20.25 feet; thence leaving said last mentioned boundary
- 9th: South $0^{\circ}01'11''$ West 20.00 feet to the point of beginning.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 8 (For the benefit of Lot 19)

An easement for driveway purposes over that portion of Lot 18 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the westerly line of which is described as follows:

Beginning at the northwesterly corner of said lot; thence along the westerly line of said lot, South $12^{\circ}55'55''$ East 40.00 feet.

The easterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northerly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 9 (for the benefit of Lot 18)

An easement for driveway purposes over that portion of Lot 19 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the easterly line of which is described as follows:

Beginning at the northeasterly corner of said lot; thence along the easterly line of said lot, South $12^{\circ}55'55''$ East 40.00 feet.

The westerly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northerly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 10 (For the benefit of Lot 21)

An easement for driveway purposes over that portion of Lot 20 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the westerly line of which is described as follows:

Beginning at the northwesterly corner of said lot; thence along the westerly line of said lot, South 1°42'02" East 30.00 feet.

The easterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northwesterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 11 (For the benefit of Lot 20)

An easement for driveway purposes over that portion of Lot 21 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the easterly line of which is described as follows:

Beginning at the northeasterly corner of said lot; thence along the easterly line of said lot, South $1^{\circ}42'02''$ East 30.00 feet.

The westerly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northerly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 12 (For the benefit of Lot 23)

An easement for driveway purposes over that portion of Lot 22 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the northwesterly line of which is described as follows:

Beginning at the most northerly corner of said lot; thence along the northwesterly line of said lot, South 58°19'39" West 25.00 feet.

The southeasterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northeasterly line of said lot.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 13 (For the benefit of Lot 22)

An easement for driveway purposes over that portion of Lot 23 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the southeasterly line of which is described as follows:

Beginning at the most easterly southeast corner of said lot; thence along the southeasterly line of said lot, South 58°19'39" West 25.00 feet.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the northeasterly line of said lot.

LEGAL DESCRIPTION
(Tract 2996 Driveway Easements)

Parcel 14 (For the benefit of Lot 86)

An easement for driveway purposes over that portion of Lot 85 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the northwesterly line of which is described as follows:

Beginning at the most northerly corner of said lot; thence along the northwesterly line of said lot, South 55°50'09" West 30.00 feet.

LEGAL DESCRIPTION

(Tract 2995 Driveway Easements)

Parcel 15 (For the benefit of Lot 85)

An easement for driveway purposes over that portion of Lot 86 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the southeasterly line of which is described as follows:

Beginning at the most easterly corner of said lot; thence along the southeasterly line of said lot, South 55°50'09" West 30.00 feet.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 16 (For the Benefit of Lot 80)

An easement for driveway purposes over that portion of Lot 79 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the northwesterly line of which is described as follows:

Beginning at the most northerly corner of said lot; thence along the northwesterly line of said lot, South 75°47'51" West 30.00 feet.

LEGAL DESCRIPTION
(Tract 2996 Driveway Easements)

Parcel 17 (For the benefit of Lot 79)

An easement for driveway purposes over that portion of Lot 80 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 8.00 feet wide the southeasterly line of which is described as follows:

Beginning at the most easterly corner of said lot; thence along the southeasterly line of said lot, South 75°47'51" West 30.00 feet.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 18-a (For the benefit of Lot 104)

An easement for driveway purposes over that portion of Lot 103 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps in the office of the County Recorder of said county, included within a strip of land 12.00 feet wide the southeasterly line of which is described as follows:

Beginning at the northeasterly terminus of that certain course having a bearing and length of North 35°34'54" East 75.62 feet in the southeasterly boundary of said lot; thence along said southeasterly boundary

- 1st: South 35°34'54" West 75.62 feet; thence
- 2nd: South 27°16'36" West 36.00 feet; thence
- 3rd: South 13°57'18" West 35.00 feet to the southerly line of said lot.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southerly line of said lot.

LEGAL DESCRIPTION
(Tract 2996 Driveway Easements)

Parcel 1B-b (For the benefit of Lot 104)

An easement for driveway purposes over that portion of Lot 103 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Plans, in the office of the County Recorder of said county, included within a strip of land 25.00 feet wide the southeasterly line of which is described as follows:

Beginning at the southwesterly terminus of that certain course having a bearing and length of North 25°29'45" East 47.26 feet in the southeasterly boundary of said lot; thence along said southeasterly boundary,

1st: North 25°29'45" East 47.26 feet; thence
2nd: North 14°55'49" East 40.20 feet; thence
3rd: North 46°42'52" East 20.19 feet.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in a line bearing North 54°25'06" West and which passes through the point of beginning.

LEGAL DESCRIPTION

(Tract 2996 Driveway Easements)

Parcel 19-a (For the benefit of Lot 103)

An easement for driveway purposes over that portion of Lot 104 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 12.00 feet wide the northwesterly line of which is described as follows:

Beginning at the northeasterly terminus of that certain course having a bearing and length of North $35^{\circ}34'54''$ East 75.62 feet in the northwesterly boundary of said lot; thence along said northwesterly boundary,

- 1st: South $35^{\circ}34'54''$ West 75.62 feet; thence
- 2nd: South $27^{\circ}16'36''$ West 36.00 feet; thence
- 3rd: South $13^{\circ}57'18''$ West 35.00 feet to the southerly line of said lot.

The southeasterly sideline of said strip of land shall be prolonged or shortened so as to terminate in the southerly line of said lot.

LEGAL DESCRIPTION:
(Tract 2996 Driveway Easements)

Parcel 19-b (For the benefit of Lot 103)

An easement for driveway purposes over that portion of Lot 104 of Tract No. 2996, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 25.00 feet wide the northwesterly line of which is described as follows:

Beginning at the southwesterly terminus of that certain course having a bearing and length of North 25°29'45" East 47.26 feet in the northwesterly boundary of said lot; thence along said northwesterly boundary,

1st: North 25°29'45" East 47.26 feet; thence
2nd: North 14°55'49" East 40.20 feet; thence
3rd: North 46°42'52" East 20.19 feet.

The northwesterly sideline of said strip of land shall be prolonged or shortened so as to terminate in a line bearing North 54°25'06" West and which passes through the point of beginning.

NOTE: For reservations use the following format

Reserving therefrom an easement for
portion of said lot included within a strip of land
line of which is described as follows:

purposes over that
feet wide the

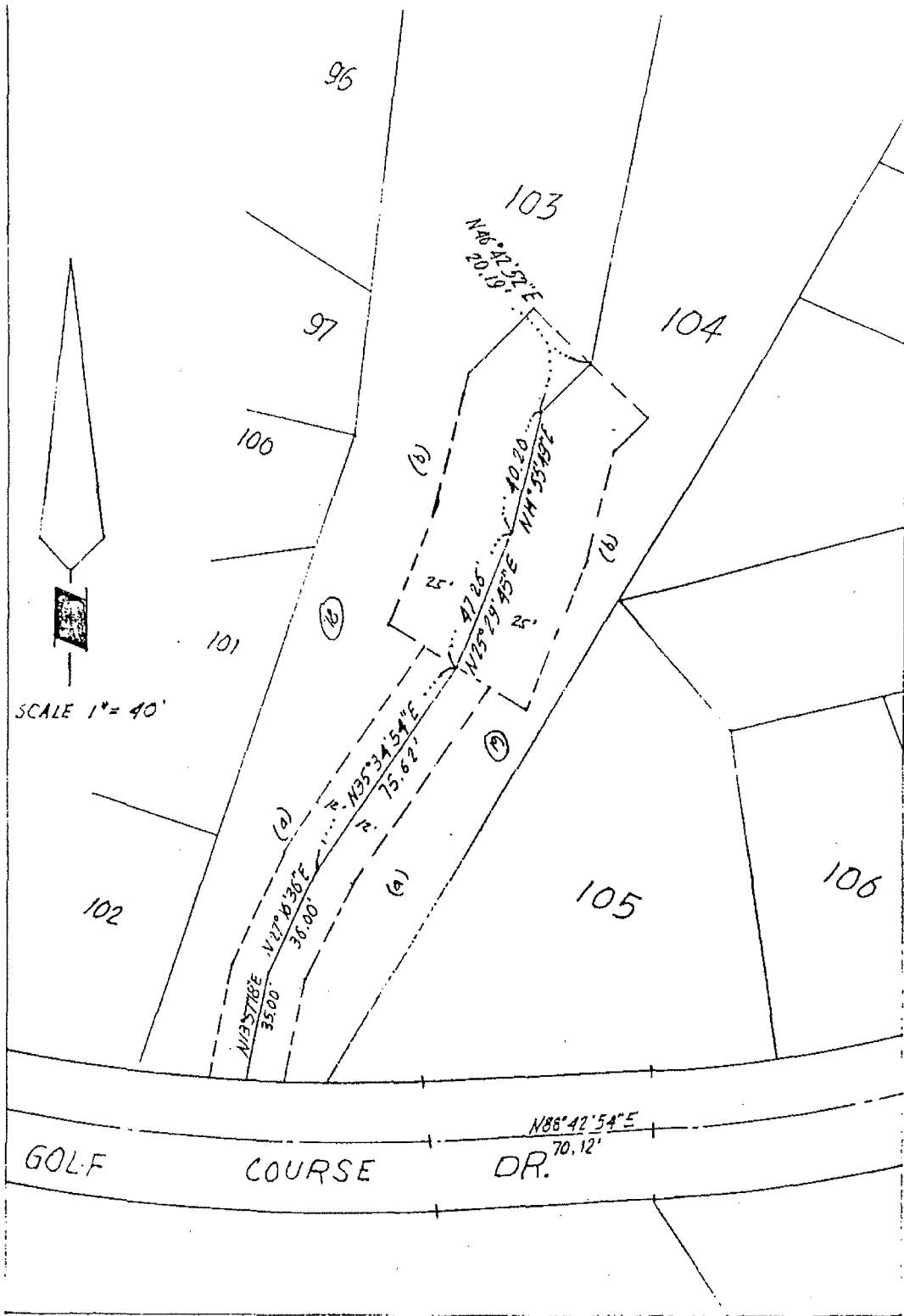
(Use same description as previously used)

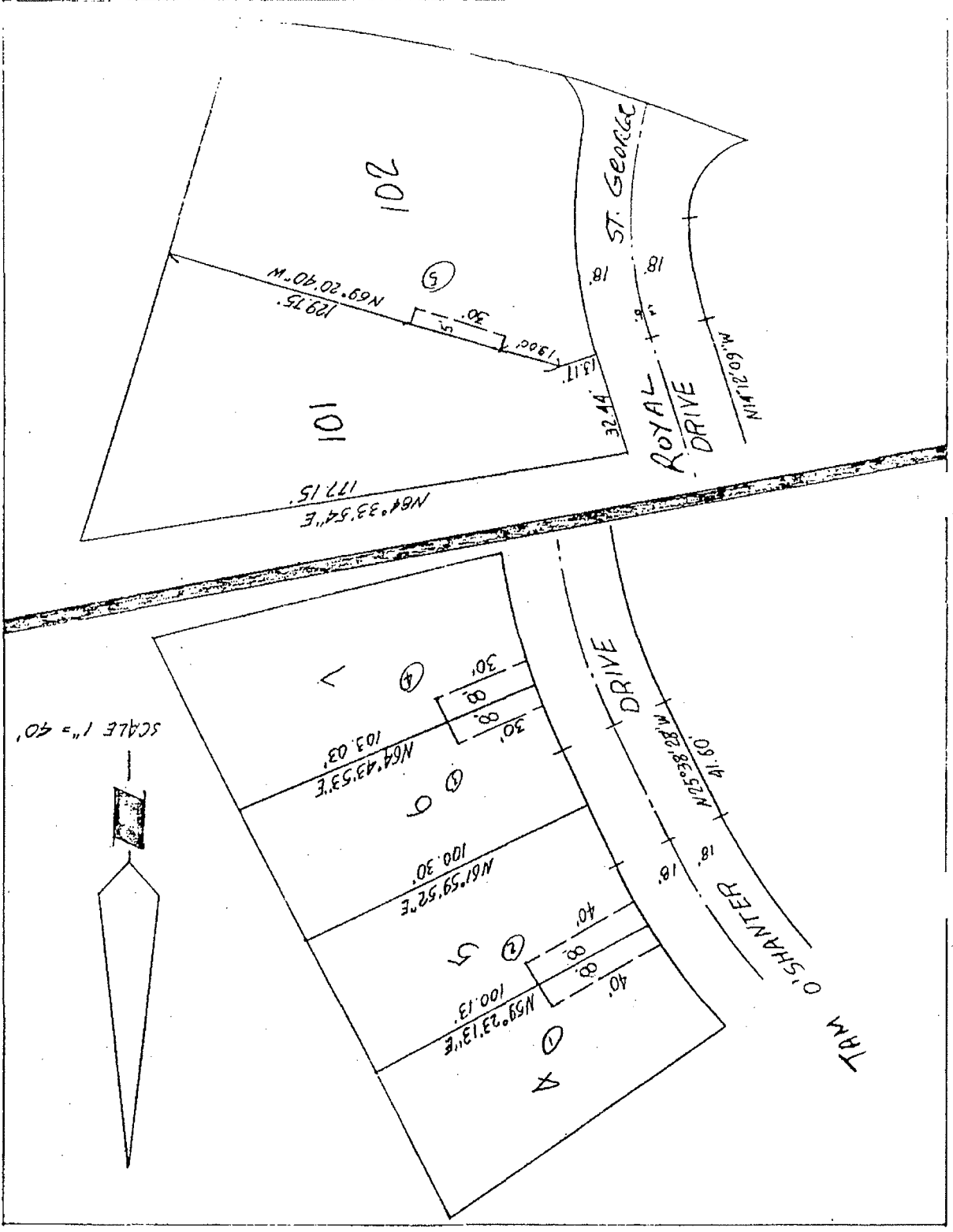
LEGAL DESCRIPTION

Parcel 5 (Yard and Fence easement for the benefit of Lot 101)

An easement for yard and fence purposes over that portion of Lot 102 of Tract No. 2096, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 80 pages 88 to 93 inclusive of Maps, in the office of the County Recorder of said county, included within a strip of land 5.00 feet wide the northeasterly line of which is described as follows:

Beginning at a point in that certain course having a bearing and length of North 69°20'40" West 129.75 feet in the northeasterly line of said lot, said point being distant thereon South 39°20'40" East 19.00 feet from the northwesterly terminus thereof; thence South 69°20'40" East along said line 30.00 feet.





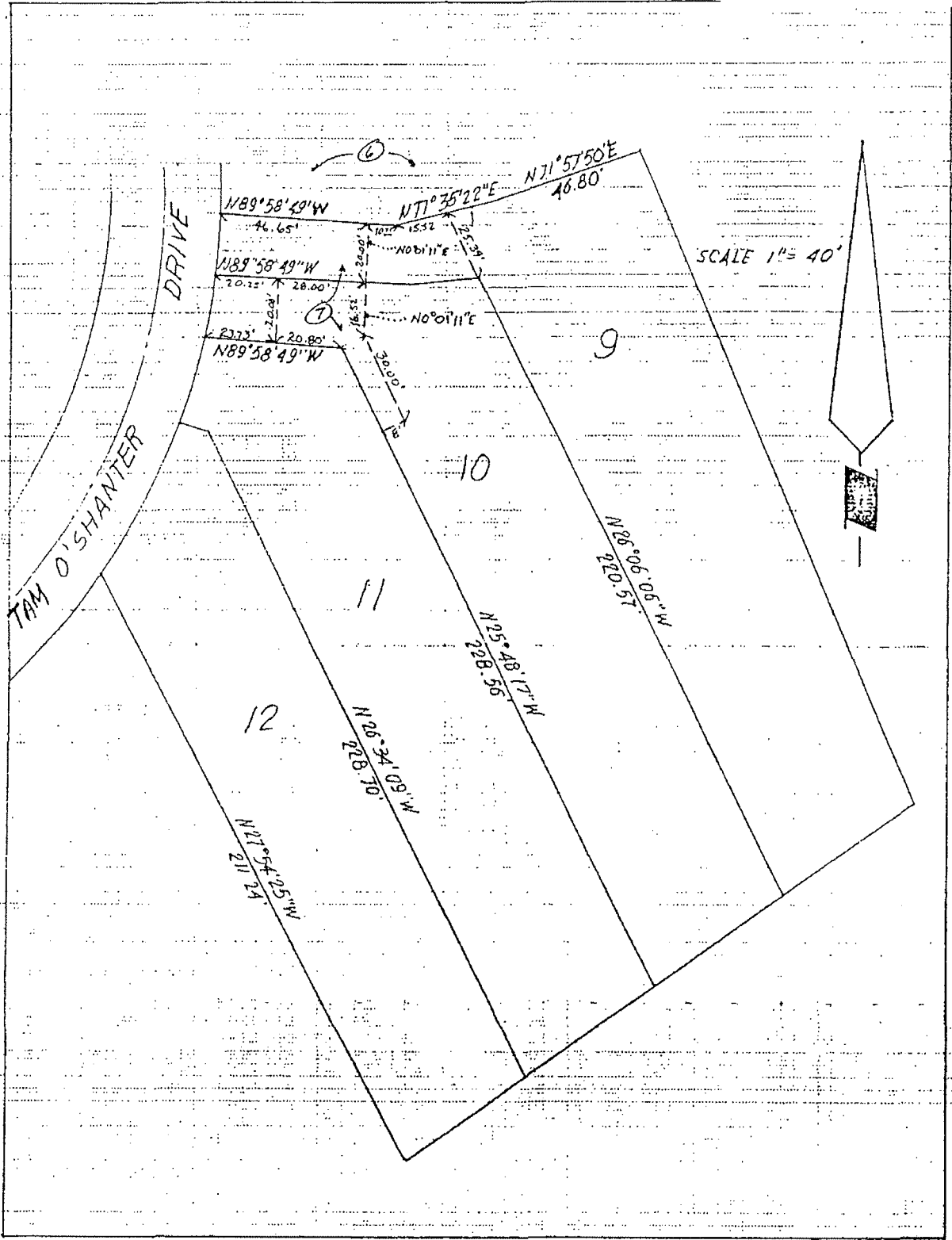


EXHIBIT “B”

EXHIBIT B

BEN JOHNSON'S FAIRWAYS HOMES PROPERTY OWNERS'
*Summary of Association/Owner
 Maintenance, Repair & Replacement Responsibility*

Component	OWNER Duty to Maintain	OWNER Duty to Repair	OWNER Duty to Replace	HOA Duty to Maintain	HOA Duty to Repair	HOA Duty to Replace
I. Lot Components						
Air Conditioning System	✓	✓	✓			
Air Heating System	✓	✓	✓			
Air Conditioning and Heating System Parts and Equipment	✓	✓	✓			
Awnings	✓	✓	✓			
Balconies	✓	✓	✓			
Balcony Railings	✓	✓	✓			
Beams	✓	✓	✓			
Bearing Walls	✓	✓	✓			
Ceilings	✓	✓	✓			
Chutes	✓	✓	✓			
Columns	✓	✓	✓			
Conduits	✓	✓	✓			
Decks	✓	✓	✓			
Dishwashers	✓	✓	✓			
Disposals	✓	✓	✓			
Doors	✓	✓	✓			
Door Frames	✓	✓	✓			
Door Hardware	✓	✓	✓			
Doorsteps	✓	✓	✓			
Downspouts	✓	✓	✓			
Driveways	✓	✓	✓			
Ducts	✓	✓	✓			
Exclusive Use Common Area	✓	✓	✓			
Exterior Doors	✓	✓	✓			
Fences	✓	✓	✓			
Fixtures	✓	✓	✓			
Floors	✓	✓	✓			
Flues	✓	✓	✓			
Foundations	✓	✓	✓			
Furnishings	✓	✓	✓			
Garages	✓	✓	✓			
Garage Doors	✓	✓	✓			

EXHIBIT B

Component	OWNER Duty to Maintain	OWNER Duty to Repair	OWNER Duty to Replace	HOA Duty to Maintain	HOA Duty to Repair	HOA Duty to Replace
Garage Door Opener	✓	✓	✓			
Glass	✓	✓	✓			
Glass Doors	✓	✓	✓			
Gutters	✓	✓	✓			
Hot Water Heaters	✓	✓	✓			
Interior Fixtures	✓	✓	✓			
Interior Plumbing	✓	✓	✓			
Interior Staircases	✓	✓	✓			
Kitchen Appliances	✓	✓	✓			
Lighting Fixtures	✓	✓	✓			
Non-Perimeter Doors	✓	✓	✓			
Non-Perimeter Walls	✓	✓	✓			
Ovens	✓	✓	✓			
Patios	✓	✓	✓			
Perimeter Residence Doors - interior and exterior	✓	✓	✓			
Perimeter Residence Walls - interior and exterior	✓	✓	✓			
Pipes/Plumbing	✓	✓	✓			
Porches	✓	✓	✓			
Ranges	✓	✓	✓			
Refrigerators	✓	✓	✓			
Roofs	✓	✓	✓			
Screens	✓	✓	✓			
Shutters	✓	✓	✓			
Slabs	✓	✓	✓			
Stoops	✓	✓	✓			
Storage Areas	✓	✓	✓			
Telephone Wires - internal and external serving single separate interest	✓	✓	✓			
Termite and Other Wood Destroying Pests - treatment, eradication and repairs to oil structures located on Lot	✓	✓	✓			

EXHIBIT B

Component	OWNER Duty to Maintain	OWNER Duty to Repair	OWNER Duty to Replace	HOA Duty to Maintain	HOA Duty to Repair	HOA Duty to Replace
Utility Installations	✓	✓	✓			
Vertical Supports	✓	✓	✓			
Washers and Dryers	✓	✓	✓			
Waste Pipes	✓	✓	✓			
Water Heaters	✓	✓	✓			
Water Pipes	✓	✓	✓			
Windows	✓	✓	✓			
Window Boxes	✓	✓	✓			
Window Frames and Equipment	✓	✓	✓			
Wires	✓	✓	✓			
Yards	✓	✓	✓			
Yard Walls and Fences	✓	✓	✓			
II. Common Area Components						
Common Area Plumbing, Electrical, Heating, and Lighting				✓	✓	✓
Drainage Facilities and Easements				✓	✓	✓
Guest Parking Spaces				✓	✓	✓
Irrigation Systems				✓	✓	✓
Landscaping				✓	✓	✓
Lighting				✓	✓	✓
Monument Signage				✓	✓	✓
Open Parking Areas				✓	✓	✓
Paved Surfaces				✓	✓	✓
Pests and other organisms - treatment and eradication programs to common area				✓	✓	✓
Private Sewer Lines				✓		
Private Storm Drains				✓		
Private Streets				✓	✓	✓
Private Street Lighting Systems				✓	✓	✓
Sewer Pipes				✓	✓	✓
Slopes, Natural or Manufactured				✓	✓	✓
Termites - treatment and eradication program for common area				✓	✓	✓
Water Pipes - except those within Lot boundaries				✓	✓	✓

EXHIBIT B

*If any damage to, or destruction of, any portion of the Project, including any of the above listed components for which the Association is responsible to maintain, repair or replace, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her Tenants, guests, servants, employees, or invitees, which causes the Association to incur any costs and expenses to repair, all such costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

MAINTAIN, REPAIR, AND REPLACE: "Maintain" (or "maintenance") means general upkeep: painting, periodic cleaning, trimming, irrigation (of plants), lubrication, replacement of filters or similar components when necessary, and ensuring that the item is generally free from trash, debris, dirt, grit, contamination, mold, mildew, excess water accumulation, insect or other infestations, and any other action that does not amount to "repair" or "replacement" as defined here. "Repair" means refurbishment of items that have sustained damage or severe deterioration, such as rusted, rotted, or broken components, as well as any services necessary to return an item from a non-operating condition to an operable and safe condition, short of complete "replacement." "Replacement" means removal of an existing item which, because of its age, deterioration, or disrepair, cannot be (or for whatever reason simply will not be) repaired to its former condition, and installation of another (generally new) item with the identical or substantially similar purpose in its place.

EXHIBIT “C”

NATURAL DRAINAGE COURSES

Section 9.01 PURPOSE

A portion of the drainage system for the property within Westlake North consists of natural water runoff into a series of interconnected natural channels known generally as the Arroyo Conejo (hereinafter called "Drainage Courses"). Said Drainage Courses are situated within and without the real property initially encumbered by this Declaration. In order to equitably distribute the responsibility for the maintenance of these Drainage Courses among all landowners benefiting therefrom, this Article shall provide for limited annexation of other real property without such other real property otherwise being subject to the use and other restrictions contained in the other articles of this Declaration

Section 9.02 ANNEXATION OF REAL PROPERTY SERVED BY DRAINAGE COURSES.

A. METHOD OF ANNEXATION. From time to time, Grantor may annex to these Restrictions all of the privately owned real property depicted on Exhibit A to Specific Plan #4 enacted by the City of Thousand Oaks as Resolution 72-388, attached hereto as Exhibit E, as it may be amended from time to time.

- (a) describe the real property which is to be annexed thereby;
- (b) set forth additional covenants, conditions and restrictions applicable to such property, if any;
- (c) declare that such property is and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, used and improved subject to the provisions stated or incorporated into this Article IX.

B. EFFECT OF ANNEXATION.

1. OBLIGATIONS OF ANNEXED OWNERS. Upon annexation, Owners of such annexed real property shall be subject to only those provisions of these Restrictions relating to assessment and collection of Drainage Courses maintenance assessments, including without limitation Sections 5.05A, 6.03 and

6.05 of this Declaration and the Association shall accept jurisdiction over such real property for such limited purpose only, unless and until said real property is fully annexed to this Declaration, pursuant to Section 2.01 and 2.03 hereof.

2. RIGHTS OF ANNEXED OWNERS. Since Owners whose property is annexed pursuant to this Article are subject only to Drainage Course maintenance assessments, their membership rights in the Association shall be limited to the following:

- (a) the right to vote on a Drainage Course maintenance assessment for any fiscal year which exceeds by 20% or more the assessment for the previous year for such maintenance;
- (b) the right to vote on an additional Drainage Course maintenance assessment which exceeds by 5% or more the budgeted cost for such maintenance;
- (c) the right to vote on an amendment, addition, or deletion of any provision of this Article or the Article governing collection and enforcement of assessments;

All such rights to vote shall be upon all terms and conditions otherwise set forth in this Declaration pertaining to Owner's voting rights.

Section 9.03 CONVEYANCE OF DRAINAGE COURSES TO ASSOCIATION

The Association shall accept conveyances by Grantor from time to time of real property in which Drainage Courses are situated, subject to:

- (1) The right of adjoining, and upstream landowners to permit natural water runoff to drain into these Drainage Courses.
- (2) the right of all governmental agencies exercising appropriate jurisdiction to enter said Drainage Courses from time to time;
- (3) easements for ingress and egress between the immediately adjacent public street and Lots bordering such Drainage Courses where necessary to create legal access to such Lots.
- (4) such other matters of record and rights which do not materially

interfere with the use of such real property for surface water runoff or the rights and obligations of Association under this Declaration to use and maintain such property for that purpose.

Section 9.04 MAINTENANCE OF DRAINAGE COURSES.

The Association shall keep such Drainage Courses in good repair and in conformance with maintenance standards established by the City of Thousand Oaks or other appropriate governmental agency. In the absence of specific standards, maintenance shall be performed as required in order to assure that the Drainage Courses convey surface water runoff without flooding of adjacent lands and that the slopes are not permitted to erode.

Section 9.05 DRAINAGE COURSE ASSESSMENTS

A. OPERATING FUND. At least thirty (30) days prior to the commencement of each fiscal year, the Board shall estimate the costs and expenses to be incurred by the Association during such fiscal year in maintaining the Drainage Courses (including a reasonable provision for contingencies), and shall subtract from such estimate an amount equal to the anticipated balance in a separate Drainage Course operating fund at the start of such fiscal year which is attributable to Drainage operation and maintenance assessments for the prior fiscal year. The sum or net estimate so determined shall be assessed pro-rata to the Owners of all Lots subject to the Drainage Course Assessment as an operation and maintenance assessment in the same proportion that the aggregate Assessed Value of all Lots (excluding improvements) subject to the Drainage Course Assessment.

B. ADDITIONAL ASSESSMENTS. In the event that the Assessments collected for Drainage Course maintenance in any fiscal year prove to be inadequate to accomplish such maintenance, the Board may levy such additional assessments as are necessary to meet the costs incurred in performing such maintenance, including provision for contingencies and capital improvements.

Section 5.05A Assessments. To levy assessments on the Owners of Lots and to enforce payment of such assessments, all in accordance with the provisions of Article VI hereof.

Section 6.03 Reimbursement Assessment. The Board may levy against any Owner as a result of whose failure to comply with the Westlake North Restrictions, the Westlake North Rules or the Architectural Committee Rules, monies were expended by the Association from the operating fund in performing its function under the Westlake North Restrictions, including enforcement of compliance by legal action. Such assessments shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended without regard to the limitations of Section 6.02 and shall be due and payable to the Association when levied.

Section 6.05 Enforcement of Assessments. Each assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner or Owners against whom the same is assessed. In the event of a default in payment of any such assessment and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation by either or both of the following procedures:

A. Enforcement by Suit. The Board on behalf of the Association may bring a suit at law to enforce each such assessment obligation. Any judgment rendered in any such action shall include a sum for costs of suit, including reasonable attorney's fees in such amount as the Court may adjudge against the defaulting Owner, and interest from date of assessment at the legal rate.

B. Enforcement by Lien: There is hereby created a lien, with power of sale on each and every lot to secure payment to the Association of any and all assessments levied against any and all Owners of such lots under this Declaration, together with interest thereon at the maximum legal rate per annum

from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time within ninety (90) days after the occurrence of any such default, the Board may make a demand for payment to the defaulting Owner. Said demand shall state the date and amount of the delinquency. If such delinquency is not paid within ten (10) days after delivery of such notice, the Board may elect to file a claim of lien against the lot of such delinquent Owner. Such claim of lien shall state:

(1) The name of the delinquent Owner:

(2) The legal description and street address of the lot against which claim of lien is made;

(3) The amount claimed to be due and owing, including interest at the legal rate until paid (with proper offset allowed):

(4) That the claim of lien is made by the Association pursuant to the terms of the Westlake North Restrictions: and

(5) That a lien is claimed against the lot in an amount equal to the amount of the stated delinquency. Upon recordation of a duly executed original or copy of such claim of lien by the Recorder of Ventura County, the lien claimed therein shall immediately attach and become effective subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis for a claim of lien or a lien, but any number of defaults may be included within a single claim of lien. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a trust deed as set forth in Division III, Part 4, Title XIV, Chapter 2 of the Civil Code of the State of California, as the same may be amended. In the event such foreclosure is by action in court, costs of suit including reasonable attorneys' fees shall be allowed to the extent permitted by law. In the event the foreclosure is in the manner provided by law for foreclosure of a trust deed under power of sale, the Association shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted.

C. Assessment Certificate . A certificate executed by any two members of the Board and acknowledged by one of them shall be conclusive upon the Association and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained and any owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his lot (or the fact that all assessments due are paid if such is the case) within ten days after demand therefore and upon payment of a reasonable fee not to exceed Ten Dollars.

D. Amendments. No amendment of this Section 6.05 shall be effective without the unanimous written consent of all of the Owners and their respective mortgagees or beneficiaries.