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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR

**BRIDLEWOOD
PLANNED UNIT DEVELOPMENT**

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of July 28, 1987, by SANTA ROSA RANCH ONE, a California general partnership (hereinafter referred to as "Declarant"), with reference to the following

RECITALS:

A. Declarant is the owner of the real property located in the County of Ventura, California, which is described as:

Lots 13 through 44, inclusive, of TRACT NO. 2880-2, in the County of Ventura, State of California, as per map thereof recorded in Book 91, Page 80 of Maps, in the Office of the County Recorder of said County, on June 18, 1981, except from Lot 16 that portion thereof conveyed to Calleguas Municipal Water Company, in the deed recorded September 19, 1983 as Instrument No. 103475, Official Records;

Lots 45 through 72, inclusive, of TRACT NO. 2880-3, in the County of Ventura, State of California, as per map thereof recorded in Book 91, Page 84 of Maps, in the Office of the County Recorder of said County, on June 18, 1981;

Lots 73 through 95, inclusive, of TRACT NO. 2880-4, in the County of Ventura, State of California, as per map thereof recorded in Book 91, Page 87 of Maps, in the Office of the County Recorder of said County, on June 18, 1981;

Lots 96 through 126, inclusive, of TRACT NO. 2880-5, in the County of Ventura, State of California, as per map thereof recorded in Book 94, Page 12 of Maps, in the Office of the County Recorder of said County, on June 7, 1982;

Lots 127 through 155, inclusive, of TRACT NO. 2880-6, in the County of Ventura, State of California, as per map thereof recorded in Book 94, Page 15 of Maps, in the Office of the County Recorder of said County, on June 7, 1982;

Lots 156 through 189, inclusive, of TRACT NO. 2880-7, in the County of Ventura, State of California, as per map thereof recorded in Book 94, Page 18 of Maps, in the Office of the County Recorder of said County, on June 7, 1982,

B. The property described in Recital A above is a planned unit residential development and is planned to be developed in two (2) phases. The phases are planned to be developed as follows:

<u>Phase</u>	<u>Lots</u>	<u>Number of Residential Lots</u>
1	21-95	75
2	13-20; 96-189	102

There is no guarantee that all phases will be completed nor that the homes constructed on the Lots shall be of any particular style or size.

C. Certain easement areas over portions of the lots ("Common Maintenance Area") will be maintained by BRIDLEWOOD HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), the members of which will be the owners of the residential Lots.

D. Before selling any of the Lots, Declarant wishes to impose on each the following plan of covenants, conditions and restrictions.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of all of the real property described above and

has fixed and does hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in the real property described as Phase 1 above and, upon annexation, Phase 2, under which said covenants, conditions and restrictions each ownership interest therein shall be hereafter, held, used, occupied, leased, sold, encumbered, conveyed and/or transferred. Each and all of the covenants, conditions and restrictions are for the purpose of protecting the value and desirability of and shall inure to the benefit of all of the real property described as Phase 1 above and, upon annexation, Phase 2, and shall run with and be binding upon and pass with said real property and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant.

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

Section 2. "Association" shall mean and refer to BRIDLEWOOD HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 5. "Common Maintenance Area" shall mean and refer to those portions of Lots over which the Association is responsible for maintenance, pursuant to easements granted to the Association.

Section 6. "Declarant" shall mean and refer to SANTA ROSA RANCH ONE, a California general partnership, its successors and assigns, if such successor or assign should acquire more than five (5) Lots for the purpose of development.

Section 7. "Declaration" shall mean and refer to this enabling Declaration of Covenants, Conditions and Restrictions as it may from time to time be amended.

Section 8. "FHA" shall mean and refer to the Federal Housing Administration.

Section 9. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 10. "Member" shall mean and refer to an Owner as defined in Section 13, Article I of the Declaration, who is entitled to membership in the Association as provided in the Declaration.

Section 12. "Mortgage" shall mean and refer to a Deed of Trust as well as a mortgage.

Section 12. "Mortgages" shall mean and refer to the beneficiary of a Deed of Trust as well as the mortgagee of a mortgage encumbering a Lot.

Section 13. "Owner" shall mean and refer to the record owners, whether one (1) or more persons or entities, of fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 14. "Properties" shall mean and refer to that certain real property described in Recital A to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 15. "VA" shall mean and refer to the Veterans Administration.

ARTICLE II

PROPERTY RIGHTS IN COMMON MAINTENANCE AREA

Section 1. Owners' Easements of Enjoyment. The Common Maintenance Area shall include those portions of the Lots shown on the Final Maps covering the Properties as Flowage Easements dedicated to the Ventura County Flood Control District and as Equestrian Easements. Every Owner of a Lot shall have a right and easement of ingress, egress and of enjoyment in and to the Common Maintenance Area which shall be appurtenant to and shall pass with the title to every such Lot, subject to the following provisions:

(a) The right of the Association to make rules and regulations relating to the use of the Common Maintenance Area, and to suspend the voting rights and right to use of any Common Maintenance Area by an Owner for any period during which any

assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations. No such suspension shall be effective unless the Owner has been given fifteen (15) days' prior notice of the suspension and the reasons therefor and the Owner has been given an opportunity to be heard by the Board, orally or in writing, not less than five (5) days prior to the effective date of the suspension. Notice may be given to the Owner by any method reasonably calculated to provide actual notice, but if given by mail must be given by first-class or registered mail sent to the last address of the Owner shown on the records of the Association.

(b) The right of the Association to dedicate or transfer all or any part of the Common Maintenance Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No dedication or transfer of all or substantially all of the assets of the Association shall be effective unless an instrument signed by one hundred percent (100%) of each class of Members agreeing to such dedication or transfer, has been recorded.

(c) The right of the Association, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Common Maintenance Area and in aid thereof, and with the assent of two-thirds (2/3) of each class of Members, hypothecate real or personal property owned by the Association.

(d) The right of access, ingress and egress and the right of installation and use of utilities, for the benefit of all of the Lots within the Properties.

(e) Subject to a concomitant obligation to restore, Declarant and its sales agents, employees and independent contractors shall have:

(i) a non-exclusive easement over the Common Maintenance Area for the purposes of maintenance and making repairs to the Common Maintenance Area, provided access thereto is otherwise not reasonably available, and for the purpose of constructing, marketing and maintaining the project, including all phases within the Properties.

(ii) the right to the non-exclusive use of the Common Maintenance Area for the purpose of maintaining signs reasonably necessary to market the Lots for a period of not more than five (5) years after conveyance of the Common Maintenance Area in Phase 1 to the Association, or the sale of all Lots within the

Properties, whichever is first to occur. The use of the Common Maintenance Area by Declarant and its agents shall not unreasonably interfere with the use thereof by the Class A Members of the Association.

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his rights of enjoyment to the Common Maintenance Area and facilities to the members of his family, his tenants or contract purchasers who reside on his Lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B Member(s) shall be Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following to occur:

(i) two (2) years following the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of development of the Properties; or

(ii) four (4) years following the date of the original issuance by the California Department of Real Estate of the Final Subdivision Public Report for Phase 1 of the development of the Properties.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 1. Creation of Lien and Personal Obligation for Assessments. Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (a) annual assessments or charges which shall include an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Maintenance Area, and (b) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall (except as otherwise provided in Section 4 below) be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, the lien to be effective upon recordation of a notice of delinquent assessments. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title, unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and for the improvement and maintenance of the Common Maintenance Area, and to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Articles, Bylaws, Declaration and rules and regulations adopted by the Board.

Section 3. Annual and Special Assessments. The Board shall levy annual and special assessments sufficient to perform the obligations of the Association as provided in the Declaration and Bylaws; provided, however:

(a) until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the annual assessment for each Lot shall not exceed \$750.00;

(b) except for assessments to pay for the maintenance or repair of the Common Maintenance Area or other areas which the Association is obligated to maintain or repair, including, but not limited to, the payment of insurance premiums, utility bills, costs incurred in maintaining and repairing structures or improvements, funding reserves and addressing emergency situa-

tions, the Board may not impose an annual assessment that is more than ten percent (10%) greater than the annual assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the California Corporations Code and Section 7613 of the California Corporations Code;

(c) in any event, the Board may not impose an annual assessment that is more than fifteen percent (15%) greater than the annual assessment for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year, without the approval of (i) a majority of the voting power of Members of the Association, and (ii) so long as there is a Class B membership, a majority of the voting power of Members of the Association other than Declarant, obtained in accordance with Subsection 3(b) above.

Section 4. Individual Special Assessments. The Association may also impose a special assessment against any Member to reimburse the Association for costs incurred in bringing a Member and his Lot into compliance with the provisions of the Declaration, the Articles, the Bylaws and the Association rules and regulations, which assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of Section 7341 of the California Corporations Code, as set forth in the Bylaws; provided, however, that except to the extent such special assessment is to reimburse the Association for the cost of collecting assessments, the special assessment shall not constitute a lien on the Owner's Lot.

Section 5. Uniform Rate of Assessment. Both annual and special assessments (other than a special assessment levied against an Owner to bring the Owner or his Lot into compliance with the Declaration, Articles, Bylaws or rules and regulations of the Board) shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots in Phase 1 on the first day of the month following the first conveyance of a Lot in Phase 1 to an Owner. The annual assessments provided for herein shall commence as to all Lots in Phase 2 on the first day of the month following the first conveyance of a Lot in Phase 2 to an Owner. The first annual assessment shall be adjusted according to the number of months

remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board.

Section 7. Effect of Non-Payment of Assessments; Remedies of Association. Any assessment made in accordance with this Declaration shall be a debt of the Owner of a Lot from the time the assessment is due. Any assessment not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and in addition thereto, or in lieu thereof, may foreclose the lien against the Lot.

Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Except as otherwise provided in Section 4 above, the amount of any such delinquent assessment plus any other charges thereof, as provided for in this Declaration, shall be and become a lien upon the Lot when the Association causes to be recorded with the County Recorder a Notice of Delinquent Assessment, which shall state the amount of such delinquent assessment and such other charges thereon as may be authorized by this Declaration, a description of the Lot against which the same has been assessed and the name of the record owner thereof. Such notice shall be signed by the President or Vice President and the Secretary or Assistant Secretary of the Association. Upon payment of such delinquent assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

Such lien may be enforced by sale by the Association after failure of the Owner to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the California Civil Code, applicable to the exercise of powers of sale in mortgages or in any other manner permitted by law. The Association shall have the power to purchase the Lot at the foreclosure sale and to hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Subordination of the Lien to First Mortgages. The lien of assessment herein shall be subordinate to the lien of any first Mortgage upon any Lot, and the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first

Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage or other purchaser of a Lot obtains title to the same as a result of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer, except for a share of such charges or assessments resulting from a reallocation of such charges or assessments which are made against all Lots.

Section 9. Estoppel Certificate. The Association shall furnish or cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 10. Personal Liability of Owner. No Member may exempt himself from personal liability for assessments, nor any part thereof, levied by the Association, nor release the Lot owned by him from the liens and charges hereof by waiver of the use and enjoyment of the Common Maintenance Area and facilities thereon, or by abandonment of his Lot.

Section 11. Exempt Property. All properties dedicated to and accepted by a local public authority, and all properties owned by a charitable non-profit organization exempt from taxation by the laws of the State of California, shall be exempt from the assessment created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Capitalization of Association. Upon acquisition of record title to a Lot from Declarant, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) the amount of the then annual assessment for that Lot as determined by the Board. This amount shall be deposited by the buyer into the purchase and sale escrow and, except as otherwise provided herein, disbursed from the escrow to the Association. The same procedure shall be followed in connection with sales of lots in subsequent phases. The payments required under this Section 12 are in addition to and not in lieu of annual and special assessments of the Association.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall, patio, patio cover or other structure or improvement, nor exterior painting, shall be commenced, erected, placed or altered upon any Lot until the location and the complete plans and specifications showing the nature, kind, shape, height and materials, including the color, have been submitted to and approved in writing as to harmony of external design and location to surrounding structures and topography by the Board, or by an architectural committee composed of three (3) representatives appointed by the Board from the membership of the Association; provided, however, that in the event the Board or its designated committee fails to approve or disapprove such location, plans and specifications or other request made of it within thirty (30) days after the submission thereof to it, then such approval will not be required, provided that any structure or improvement so to be erected or altered conforms to all other conditions and restrictions herein contained and is in harmony with similar structures erected within the Properties. The grade, level or drainage characteristics of the Lot or any portion thereof shall not be altered without the prior written consent of the Board or its designated committee. The provisions of this Article V shall not apply to the construction by Declarant of dwellings or other improvements on Lots and neither the Board nor any committee appointed by the Board shall have any authority or right to approve or disapprove thereof. No building additions shall be permitted without the prior approval of the County of Ventura, and all building additions, modifications and uses shall comply with the ordinances of the County of Ventura.

ARTICLE VI

USE RESTRICTIONS

Section 1. Residential Purposes Only. No Lot shall be used, except for residential purposes, and no building or buildings shall be erected, constructed, altered or maintained on any Lot other than one (1) detached, single-family dwelling, a private garage for not more than three (3) cars and such customary outbuildings as are permitted from time to time by the ordinances of the County of Ventura, California. No outbuilding to be used for other than storage purposes shall exceed 550 square feet in size. Anything contained herein to the contrary notwithstanding, Declarant shall have the right to use any Lot for purposes of model homes and sales offices until such time as Declarant has conveyed all Lots in the Properties to purchasers thereof, or until June 30, 1993, whichever shall first occur.

Section 2. New Building Only. No building of any kind shall be moved from any other place onto any Lot, nor from one Lot to another Lot, without the prior written consent of the Architectural Committee, except for temporary structures used in connection with the construction of a building or improvement on a Lot.

Section 3. Minimum Floor Area of Dwellings. The ground floor area of the main structure located on any Lot, exclusive of open porches, patios, exterior stairways and garages, shall not be less than 1,200 square feet.

Section 4. Balconies and Decks. No balcony or deck constructed on any Lot shall be higher above the ground than the second-floor level, except with the written approval of the Architectural Committee.

Section 5. No Second-Hand Materials. Painting Required. No second-hand materials shall be used in the construction of any building or other structure on any Lot without the prior written approval of the Architectural Committee. All buildings and fences which are of frame construction shall be painted or stained with at least two (2) coats upon completion unless otherwise in writing by the Architectural Committee.

Section 6. Diligence in Construction Required. The work of constructing and erecting any building or other structure on any Lot shall be prosecuted diligently from the commencement thereof, and the same shall be completed within a reasonable time and in no event later than one hundred eighty (180) days after commencement of construction. No outbuilding shall be completed prior to the completion of the dwelling, except that temporary storage and convenience facilities may be erected for workmen engaged in building a dwelling on the Lot, but such temporary facilities shall be removed as soon as the dwelling is completed.

Section 7. Trees. All trees shall be trimmed by the Owner of the Lot upon which the same are located at the direction of the Architectural Committee, based upon a determination by the Architectural Committee that such trimming is necessary to prevent the obstruction of the view of other Lot Owners within the Properties. Before planting any trees, the proposed location of such trees shall be approved in writing by the Architectural Committee.

Section 8. Exterior Alterations. No alteration shall be made in the exterior design or color of any structure unless such alterations, including any additions, shall have first been approved in writing by the Architectural Committee. Materials

and motif to be used must harmonize, complement and be of similar materials and motif used in the construction of existing dwellings on Lots in the Properties. Where fences or hedges are allowed, review by the Architectural Committee in relation to normal enjoyment of view by other Lot Owners shall be required.

Section 9. Fences, Hedges and Rails. Each Owner shall maintain and keep in good condition and repair all fences located on his Lot. Except as constructed by Declarant, no fence or rail shall be placed on any Lot except with the prior written consent of the Architectural Committee.

Section 10. No Television Antennae. There shall be no outside television or radio antennae or satellite dishes constructed, installed or maintained on any Lot for any purpose whatsoever.

Section 11. Drying Yards. No drying yards shall be permitted on any Lot unless screened from all views exterior to the Lot on which the drying yard is located by fence, hedge or shrubbery, which screening and the adequacy thereof shall be subject to the approval of the Architectural Committee.

Section 12. No Tents, Shacks or Vehicles. No tent, shack, trailer, basement, garage or outbuilding shall at any time be used on any Lot as a residence, either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected on any Lot. No commercial truck trailer, boat of any kind, or other single or multi-purpose engine-powered vehicle other than a standard automobile or an approved golf cart, shall be parked on any Lot (other than in the garage) except temporarily and solely for the purpose of loading or unloading; provided, however, that recreational vehicles may be parked in the rear yard of a Lot so long as they are screened from public view by methods approved by the Architectural Committee.

Section 13. No Signs. No sign other than one (1) sign of customary and reasonable dimensions advertising a Lot or dwelling for sale shall be erected or displayed upon any of Lot or upon any building or other structure thereon without the prior written permission of the Architectural Committee, and all signs must conform with applicable County of Ventura ordinances.

Section 14. No Wells. No well for the production of, or from which there is produced, water, oil or gas shall be operated upon any Lot, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business.

Section 15. No Farm Animals. Except as otherwise provided in this Section 15, no turkeys, geese, chickens, ducks, pigeons or fowl of any kind, or goats, rabbits, hares, horses or animals usually termed "farm animals", shall be kept or allowed to be kept on any Lot. Not more than two (2) horses may be stabled on each Lot. Any enclosed stable for horses shall be similar in design to the residence located on the Lot and shall be subject to approval by the Architectural Committee appointed by the Board. No prefabricated barns, paddocks, stables or other horse enclosures shall be installed or maintained on any Lot.

Section 16. No Commercial Business or Nuisance. No commercial dog, cat or horse raising or any kind of commercial business shall be conducted on any Lot, and nothing shall be done upon any Lot. No public or private nuisance or activity which may become an annoyance or nuisance to the neighborhood shall be permitted on any Lot.

Section 17. Drainage. Each Lot Owner shall permit free access by Owners of adjacent or adjoining Lots to slopes or drainageways located on his Lot when such access is necessary for the maintenance of permanent stabilization of said slopes, or of the drainage facilities to protect property other than the Lot on which the slope or drainageway is located.

No Owner of a Lot shall in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots, and each owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Lot. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time the overall grading of said Lot was completed by Declarant.

Section 18. Slope Control, Use and Maintenance. Each Lot Owner will keep, maintain, water, plant and replant all slope banks and other landscaped areas located on such Owner's Lot so as to prevent erosion and to create and maintain an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any of said slope banks or other portions of any Lot which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. The Architectural Committee shall be the sole judge in determining compliance with the provisions of this Section, and each Lot Owner shall promptly perform or conform to all directives issued by the Architectural Committee for compliance with the provisions of this Section.

Section 19. No Subdivision of Lots. No Lot shall be resubdivided into building sites having a frontage of less than shown on the original recorded subdivision map of which the Lot is a part.

Section 20. Interpretation of Restrictions. All questions or interpretations or constructions of any of the terms or conditions contained in this Article VI shall be resolved by the Architectural Committee, and its decision shall be final, binding and conclusive on all of the parties affected.

Section 21. Failure to Comply with Order of Architectural Committee. In the event of the failure of any Lot Owner to comply with a written directive or order from the Architectural Committee, then in such event the Architectural Committee shall have the right and authority to perform the subject matter of such directive or order, including, if necessary, the right to enter upon the Lot where a violation of these restrictions exists, and the cost of such performance shall be charged to the Owner of the Lot and may be recovered by the Architectural Committee in an action at law against such Lot Owner.

Section 22. Height Limit of Dwellings. Except upon the written consent of the Architectural Committee, no dwelling or structure shall be constructed or maintained on any Lot which is more than twenty-five (25) feet in height above the average grade of the Lot.

Section 23. Construction Clean-Up and Conformity of Construction With Plans. When plans and specifications for the construction of improvements are submitted to the Architectural Committee pursuant to provisions hereof, the submission shall, at the request of the Architectural Committee, be accompanied by a deposit of \$300.00 to guarantee that the construction site during the course of construction will be maintained reasonably free of debris at the end of each working day and that the construction will be completed and the Lot drainage swales and structures correctly drain surplus water to the street or other approved outlets, all as shown on the plans and specifications submitted to the Architectural Committee for approval. In the event of a violation of this restriction, the Architectural Committee may give written notice thereof to the builder and the Owner of the Lot that if such violation is not cured or work commence to cure the same within forty-eight (48) hours after the mailing of the notice, the Architectural Committee may correct or cause to be corrected the violation and use the deposit, or as much thereof as may be necessary, to cover the cost of correction work. In the event that the cost of curing the violation shall exceed the amount of the deposit, the excess cost shall be paid by the Owner of the Lot to the Architectural Committee. The deposit or any

part thereof remaining in the hands of the Architectural Committee at the completion of the construction work shall be returned by the Architectural Committee to the person who made the deposit.

Section 24. Easement Acknowledgement. Certain Lots within the Properties are subject to and encumbered by easements in favor of the Association for purposes of equestrian access and use, drainage facility maintenance and slope bank maintenance.

Section 25. No Garage Conversion. The garage portion of the residence on a Lot shall not be used in any manner or modified or converted to any use which prevents the storage therein of three (3) standard automobiles.

Section 26. Installation of Landscaping. Within six (6) months following acquisition from Declarant of record title to a Lot, the Owner shall install on the Lot landscaping of a value equal to or in excess of two percent (2%) of the purchase price of the Lot. The landscaping shall be in conformance with plans and specifications approved by the Architectural Committee. In determining the value of landscaping installed, there shall be excluded patios, walkways, irrigation systems and structural improvements.

ARTICLE VII

INSURANCE AND CONDEMNATION

Section 1. Insurance.

(a) The Association shall keep (i) any improvements on the Common Maintenance Area insured against loss by fire and the risks covered by a Standard All Risk of Loss Perils insurance policy under an extended coverage casualty policy in the amount of the maximum insurable replacement value thereof, and (ii) all personalty owned by the Association insured with coverage in the maximum insurable fair market value of such personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Common Maintenance Area and personalty owned by the Association shall be payable to the Association. In the event of any loss, damage or destruction, the Association shall cause the same to be replaced, repaired or rebuilt if it occurred in the Common Maintenance Area. In the event the cost of such replacement, repair or rebuilding of Common Maintenance Area (A) exceeds the insurance proceeds available therefor, or (B) no insurance proceeds are available therefor, the deficiency or full cost thereof shall be assessed to the Owners as a special assessment pursuant to Section 3 of Article IV above. In the event of any loss, damage

or destruction to improvements on a Lot (other than that portion thereof within the Common Maintenance Area), the Owner of the Lot shall cause the same to be replaced, repaired or rebuilt.

(b) The Association shall procure and keep in force public liability insurance in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Common Maintenance Area in an amount not less than \$1,000,000 in indemnity against the claims of one (1) or more persons in one (1) accident or event, and not less than \$100,000 for damage to property.

(c) The Association shall maintain a fidelity bond in an amount equal to the amount of funds held by the Association during the term of the bond but not less than one-fourth (1/4) of the annual assessments, plus reserves, naming the Association as obligee and insuring against loss by reason of the acts of the Board, officers and employees of the Association, and any management agent and its employees, whether or not such persons are compensated for their services.

(d) Copies of all such insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by Owners at any reasonable time(s). All such insurance policies shall (i) provide that they shall not be cancellable by the insurer without first giving at least ten (10) days' prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, Board and Owners.

(e) Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") so long as FNMA holds a mortgage on or owns any Lot.

Section 2. Condemnation. In the event the Common Maintenance Area or any portion thereof but not the fee interest underlying the Common Maintenance Area shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE VIII

COMMON MAINTENANCE AREA AND MAINTENANCE RESPONSIBILITIES

Section 1. Common Maintenance Area. The Common Maintenance Area in each Phase of development of the Properties shall be conveyed by easement to the Association prior to the first conveyance of a Lot in that Phase. The Common Maintenance Area, including those portions of the Lots shown on the Final Maps covering the Properties as Flowage Easements dedicated to the Ventura County Flood Control District and as Equestrian Easements, shall be maintained by the Association.

Section 2. Association Maintenance. The Association shall maintain and provide for the maintenance of all the Common Maintenance Area and all improvements thereon in good repair and appearance. The Association shall provide landscaping and gardening properly to maintain and periodically replace when necessary the trees, plants, grass and other vegetation originally placed in the Common Maintenance Area by Declarant pursuant to landscape plans approved by the County of Ventura and approved by said County in connection with approval of the Final Maps covering the Properties. The Association shall have the right to enter onto any Lot (but not within the dwelling thereon) as may be necessary for the construction, maintenance or emergency repair of the Common Maintenance Area or, if necessary, for the benefit of the Owners in common. Any damage caused to a Lot by entry of the Association shall be repaired by the Association at its expense.

The Association shall also maintain all drainage facilities and storm drains located within the Common Maintenance Area which are not within easements dedicated to public entities.

Section 3. Owner Maintenance. Each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements thereon (other than that portion the maintenance of which is the responsibility of the Association), including, but not limited to, any fence or wall which is located thereon. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot (other than that portion the maintenance of which is the responsibility of the Association) so that the same presents a neat and attractive appearance. No Owner shall interfere with or damage the Common Maintenance Area nor interfere with or impede the Declarant or Association in connection with the maintenance thereof as herein provided.

Section 4. Association's Right to Repair Neglected Lots. In addition to maintenance of the Common Maintenance Area, in the event an Owner of any Lot should fail to maintain his Lot and

improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by two-thirds (2/3) vote of the Board, shall have the right through its agents and employees, to enter on said Lot and to repair, maintain and restore the Lot and exterior of the building and any other improvements erected thereon. However, no entry into a dwelling unit may be made without the consent of the Owner, and such entry shall be made only after not less than three (3) days notice has been given to the Owner. Such entry shall be made with as little inconvenience to the Owner as possible and any damage caused thereby shall be repaired by the Association. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject. There is hereby created an easement in favor of the Association to enter onto each Lot which is subject to assessment hereunder to provide maintenance as hereinabove stated, subject to the foregoing notice and consent requirements.

ARTICLE IX

ANNEXATION

Section 1. By Association. Additional residential property and Common Maintenance Area may be annexed to the Properties or to the Declaration upon the vote or written assent of two-thirds (2/3) of the voting power of Members of the Association, excluding the vote of Declarant. Upon such approval, the owner of the property wishing it to be annexed may file of record a Declaration of Annexation which shall extend the scheme of this Declaration to such property.

Section 2. By Declarant. Additional land within the Properties may be annexed as Lots to the jurisdiction of the Association and additional Common Maintenance Area may be conveyed to the Association by Declarant without the consent of Members of the Association or the Board at any time within three (3) years following the original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of the development of the Properties; provided, however, that the FHA and VA shall determine that the annexation is in accord with the general plan approved by each.

ARTICLE X

RIGHTS OF LENDERS

Section 1. Payments of Taxes or Premiums by First Mortgagees. First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have

become a charge against the Common Maintenance Area, unless such taxes or charges are assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their deeds of trust. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Common Maintenance Area, and first Mortgagees making such payments shall be owed immediate reimbursement thereof from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.

Section 2. Priority of Lien of Mortgage. No breach of the covenants, conditions or restrictions herein contained shall affect, impair, defeat or render invalid the lien or charge of any first Mortgage made in good faith and for value encumbering any Lot, but all of said 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, with respect to a Lot.

Section 3. Curing Defaults. A Mortgagee who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is non-curable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is non-curable or not feasible to cure shall be final and binding on all Mortgagees.

Section 4. Approval of First Mortgagees. Unless the Mortgagees of first Mortgages encumbering sixty-seven percent (67%) or more of the Lots which are subject to a Mortgage have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Maintenance Area. The granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this Subsection.

(b) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(c) By act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of residences, the

exterior maintenance of residences, the maintenance of the Common Maintenance Area.

(d) Fail to maintain fire and extended coverage insurance on the Common Maintenance Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

(e) Use hazard insurance proceeds for losses to any portion of the Common Maintenance Area for other than the repair, replacement or reconstruction of such Common Maintenance Area.

Section 5. Restoration of Common Maintenance Area. Any restoration or repair of the Common Maintenance Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with this Declaration and original plans and specifications unless other action is approved by eligible holders of Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to eligible Mortgage holders. "Eligible Mortgage holder" as used in this Article, means a holder of a first Mortgage on a Lot who has requested notice from the Association of those matters described in Section 7 below.

Section 6. Professional Management. When professional management has been previously required by any eligible Mortgage holder, whether such entity became an eligible Mortgage holder at that time or later, any decision to establish self-management by the Association shall require the prior consent of at least sixty-seven percent (67%) of the voting power of the Association and the approval of eligible holders of Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to Mortgages of eligible Mortgage holders.

Section 7. Notice to Eligible Mortgagees. Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any eligible Mortgage holder will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a first Mortgage held by such eligible Mortgage holder.

(b) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first Mortgage held by such eligible holder which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of eligible Mortgage holders as specified above.

Section 8. Documents to be Available. The Association shall make available to Owners and Mortgagees, and holders, insurers or guarantors of any first Mortgage, current copies of the Declaration, the Bylaws, other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. The holders of first Mortgages encumbering fifty-one percent (51%) or more of the Lots subject to a Mortgage shall be entitled to have an audited statement for the immediately preceding fiscal year prepared at their expense if one is not otherwise available. Any such financial statement so requested shall be furnished within a reasonable time following such request.

Section 9. Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

ARTICLE XI

GENERAL PROVISIONS

Section 1. Enforcement. The Association, Declarant and any Owner shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration. Failure by the Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 3. Amendments. Except as may otherwise be stated in this Declaration, during the period of time prior to conversion of the Class B membership in the Association to Class A membership, this Declaration may be amended at any time and from time to time by the vote or written consent of seventy-five

percent (75%) of the voting power of each class of Members of the Association, any which amendment shall become effective upon the recording thereof with the Office of the County Recorder of Ventura County, California. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended at any time and from time to time by the vote or written consent of (a) seventy-five percent (75%) of the total voting power of the Association, and (b) at least seventy-five percent (75%) of the voting power of Members of the Association other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment may be made to this Declaration without the prior written consent of Mortgagees of first Mortgages encumbering seventy-five percent (75%) or more of the Lots within the Properties which are subject to a Mortgage. "Material amendment" shall mean, for purposes of this Section 3, any amendments to provisions of this Declaration governing any of the following subjects:

- (a) The fundamental purpose for which the project was created (such as a change from residential use to a different use).
- (b) Assessments, assessment liens and subordination thereof.
- (c) The reserve for repair and replacement of the Common Maintenance Area.
- (d) Property maintenance obligations.
- (e) Casualty and liability insurance and fidelity bonds.
- (f) Reconstruction in the event of damage or destruction.
- (g) Rights to use the Common Maintenance Area.
- (h) Leasing of Lots.
- (i) The boundaries of any Lot or the Common Maintenance Area.
- (j) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his Lot.
- (k) Voting.

(l) Expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Properties.

(m) Any provision which, by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

Section 4. Extension of Declaration. Each and all of these covenants, conditions and restrictions shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless the Owners have executed and recorded at any time within six (6) months prior to the end of said twenty (20) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a written instrument in which it is agreed that said restrictions shall terminate at the end of said twenty (20) year period or at the end of any such ten (10) year period.

Section 5. Declarant Exemption. Declarant is undertaking the work of construction of residential dwellings and incidental improvements upon the Properties. The completion of that work, and the sale, rental and other disposal of the dwellings is essential to the establishment and welfare of the Properties as a residential community. In order that the work may be completed and the Properties be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its contractors or subcontractors from doing on the Properties or in any dwelling whatever is reasonably necessary or advisable in connection with the completion of the work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Properties, such structures as may be reasonable and necessary for the conduct of its business of completing the work and establishing the Properties as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

(c) Prevent Declarant from conducting on any part of the Properties its business of completing the work, and of establishing a plan of residential ownership and of disposing of the Properties by sale, lease or otherwise; or

(d) Prevent Declarant from maintaining such sign or signs on any of the Properties as may be necessary for the sale,

lease or disposition thereof; provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of his dwelling.

The rights of Declarant provided in Subparagraphs (a) through (d) above, may be exercised during the period of time commencing when the Lots are first sold or offered for sale to the public and ending when all Lots in the Properties are sold and conveyed by Declarant to separate owners, or five (5) years following the date of first conveyance of a Lot from Declarant to a retail purchaser, whichever shall first occur. So long as Declarant, its successors and assigns, owns one or more of the Lots established and described herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration.

Section 6. Encroachment Easement.

(a) In the event any improvement to a Lot encroaches upon the Common Maintenance Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, an easement for the encroachment and for maintenance of the same shall exist so long as the encroachment exists; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then rebuilt, or repaired, the minor encroachments over adjoining Common Maintenance Area shall be permitted and there shall be easements for maintenance of such encroachments so long as they shall exist.

(b) Each Owner of a Lot is granted an easement over adjoining Lots for the purpose of accommodating encroachments due to design, construction, engineering errors, errors in construction, settlement or shifting of the building, roof overhangs, architectural or other appendants and drainage of water from roofs. There shall be easements for the maintenance of said encroachments so long as they shall exist; provided, however, that no such easement be created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on any Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Lots shall be permitted and there shall be easements for maintenance of such encroachments so long as they shall exist.

Section 7. Special Responsibilities of Association. In the event that the improvements to be installed by Declarant to the Common Maintenance Area have not been completed prior to the

issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Properties, and in the further event that the Association is the obligee under a bond to secure performance by the Declarant to complete such improvements, then if such improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any such improvement, then the Board shall consider and vote on said question if such improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event that the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either such event, upon petition signed by Members representing five percent (5%) or more of the voting power of the Association (excluding the voting power of Declarant), the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. Said meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At said meeting a vote of a majority of the voting power of Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association. Nothing contained herein shall indicate or imply that the VA has or would approve any such bonding arrangement.

Section 8. Litigation. In the event of litigation arising out of or in connection with this Declaration, the prevailing party shall be entitled to receive costs of suit and such sum for attorney's fees as the Court deems reasonable.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has set its hand and seal as of the date first hereinabove written.

SANTA ROSA RANCH ONE, a
California general partnership

BY: R.B. McCOMIC, INC., a
California corporation,
General Partner

BY  PRES

BY  VP

BY: HOME CAPITAL CORPORATION, a
California corporation,
General Partner

BY  - Project Manager

BY 

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On this 7th day of August, 1987, before me,
Louise H. Hargrave, a Notary Public in and for said
state, personally appeared Gary S. Copean
personally known to me (or proved to me on the basis of satisfac-
tory evidence) to be the President, and
Ross M. Felber, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
Vice President / Secretary of R.B. McCOMIC, INC., the corporation
that executed the within instrument and known to me to be the
persons who executed the within instrument on behalf of said
corporation, said corporation being known to me to be one of the
partners of SANTA ROSA RANCH ONE, the limited partnership that
executed the within instrument, and acknowledged to me that such
corporation executed the same as such partner and that such
partnership executed the same.

WITNESS my hand and official seal.

Louise H. Hargrave
NOTARY PUBLIC

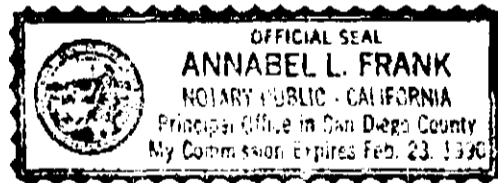


STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On this 6th day of August, 1987, before me,
John Sherritt and Barry M. Getzel, a Notary Public in and for said
state, personally appeared John Sherritt and Barry M. Getzel
personally known to me (or proved to me on the basis of satisfac-
tory evidence) to be the Project Mgr. / President, and
Barry M. Getzel, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
Sr. Project. Mgr. / Secretary of HOME CAPITAL CORPORATION, the
corporation that executed the within instrument and known to me
to be the persons who executed the within instrument on behalf of
said corporation, said corporation being known to me to be one of
the partners of SANTA ROSA RANCH ONE, the limited partnership
that executed the within instrument, and acknowledged to me that
such corporation executed the same as such partner and that such
partnership executed the same.

WITNESS my hand and official seal.

Annabel L. Frank
NOTARY PUBLIC



SUBORDINATION AGREEMENT

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a California corporation, being the beneficiary under that certain deed of trust recorded July 1, 1987 as File/Page No. 87-105645 with the Office of the County Recorder of Ventura County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION, a California corporation

By Susan L. Roth

By _____

STATE OF CALIFORNIA

COUNTY OF San Diego

)
) ss.

On this 6th day of August 1987 before me, Arlene Berry a Notary Public in and for said state, personally appeared Susan L. Roth personally known to me (or proved to me on the basis of satisfactory evidence) to be the Authorized Signer ~~President, and~~ personally known to me (or proved to me on the basis of satisfactory evidence) to be the Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Arlene Berry
NOTARY PUBLIC