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Seneca Gardens Limited

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Seneca Gardens Limited  
21601 Van Owen, Suite 201  
Canoga Park, CA 91303

98-136450

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Ventura

Richard D. Dean  
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FIRST AMENDMENT TO DECLARATION ESTABLISHING A PLAN  
OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR SENECA GARDENS

THIS FIRST AMENDMENT TO DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS is made this 12th day of AUGUST, 1998, by SENECA GARDENS LIMITED, a California limited partnership (hereinafter referred to as "DECLARANT"), with reference to the following facts:

R E C I T A L S

A. DECLARANT made the DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS on December 3, 1996 ("THE DECLARATION"), and the DECLARATION was recorded in the Official Records of Ventura County on December 6, 1996, as Instrument No. 96-167045.

B. Paragraph C of the PREAMBLE to THE DECLARATION identified certain real property described as Parcel B in paragraph A to the PREAMBLE of THE DECLARATION (also known as Lot I, Tract No. 4668) as "PHASE V" for the purpose of development and annexation of future annexation to the DECLARATION.

C. On or about July 13, 1992, DECLARANT and the City of San Buenaventura (the "City") entered into a development agreement ("the Development Agreement"), by the terms of which DECLARANT was permitted to construct 57 condominium residential units on Parcel B subject to DECLARANT'S agreement that the development project will meet the

requirements of the City's Affordable Housing Program ("AHP") and will be consistent with the AHP as submitted by City Resolution No. 88-92 and the State Density Bonus Law. In consideration of DECLARANT'S contribution to the planning, processing, and construction of certain public improvements, and the provision of affordable housing in the City, the City agreed to issue DECLARANT sufficient Residential Growth Management Population ("RGMP") allocations to permit development of 57 condominium residential units. The Development Agreement and the AHP are public records on file in the Office of the City Clerk of the City and are by reference incorporated herein in full.

D. To comply with the Development Agreement and the AHP, DECLARANT makes this first amendment which shall be applicable to Parcel B, only, of the property described in the PREAMBLE of THE DECLARATION and to no other property covered by the DECLARATION.

E. The provisions adopted by this first amendment and added to THE DECLARATION are intended to be the exclusive provisions regarding affordable housing restrictions with respect to Parcel B and to replace the provisions of ARTICLE XXI which shall not be applicable to Parcel B.

F. DECLARANT intends by this first amendment to impose upon Parcel B mutually beneficial restrictions under a general plan of improvement for the benefit of the City, the community, and all owners of "Moderate Income Production Homes" and for the benefit of all owners and/or tenants of "Lower Income Production Homes," as those terms are hereinafter defined.

#### AMENDMENT

DECLARANT hereby declares that THE DECLARATION is amended as provided in this first amendment by the addition to the Declaration of ARTICLE XXII set forth in full as follows:

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ARTICLE XXII - SPECIAL PROVISIONS REGARDING THE  
AFFORDABLE HOUSING PROGRAM OF THE CITY OF SAN BUENA  
VENTURA FOR PARCEL B (LOT 1 OF TRACT 4668)

THE RECITALS OF THIS FIRST AMENDMENT are incorporated as if set forth in full in this ARTICLE XXII.

All of Parcel B as described in paragraph A to the PREAMBLE of THE DECLARATION and each Moderate Income Production Home and Lower Income Production Home and located on Parcel B shall be held, sold, leased, mortgaged, encumbered, rented, used, occupied, improved, and conveyed subject to the following declarations, limitations, restrictions, covenants, conditions (hereinafter sometimes referred to collectively as the "Restrictions"), which are imposed pursuant to a general plan for the development of Parcel B. The Restrictions are for the benefit of Parcel B and every part thereof, and are covenants running with the land, and shall, in any event and without regard to technical classification or designation, legal or otherwise, be to the fullest extent permitted by law and equity, binding on DECLARANT and its successors and assigns, and on all parties who now or hereafter acquire any right, title or interest in or to Parcel B, or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of, and be enforceable by, DECLARANT and the City of San Buenaventura (the "City") and its designee, and each owner of Parcel B or any part thereof.

In amplification and not in restriction of the declarations set forth, it is intended and agreed that City shall be deemed a beneficiary of the agreements and covenants set forth in this ARTICLE XXII both for and in its own right and also for the purposes of protecting the interest of the community. All covenants without regard to technical classification or designation shall be binding for the benefit of the City, and such covenants shall run in favor of the City for the entire period during which such covenants shall be in force and effect, without regard to whether the City is or remains an owner of any land or interest therein to which such covenants relate. City and its designee shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights

and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant.

#### SECTION I. DEFINITIONS

As used in this Section I the following terms shall have the following respective meanings:

A. "Affordable Sales Price" shall mean that figure for which the Production Homes can be sold to an Eligible Purchaser and which is calculated in such a way that after a 10% down payment, the Gross Monthly Housing Expense does not exceed 30% of the Monthly Household Eligibility Income of the Eligible Purchaser. The procedure used to arrive at the Affordable Sales Price is further described in paragraph C of Section III of this Declaration.

B. "Affordable Rent", with respect to Lower Income Production Homes, shall mean the amount of monthly rent that may be charged and/or paid by a person who rents or leases a Lower Income Production Home pursuant to the provisions of Section X of this Declaration, which amount shall not exceed 30% of 60% of the County Median Income.

C. "AHP" shall mean City's Affordable Housing Program, adopted by Resolution No. 88-92, and attached as an exhibit to the Comprehensive Plan, and any modifications or amendments thereto.

D. (1) "Buyer Eligibility Requirements", with respect to Moderate Income Production Homes, shall mean the eligibility standards that a prospective buyer of a Moderate Income Production Home must meet in order to be eligible to buy a Moderate Income Production Home. Those standards are set forth in the City's AHP and are the standards that a person or family must meet in order to be eligible to buy an affordable unit under the City's Affordable Housing Program. Among other things, the standards require that household income shall not exceed 110% of the County Median Income; provided, however, that if a particular Moderate Income Production

Home at an Initial Sale has not sold to a buyer qualified under the foregoing criteria within four (4) months after the particular Lot was offered for sale by Declarant, the City may increase the household income eligibility requirement to an amount that does not exceed 120% of the County Median Income, but any such increase shall not affect the Affordable Sales Price.

(2) "Buyer Eligibility Requirements," with respect to Lower Income Production Homes, shall mean the eligibility standards that a prospective buyer of a Lower Income Production Home must meet in order to be eligible to buy a Lower Income Production Home. These standards are the following: (a) the prospective buyer must meet the Lower Income Household criteria set forth in Section 50079.5 of the Health and Safety Code.

E. "City" and "city in which the project is located" shall mean and refer to the City of San Buenaventura located in the County of Ventura, State of California.

F. "County" and "county in which the project is located" shall mean and refer to the County of Ventura, State of California.

G. "County Median Income" shall mean the U.S. Department of Housing and Urban Development ("HUD") published estimate of median family income (for the applicable family size) for Ventura County published by HUD most recently before the determination by the City of income eligibility for a particular household, or in the absence of such HUD published estimate a comparable source.

H. "Declarant" shall mean and refer to Seneca Gardens Limited, a California limited partnership, its successors and assigns.

I. "Declaration" shall mean and refer to this Declaration, as amended or supplemented from time to time.

J. "Eligible Purchaser", with respect to Moderate Income Production Homes, shall mean a person who meets the Buyer Eligibility Requirements

set forth in paragraph D(1) of Section I of this Declaration. "Eligible Purchaser", with respect to Lower Income Production Homes, shall mean a person who meets the Buyer Eligibility Requirements set forth in paragraph D(2) of Section I of this Declaration.

K. "Gross Monthly Housing Expense" shall mean all costs of principal and interest on any note or notes secured by deed of trust or mortgages on a Production Home, and taxes, insurance, and utilities and other housing expenses (using the maximum monthly amount when any such element is variable over time) paid by an Eligible Purchaser each month (after the payment of a down payment of 10% of the Production Home Price) to acquire and occupy a Production Home. For purposes of calculating the Affordable Sales Price, the Gross Monthly Housing Expense shall be deemed to be 30% of a prospective purchaser's monthly Household Eligibility Income.

L. "Household Eligibility Income" shall mean income to the entire household of the prospective purchaser, including and excluding such components of income and adjustments to income as used in determining adjusted gross income for Federal income tax purposes.

M. "Initial Sale" shall mean the sale of each Production Home on the property according to the terms herein set forth from the Declarant to the first Eligible Purchaser. The Initial Sale refers solely to the first sale and not to any subsequent sales of each Production Home.

N. "Lower Income Household" shall mean a lower income household, as defined in Section 50079.5 of the Health and Safety Code.

O. "Lower Income Production Home" shall mean each of the 7 Production Homes that are part of the Project and that are intended to be sold or rented to buyers or renters that meet the Lower Income Household criteria set forth in Section 50079.5 of the Health and Safety Code. A Production Home shall become a Lower Income Production Home at the time it is designated as such by the Declarant pursuant to the provisions of paragraph 5.1 of the Development Agreement.

P. "Map" shall mean and refer to the Final Subdivision Map recorded with respect to the Property after recordation of this Declaration.

Q. "Moderate Income Production Home" shall mean each of the 50 Production Homes that are part of the Project and that are intended to be sold to buyers that meet the Buyer Eligibility Requirements set forth in paragraph D(1) of this Declaration. A Production Home shall become a Moderate Income Production Home at the time it is designated as such by the Declarant pursuant to the provisions of paragraph 5.1 of the Development Agreement.

R. "Moderate Income Household" shall mean a household that meets the Buyer Eligibility Requirements set forth in paragraph D(1) of Section I of this Declaration.

S. "Owner" shall mean any person or entity who holds all or any portion of the fee title to a Production Home or any other present interest in a Production Home (or any portion thereof), including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest. Owner does not include the Declarant prior to the Initial Sale of the applicable Production Home.

T. "Person" shall mean a natural person and his or her family who are members of the same household.

U. "Production Home" shall mean each condominium residence constructed as part of the Project for the purpose of sale or rental to Eligible Purchasers. A Production Home shall become a Moderate Income Production Home at such time as it is designated as such by the Declarant. A Production Home shall become a Lower Income Production Home at such time as it is designated as such by Declarant. Declarant shall designate a Production Home as either a Moderate Income Production Home or a Lower Income Production Home at the time that Declarant obtains a building permit for the construction of the Production Home. Once a Production Home is designated as either a Moderate Income Production Home or a Lower Income Production Home, the designation shall not theretofore be changed.

V. "Production Home Price" shall mean the price the Owner paid or agreed to pay for the Production Home.

W. "Project" shall mean the 57 unit condominium residential development and associated amenities, including, without limitation, on-site and off-site improvements, as the same may be further defined, enhanced or modified pursuant to the provisions of the Development Agreement.

X. "State Density Bonus Law" shall mean sections 65915 and 65917 of the Government Code, as amended by chapter 842, statutes of 1989, and chapter 31, statutes of 1990.

Y. "Parcel B" shall mean and refer to the real property described as "Parcel B" in paragraph A of the PREAMBLE of THE DECLARATION and all improvements erected or to be erected thereon.

Z. "Subsequent Sale" shall mean any sale of each Production Home after the Initial Sale, regardless of whether the sale is by the Declarant, the City, or a subsequent Owner.

## SECTION II. RIGHT OF FIRST REFUSAL

### A. Right of First Refusal

City shall have, and Declarant hereby grants to City, a qualified preemptive right (hereinafter sometimes referred to as the "Preemptive Right" or "Right of First Refusal") to purchase Parcel B and any Production Home thereon at the time and in the manner set forth in paragraph F of Section III and paragraph F of Section IV of this Declaration.

City may designate a governmental or non-profit organization to exercise its Right of First Refusal. City or its designee may assign the Right of First Refusal to an individual private buyer who meets the City's Buyer Eligibility Requirements. After the exercise of said Preemptive Right by City, its assignee or designee in the manner hereinafter

prescribed, City, its assignee or designee may assign said Preemptive Right to any substitute individual private buyer who meets the City's Buyer Eligibility Requirements and is approved by the City; provided, however, that such subsequent assignment shall not extend any time limit contained herein.

### SECTION III. INITIAL SALES

#### A. Prescreening by City

Each prospective purchaser desiring to acquire a Production Home from the Declarant as an Initial Sale shall be prescreened by the City, and the City shall determine whether the prospective purchaser is an Eligible Purchaser. The Declarant shall notify the City at the address set forth in Paragraph H of Section XI of Declarant's request for a prescreening ("Notice of Initial Sale") in writing and shall include the address of the Production Home. The City may identify prospects for acquisition of Production Homes on its own initiative and/or by reference from the Declarant. Except as provided in paragraph F of Section III, the Declarant may only sell Production Homes to prospective purchasers that City determines are Eligible Purchasers. The City shall not be required to seek Eligible Purchasers, but may do so at its election. A determination by the City that a prospective purchaser is an Eligible Purchaser is not a determination with regard to the credit worthiness of such purchaser.

The Declarant shall notify the City in writing within five (5) days after escrow is opened for the Initial Sale of each Production Home and shall provide the following information so that the City can determine the eligibility of the purchaser and affordability of the Production Home:

(1) The name of the potential purchaser and his current address;  
and

(2) State whether the Production Home in question is a Moderate Income Production Home or a Lower Income Production Home and

(3) The Gross Monthly Housing Expense and each component thereof to be paid by the prospective purchaser and any necessary supporting documents or information requested by the City; and

(4) The number of bedrooms in the Production Home; and

(5) The escrow agent, if any; and

(6) The date scheduled for close of escrow.

Each prospective purchaser shall provide the City within ten (10) days after escrow is opened for the sale of each Production Home, the household income of the prospective purchaser and any necessary supporting documents or information requested by the City.

B. Household Eligibility Income

(1) Each Person acquiring a Moderate Income Production Home at Initial Sale shall have a Household Eligibility Income that does not exceed one hundred and ten percent (110%) of the County Median Income for the applicable family size; provided, however, that if a Moderate Income Production Home or Homes are sold to persons of moderate income as provided in the second to the last sentence in paragraph D(1) of Section III of this Declaration, then the person acquiring a Moderate Income Production Home at Initial Sale shall have a Household eligibility Income that does not exceed one hundred and twenty percent (120%) of the County Median Income for the applicable family size.

(2) Each person who wishes to buy a Lower Income Production Home at Initial Sale shall have a Household Eligibility Income that meets the criteria set forth in Section 50079.5 of the Health and Safety Code.

A Person who purchases a Production Home shall be required to meet the Household Eligibility Income limit as described herein only at the time of close of escrow for the applicable Production Home. Such income

status may change after acquisition without affecting the validity of the acquisition.

The methodology for determination of Household Eligibility Income by the City may include the following, or any other method practiced by the City to determine income under its housing programs:

(1) As the preferred method, use the mean average of last three years adjusted gross income as shown on income tax returns or other documentation reasonably acceptable to City; or

(2) Use a third party written verification form (sent through the mail). Project the verified income of the prospective purchaser current as of the date of the verification for a twelve month period to determine Household Eligibility Income;

C. Affordability of Lot: Calculations

(1) Each Production Home sold at an Initial Sale shall be sold to an Eligible Purchaser at an Affordable Sales Price, as determined by City. The Affordable Sales Price of a Production Home shall be calculated so that after an assumed down payment of 10 percent of the Initial Sale Price, the Gross Monthly Housing Expense required to be paid by the buyer to purchase and occupy the Production Home shall not exceed an amount equal to thirty percent (30%) of the monthly Household Eligibility Income of the Eligible Purchaser for the size of household appropriate for the Production Home as determined by the City in accordance with the AHP and this Declaration. If Production Homes made available for sale to buyers who meet the Buyer Eligibility Requirements set forth in paragraph D(1) of Section I of this Declaration have not been sold initially within four (4) months after the particular Production Homes were made available for sale, the City may authorize persons of moderate income to purchase such Production Homes, and the household income eligibility requirement shall be increased to an amount that does not exceed 120% of the County Median Income, but the Affordable Sales Price shall not be increased for this

purpose. The provisions of the preceding sentence shall not apply to Lower Income Production Homes.

(2) In determining the Affordable sales price of a Production Home, as provided above, the City shall use the following equation:

$$L = \frac{1 - (1 + \text{Monthly Interest})^{-N}}{\text{Monthly Interest}}$$

Where,

L = 90% of the Affordable Sales Price

PIC = The principal and interest component of the Gross Monthly Housing Expense of the prospective purchaser. The PIC shall be deemed to be 25% of the Monthly Household Eligibility Income.

N = The total number of months over which the loan is payable.

Monthly

Interest = 1/12th of the annual interest rate being charged on the loan to purchase the Lot.

The Affordable Sales Price ("ASP") is the quotient arrived at by dividing the amount represented by "L" (as derived by solving for "L" in the equation referred to above) by the decimal number ".9". The equation is ASP =  $\frac{L}{.9}$

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#### D. Compliance Certificate

The City shall, prior to the date scheduled for close of escrow, but not less than thirty-five (35) days after notification that escrow is opened pursuant to paragraph A of Section III execute a Certificate

certifying compliance with the covenants, conditions and restrictions set forth in this Section III, (the "Certificate of Compliance") if such be the fact, and if not, specifying the reasons for failing to execute the Certificate and certify conformance herewith. A Production Home shall not be sold, and escrow shall not close, unless and until City executes and deposits into escrow a Certificate of Compliance with respect to a particular Production Home proposed to be sold.

E. Report on Close of Escrow

Within five (5) days after close of escrow with respect to the sale of each Production Home, the escrow agent for such sale, or if none, then the purchaser, shall notify the City in writing that such escrow has closed and the name and address of the purchaser, and the price at which the Production Home was sold at the Initial Sale.

F. Inability to Sell Moderate Income Production Homes to Eligible Purchaser

(1) If, after making a diligent effort to do so, Declarant is unable to sell a Moderate Income Production Home to an Eligible Purchaser within one hundred and eighty (180) days after offering such Moderate Income Production Home for sale, and if Declarant wishes to sell such Moderate Income Production Home to a person who is not an Eligible Purchaser, Declarant shall notify City in writing of its intent to do so (hereinafter "Notice of Proposed Sale to Non-Eligible Purchaser").

(2) If Declarant gives City a Notice of Proposed Sale to Non-Eligible Purchaser, at the time and in the manner hereinabove provided, City, its assignee or designee shall then have the right to exercise its Preemptive Right to purchase the Moderate Income Production Home or Homes in question by giving written Notice to Declarant that the City (or its designee or assignee), by giving such notice, elects to exercise and does exercise its Preemptive Right. Such notice shall be given, if at all, within thirty (30) days after City receives the Declarant's Notice of Proposed Sale to Non-Eligible Purchaser. If notice is given by City or its

assignee or designee, as hereinabove provided, City (or its designee or assignee) shall be deemed to have exercised, and shall have exercised, its Preemptive Right as soon as such notice is given in accordance with the provisions of paragraph H of Section XI of this Declaration.

(3) If City or its assignee or designee exercises its Preemptive Right as hereinabove provided, City (or its assignee or designee) shall open an escrow to consummate the purchase. Close of escrow of said escrow shall be within sixty (60) days of the opening of such escrow by City or Declarant unless otherwise mutually agreed. Said escrow shall be opened as soon as possible after City (or its assignee or designee) gives Declarant written notice of the exercise of the Preemptive Right. Closing costs and title insurance shall be paid pursuant to the custom and practice in the City of San Buenaventura at the time of the opening of such escrow. The purchase price, which shall be the price specified in subparagraph (4) below, shall be paid in cash at the close of escrow or as may be otherwise provided by mutual agreement of City or its Assignee and Declarant.

(4) The purchase price which City shall pay for the Lot shall be the Affordable Sales Price for which an Eligible Purchaser could purchase a Moderate Income Production Home at an Initial Sale.

(5) In no event shall City become in any way liable to Declarant nor become obligated in any manner, by reason of the assignment of its Preemptive Right, nor shall City be in any way obligated or liable to Declarant for any failure of City's assignee to consummate a purchase of a Moderate Income Production Home or to comply with the terms of any purchase and sale agreement.

(6) If City abandons or fails to exercise its right to purchase the Moderate Income Production Home in question within thirty (30) days after it receives Declarant's Notice of Proposed Sale to Non-Eligible Purchaser, City will cause to be recorded in Ventura County a notice of intent not to exercise its right with respect to a Moderate Income Production Home, and declaring that the provisions of this Declaration are no longer applicable to said Moderate Income Production Home, and shall

deliver a copy thereof to Declarant. Said notice shall be mailed or otherwise delivered to the Ventura County Recorder's Office within fifteen (15) days of City's decision not to exercise its right, but no later than forty-five (45) days after City receives Declarant's Notice of Proposed Sale to Non-Eligible Purchaser. Upon recordation of said notice, the provisions of this Declaration shall no longer be applicable to said Moderate Income Production Home.

(7) Declarant shall cause to be filed for record in the Office of the Recorder of the County of Ventura a request for a copy of any notice of default and of any notice of sale under any deed of trust or mortgage with power of sale encumbering any Production Home pursuant to Section 2924(b) of the Civil Code of the State of California or any comparable successor provision of law, Such request shall specify that any such notice shall be mailed to:

Director of Community Development  
City of San Buenaventura  
501 Poli Street  
P.O. Box 99  
Ventura, CA 93002-0099

(8) Any notice of sale given pursuant to Civil Code Section 2924(f) shall constitute a Notice of Proposed Sale to Non-eligible Purchaser, and City may exercise its Preemptive Right prior to any trustee's sale, judicial foreclosure sale, or transfer by deed in lieu of foreclosure. If Declarant fails to file such request for notice, City's right to exercise its Preemptive Right shall run from the date City obtains actual knowledge of a sale or proposed sale. If City elects not to exercise its Preemptive Right upon default, any surplus to which Declarant may be entitled pursuant to Code of Civil Procedure Section 727 shall be paid as follows: That portion of surplus (after payment of encumbrances), if any, up to but not to exceed the net amount that Declarant would have received after payment of encumbrances had City exercised its Preemptive Right on the date of the foreclosure sale shall be paid to Declarant on the date of the foreclosure sale; the balance of surplus, if any, shall be paid to City or its assignee.

(9) The provisions of this paragraph F of Section III of this Declaration, except for the provisions of subparagraph (7), shall not apply to Lower Income Production Homes.

#### SECTION IV. SUBSEQUENT SALES

##### A. Prescreening by City

(1) Each Owner of a Production Home who desires to sell such Production Home as a Subsequent Sale shall notify the City at the address set forth in paragraph H of Section XI of his request for a prescreening ("Notice of Subsequent Sale") in writing and include the following:

(a) The address of the Production Home; and

(b) State whether the Production Home in question is a Moderate Income Home or a Lower Income Home; and

(c) The Affordable Sales Price at which the Owner purchased the Production Home; and

(d) The date upon which escrow closed and conveyance took place at which the Owner acquired his interest in the Production Home; and

(e) Copies of any information reasonably requested by City and helpful to the City's determination of the accuracy of any of the above.

(2) Within fifteen (15) calendar days after receipt of the Owner's Notice of Subsequent Sale, the City shall inform such Owner in writing of the following:

(a) The then current maximum income limits of prospective purchasers by size of household applicable to purchasers of the Production Home; and

(b) The Affordable Sales Price for which the Production Home may be sold.

(3) The Owner of each Production Home shall notify the City in writing within five (5) days after escrow is opened for the sale of each such Production Home and shall provide the following information so that the City can determine the eligibility of the purchaser and affordability of the Production Home:

(a) The name of the potential purchaser and his current address; and

(b) The agreed upon price for the Production Home (which shall not exceed the permitted Subsequent Sale Production Home Price); and

(c) The number of bedrooms in the Production Home on the Lot; and

(d) The escrow agent, if any; and

(e) The date scheduled for close of escrow.

Each prospective purchaser shall provide the City within ten (10) days after escrow is opened for the sale of each Production Home, a statement of the household income of the prospective purchaser and any necessary supporting documents or information requested by the City.

B. Household Eligibility Income

Each Person acquiring a Moderate Income Production Home at a Subsequent Sale shall have a Household Eligibility Income that does not exceed one hundred and ten percent (110%) of the County Median Income for the applicable family size.

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Each person who wishes to buy a Lower Income Production Home at a Subsequent Sale shall have a Household eligibility Income that meets the criteria set forth in Section 50079.5 of the Health and Safety Code.

A person who purchases a Production Home at a Subsequent Sale shall be required to meet the income limit as described herein only at the time of close of escrow for the applicable Production Home. Such income status may change after acquisition without affecting the validity of the acquisition.

The methodology for determination of Household Eligibility Income by the City may include the following, or any other method practiced by the City to determine income under its housing programs:

(1) As the preferred method, use the mean average of last three years adjusted gross income as shown on income tax returns or other documentation reasonably acceptable to City; or

(2) Use a third party written verification form (sent through the mail). Project the verified income of the prospective purchaser current as of the date of the verification for a twelve month period to determine Household Eligibility Income.

C. Determination of Subsequent Sale Lot Price

A Production Home sold at a Subsequent Sale shall be sold an Affordable Sales Price calculated in the same manner that the Affordable Sales Price is calculated for an Initial Sale, as provided in paragraph B of Section III of this Declaration; provided, however, that if the Affordable Sales Price calculated as hereinabove provided is less than the Production Home Price paid by the Owner who proposes to sell the Production Home, then the Production Home Price paid by the Owner shall be deemed to be the Affordable Sales Price for which the Production Home may be sold at the Subsequent Sale.

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D. Compliance Certificate

The City shall, prior to the date scheduled for close of escrow, but not less than thirty-five (35) days after notification that escrow is opened pursuant to paragraph A of Section IV, execute a Certificate certifying compliance with the covenants, conditions and restrictions set forth in this Section IV (the "Certificate of Compliance"), if such be the fact, and if not, specifying the reasons for failing to execute the Certificate and certify conformance herewith. A Production Home shall not be sold, and escrow shall not close, unless and until City executes and deposits into escrow a Certificate of Compliance with respect to a particular Production Home proposed to be sold.

E. Report on Close of Escrow

Within five (5) days after close of escrow with respect to the sale of each Production Home, the escrow agent for such sale, or if none, then the purchaser, shall notify the City in writing that such escrow has closed, the name and address of the purchaser, and the Production Home Price of the sale.

F. Inability to Sell Moderate Income Production Home to Eligible Purchaser

(1) If, after making a diligent effort to do so, an Owner is unable to sell a Moderate Income Production Home to an Eligible Purchaser within one hundred and eighty (180) days after offering the Lot for sale, and if, such Owner wishes to sell such Moderate Income Production Home to a person who is not an Eligible Purchaser, the Owner shall notify City in writing of its intent to do so (hereinafter "Notice of Proposed Sale to Non-Eligible Purchaser").

(2) If the Owner gives City a Notice of Proposed Sale to Non-Eligible Purchaser, at the time and in the manner hereinabove provided, City, its assignee or designee shall then have the right to exercise its Preemptive Right to purchase the Moderate Income Production Home in

question by giving written notice to the Owner that the City (or its designee or assignee), by giving such notice elects to exercise and does exercise its Preemptive Right. Such notices shall be given, if at all, within thirty (30) days after City receives the Owner's Notice of Proposed Sale to Non-Eligible Purchaser. If notice is given by City or its assignee or designee, as hereinabove provided, City (or its designee or assignee) shall be deemed to have exercised, and shall have exercised, its preemptive right as soon as such notice is given in accordance with the provisions of paragraph H of Section XI of this Declaration.

(3) If City or its designee or assignee exercises its Preemptive Right as hereinabove provided, City (or its assignee or designee) shall open an escrow to consummate the purchase. Close of escrow of said purchase shall be within sixty (60) days of the opening of such escrow by either party unless otherwise mutually agreed. Said escrow shall be opened as soon as possible after City (or its assignee or designee) gives Owner of written notice of the exercise of the Preemptive Right. Closing costs and title insurance shall be paid pursuant to the custom and practice in the City of San Buenaventura at the time of the opening of such escrow. The Owner shall bear the expense of providing a current written report of an inspection by a licensed Structural Pest Control Operator. All work recommended in said report to repair damage caused by infestation or infection of wood-destroying pests or organisms found and all work to correct conditions that caused such infestation or infection shall be done at the expense of the Owner. Any work to correct conditions usually deemed likely to lead to infestation or infection of wood-destroying pests or organisms, but where no evidence of infestation or infection is found with respect to such conditions, is not the responsibility of the Owner, and such work shall be done only if requested by the City and then at the expense of the City. The seller shall be responsible for payment of any prepayment fees imposed by any lender by reason of the sale of the Moderate Income Production. Home. The purchase price, which shall be the price specified in subparagraph (4) below, shall be paid in cash at the close of escrow or as may be otherwise provided by mutual agreement of City or its assignee and the owner.

(4) The purchase price of the Moderate Income Production Home shall be the Affordable Sales Price for which an Eligible Purchaser could purchase the Moderate Income Production Home at a Subsequent Sale (as provided in paragraph C of Section IV).

(5) In no event shall City become in any way liable to any Owner, nor become obligated in any manner, by reason of the assignment of its Preemptive Right, nor shall City be in any way obligated or liable to any Owner for any failure of City's assignee to consummate a purchase of a Moderate Income Production Home or to comply with the terms of any purchase and sale agreement.

(6) If City abandons or fails to exercise its right to purchase the Moderate Income Production Home in question within thirty (30) days after it receives Owners's Notice of Proposed Sale to Non-Eligible Purchaser, City will cause to be recorded in Ventura County a notice of intent not to exercise its right with respect to a Moderate Income Production Home, and declaring that the provisions of this Declaration are no longer applicable to said Moderate Income Production Home, and shall deliver a copy thereof to the Owner of said Moderate Income Production Home. Said notice shall be mailed or otherwise delivered to the Ventura County Recorder's Office within fifteen (15) days of City's decision not to exercise its right, but no later than forty-five (45) days after City receives Owner's Notice of Proposed Sale to Non-Eligible Purchaser. Upon recordation of said notice, the provisions of this Declaration shall no longer be applicable to said Moderate Income Production Home.

(7) Each Owner of a Production Home shall cause to be filed for record in the Office of the Recorder of the County of Ventura a request for a copy of any notice of default and of any notice of sale under any deed of trust or mortgage with power of sale encumbering said Production Home pursuant to Section 2924(b) of the Civil Code of the State of California or

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any comparable successor provision of law. Such request shall specify that any such notice shall be mailed to:

Director of Community Development  
City of San Buenaventura  
501 Poli Street  
P.O. Box 99  
Ventura, CA 93002-0099

(8) Any notice of sale given pursuant to Civil Code Section 2924(f) shall constitute a Notice of Proposed Sale to NonEligible Purchaser and City may exercise its Preemptive Right prior to any trustee's sale, judicial foreclosure sale, or transfer by deed in lieu of foreclosure. If Owner fails to file such request for notice, City's right to exercise its Preemptive Right shall run from the date City obtains actual knowledge of a sale or proposed sale. If City elects not to exercise its Preemptive Right upon default, any surplus to which Owner may be entitled pursuant to Code of Civil Procedure Section 727 shall be paid as follows: That portion of surplus (after payment of encumbrances), if any, up to but not to exceed the net amount that Owner would have received after payment of encumbrances had City exercised its right to purchase Parcel B on the date of the foreclosure sale shall be paid to Owner on the date of the foreclosure sale; the balance of surplus, if any, shall be paid to City or its assignee.

(9) The provisions of this paragraph F of Section IV of this Declaration, other than the provisions of subparagraph (7), shall not apply to Lower Income Production Homes.

#### SECTION V. OWNER OCCUPANCY

##### A. Occupancy by Owner Required: Lease or Rental Prohibited

In order to achieve a stabilized community of owner-occupied Dwellings, to avoid artificial inflation of prices caused by resales by speculators and to prevent scarcity caused by vacant homes awaiting resale

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by speculators, Parcel B and each Production Home thereon shall be subject to the following covenants, conditions and restrictions:

(1) Each Owner shall use and occupy the Production Home as such Owner's principal place of residence upon close of escrow for the applicable Production Home, and each such Owner shall not transfer any interest in the Production Home, nor enter into any contract for the sale of the Production Home, prior to the close of escrow for the sale of the Production Home to such Owner.

(2) Any transfer of any interest in the applicable Production Home, and any contract for sale or other transfer of such Production Home prior to the acquisition of title to the Production Home by the applicable Owner, shall be void.

(3) Each Owner shall use and occupy the Production Home as such Owner's principal place of residence immediately upon the close of escrow and shall continue to so use and occupy such Production Home for the duration of ownership of the Production Home. Each Owner must occupy the Production Home for at least twelve months out of every 24 months. The Owner of each Production Home shall not lease or rent the Production Home thereon at any time for any reason unless the City has approved such lease or rental in writing prior to the time the Production Home is leased or rented. Any Production Home that is leased, rented, or occupied by someone other than the Owner, for a period of one year or more, whether consecutively or on a cumulative basis, shall be sold by the Owner in accordance with the procedures set forth in Section IV of this Declaration.

B. Prescreening by City; Certification of Occupancy

In connection with each prescreening by City pursuant to Section III or Section IV of this Declaration, each prospective purchaser at an Initial Sale or Subsequent Sale, as the case may be, shall certify to City within ten (10) days after escrow is opened for the sale of each Production Home, by a statement made under penalty of perjury, that such prospective

purchaser intends to occupy the Production Home as its principal place of residence and that such Production Home is not being purchased for speculation purposes.

#### SECTION VI. CONSENT TO TRANSFER REQUIRED

During the period that this Declaration is in effect, each Production Home on Parcel B and any interest in title thereto shall not be sold, transferred, conveyed or assigned (including rent or lease) to any person or entity except with the express written consent of City, which consent shall be granted if such sale, transfer, conveyance or assignment complies with the covenants, conditions and restrictions set forth in this Declaration. This Section VI shall not prohibit encumbrances permitted pursuant to Section VIII hereinbelow, which shall be governed by Section VIII. ANY SALE, TRANSFER, CONVEYANCE OR ASSIGNMENT (INCLUDING RENT OR LEASE) WHICH HAS NOT BEEN CONSENTED TO BY CITY SHALL BE VOID.

#### SECTION VII. PERMITTED TRANSFERS

The following transfers of title to a Production Home shall not be subject to the covenants, conditions and restrictions contained in this Declaration: transfer by gift, devise, or inheritance to the Owner's spouse or issue; taking of title by surviving joint tenant; transfer of title to a spouse as a party to a divorce or dissolution proceedings; acquisition of title or interest therein in conjunction with marriage; provided, however, that the covenants, conditions and restrictions imposed by this Declaration shall continue to encumber and run with each such Production Home following said transfer.

#### SECTION VIII. PERMITTED ENCUMBRANCES

This Declaration shall not prohibit Declarant from encumbering Parcel B for the purpose of receiving financing to construct the Project, and shall not prohibit any Owner from encumbering his Production Home for the purpose of securing financing for purposes of purchasing or improving the Production Home and shall not supersede or in any way reduce the security

or affect the validity of any such deed of trust or mortgage; provided, however, that if any such Production Home is acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Production Home, or by deed in lieu of foreclosure sale, title to the Production Home shall be taken subject to the covenants, conditions and restrictions (including but not limited to the limitations with respect to affordability and sales price contained in Sections III and IV) set forth in this Declaration. Any permitted lender taking title to a Production Home through foreclosure or deed in lieu of foreclosure shall not be subject to the Household Eligibility Income limits otherwise applicable to a purchaser of the Production Home, but purchasers from such lender shall be subject to such limits; provided, however, such lender acquiring title by foreclosure or deed in lieu of foreclosure shall not occupy such Production Home or any portion thereof. Any permitted lender taking title to a Production Home through foreclosure or deed in lieu of foreclosure shall be entitled to use as its Base Price for purposes of determining affordability on resale pursuant to paragraph C of Section IV, the Production Home Price paid by the Owner from which such lender acquired title.

#### SECTION IX. INSURANCE AND CONDEMNATION PROCEEDS

In the event that a Production Home is destroyed and insurance proceeds are distributed to the Owner thereof instead of being used to rebuild the Production Home, or in the event of condemnation, if proceeds thereof are distributed to Declarant or the Owner, any surplus of proceeds so distributed remaining after payment of any permitted encumbrances on such Production Home shall be distributed as follows: (a) that portion of the surplus up to but not exceeding the net amount that Declarant or the Owner would have received as the Affordable Sales Price had he sold Parcel B to an Eligible Purchaser shall be paid to the Owner; and (b) the balance of such surplus, if any, shall be paid to City.

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SECTION X. LEASE OR RENTAL OF LOWER INCOME PRODUCTION HOMES-  
ELIGIBILITY REQUIREMENTS; RECORDS; MAINTENANCE

A. Right to Sell or Lease Lower Income Production Home.

Notwithstanding any other provisions contained in this Declaration, any time before a particular Lower Income Production Home is sold at an Initial Sale, Declarant shall have the right to lease or rent such Lower Income Production Home to a person who meets the Buyer Eligibility Requirements set forth in paragraph D(2) of Section I of this Declaration. No such lease or rental of a Lower Income Production Home shall be permitted after such Lower Income Production Home is sold at an Initial Sale, except as provided in paragraph A(3) of Section V of this Declaration. If Declarant elects to lease or rent a Lower Income Production Home as provided in this paragraph, such Lower Income Production Home shall only be leased or rented to a person who meets the Buyer Eligibility Requirements set forth in paragraph D(2) of Section I of this Declaration. Furthermore, if a Lower Income Production Home is leased or rented as provided in this paragraph, it shall be leased or rented at an Affordable Rent.

B. Initial Rental of Lower Income Production Home. If Declarant elects to lease or rent a particular Lower Income Production Home as provided in this Section X, and if such lease or rental is the first time that particular Lower Income Production Home will have been leased or rented, Declarant shall give City written notice of Declarant's election to lease or rent the Lower Income Production Home and shall provide the following information to City so that City can determine whether the proposed tenant and rent proposed to be charged meet the requirements of Section X:

(1) The name and current address of the prospective tenant;

(2) The address of the Lower Income Production Home proposed to be leased or rented;

(3) The number of bedrooms in the Lower Income Production Home;  
and

(4) the amount of the proposed rent.

Within 15 days after receipt of the notice and information provided for above, City shall notify Declarant whether the prospective tenant is eligible to lease or rent the Lower Income Production Home in question and whether the rent proposed to be charged meets the requirements of Section X. Declarant shall not initially lease or rent a Lower Income Production Home unless and until City notifies Declarant in writing that the prospective tenant and rent proposed to be charged meet the requirements set forth in this Section (the "Notice of Eligibility").

C. Subsequent Rentals. A Lower Income Production Home that has initially been leased or rented as provided in paragraphs A and B of Section X, may thereafter be leased or rented by Declarant without obtaining a Notice of Eligibility from City. However, before leasing or renting any such Lower Income Production Home, Declarant must determine whether a prospective tenant and rent proposed to be charged meet the requirements of Section X, and Declarant shall only lease or rent a Lower Income Production Home at an Affordable Rent to a tenant that meets the Buyer Eligibility Requirements set forth in paragraph D(2) of this Declaration.

D. Annual Reports. On or before January 31st of each calendar year, Declarant shall prepare and submit to City a written report that provides the following information:

(1) List each Lower Income Production Home that has been leased or rented during the preceding Calendar Year; and

(2) With respect to each Lower Income Production Home leased or rented during the preceding Calendar Year, give the following information:

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(a) The address of the Lower, Income Production Home and the name of each tenant;

(b) The number of bedrooms;

(c) The date when each tenant began his/her tenancy and the date when the tenancy was terminated;

(d) The rent each tenant is or was charged; and

(e) The household income of each tenant at the time each lease or rental was entered into.

E. Adjustments to Rent. Declarant may adjust the Affordable Rent initially charged to a particular tenant of a Lower Income Production Home at the time and in the manner provided for in this paragraph. Any such adjustment may be made only (1) at the end of a period of 365 days that began on the date when the tenant whose rent is being adjusted first occupied the Lower Income Production Home as a tenant; and (2) at the end of each additional 365-day period after the date of the first adjustment. The rent as adjusted shall not exceed the Affordable Rent that a new tenant could be charged under the terms of this Declaration at the time the rent adjustment occurs.

F. Records. Declarant shall maintain all books and records regarding the Lower Income Production Homes, as well as all records relating to the information Declarant is required to provide under the provisions of Section X of this Declaration. City shall have the right to inspect and audit all such books and records, and to make copies thereof, at any time. Declarant shall retain such records for 5 years after all 7 Lower Income Production Homes have been sold at an Initial Sale.

G. Rent Overcharge. If City determines that Declarant charged any tenant of a Lower Income Production Home an amount in excess of the Affordable Rent payable by a tenant of the Lower Income Production Home in question under the terms of this Declaration, City shall notify Declarant

of such overpayment and shall specify the amount of the overcharge ("Notice of Overcharge"). Within 10 days after City notifies Declarant of such overcharge, Declarant shall pay to the tenant who was overcharged the amount of rent paid by such tenant in excess of the Affordable Rent, as specified by City in the Notice of Overcharge, plus interest on such excess overpayment at the rate of 10% per annum from the date of the overpayment to the date on which such overpayment is refunded. If the person who was overcharged is a former tenant and has not been located within 10 days after City notified Declarant of the overcharge, the amount otherwise payable to such tenant as provided in this paragraph shall be paid to the City. As used in this paragraph the term - includes a voluntary payment by the tenant in excess of the Affordable Rent otherwise payable.

H. Ineligible Tenants. If City determines that a tenant who is occupying a Lower Income Production Home does not meet the Buyer Eligibility Requirements set forth in paragraph D(2) of Section I of this Declaration, City shall so notify Declarant ("Notice of Ineligible Tenant"). Within sixty (60) days' after City gives Declarant the Notice provided for in this paragraph, Declarant shall (a) terminate the tenancy in question, and (b) relocate the tenant whose tenancy is so terminated in some other residence located within the City's geographical boundaries. Declarant shall pay all costs of relocating such tenant as provided in this paragraph, including all moving expenses, any rent payable by the relocated tenant to the new landlord in excess of the rent such relocated tenant was paying Declarant as rent for the Lower Income Production Home being vacated, and any security deposit payable by the relocated tenant to the new landlord in excess of the security deposit the relocated tenant paid Declarant for the Lower Income Production Home being vacated. The relocation costs payable by Declarant under this paragraph shall not exceed an amount equal to twice the monthly rent that the relocated tenant was being charged by Declarant.

I. Late Annual Reports. If Declarant submits any Annual Report provided for in paragraph D of Section X after January 31st in any Calendar Year, Declarant shall pay City the sum specified in the following sentence for each day that transpires between January 31st of the Calendar Year in

question and the date on which the Report is submitted to City. The amount payable by Declarant as provided in the preceding sentence shall be an amount equal to one-thirtieth (1/30th) of the rent that Declarant could have charged for a Lower Income Production Home with the greatest number of bedrooms on the date when the Annual Report for the Calendar Year in question was due.

J. Maintenance of Lower Income Production Homes. Declarant shall maintain and operate all Lower Income Production Homes and related facilities that have not been sold at an Initial Sale at a standard that meets or exceeds that necessary to provide decent, safe and sanitary housing in accordance with Section 8 Housing Quality Standards as set forth in HUD Guidelines (see, for example, 24 CFR Section 882.109) and/or any other applicable or successor legal requirements, including the provision of all services, maintenance, and utilities.

#### SECTION XI. GENERAL PROVISIONS

A. Transfers in Violation of this Declaration

ANY TRANSFER OR ATTEMPT TO TRANSFER ANY PRODUCTION HOME OR ANY PART THEREOF, IN VIOLATION OF THIS DECLARATION, IN ADDITION TO ANY OTHER REMEDIES AVAILABLE TO CITY, SHALL BE VOID.

B. Irrevocability; Term of Declaration

This Declaration and the covenants, conditions and restrictions created hereby shall be irrevocable by the Declarant, its successors and assigns to Parcel B or any portion thereof, or any subsequent Owner of a Production Home. The provisions of this Declaration shall continue in effect with respect to Parcel B and each Production Home for a period ending thirty (30) years after the Production Home in question and the building in which it is located has had a final building inspection by the City and is approved for occupancy.

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C. Amendment of Declaration

Only the City, its successors and assigns, and the Declarant, and the heirs, legatees, devisees, administrators, fee title to each Production Home shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, conditions, and restrictions contained in this Declaration, or to subject any Production Home to additional covenants, conditions or restrictions without the consent of any tenant, lessee, easement holder, licensee, or any other person or entity having an interest less than a fee in the Production Home, except the holder of a permitted mortgage or deed of trust as provided in Section VIII of this Declaration. Neither the Declarant nor the heirs, legatees, devisees, administrators, executors, successors, or assigns of the Declarant, nor any owner, shall have the right to change or eliminate, in whole or in part, any of the covenants, conditions, or restrictions, without the written consent of the City.

D. Severability; Sole Recourse

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

In the event this Declaration shall be declared invalid, illegal or unenforceable, the sole recourse of the Declarant and/or any Owner of a Production Home shall be to have the invalid, illegal or unenforceable provision released as an encumbrance to such Declarant's or Owner's title to the Production Home. Without limiting the generality of the foregoing, the Declarant, its successors and assigns to Parcel B or any portion thereof, and each subsequent Owner of each Production Home specifically waive any right to obtain from the City any damages in connection with the imposition or enforcement of this Declaration.

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E. Interpretation

The provisions of this Declaration shall be liberally construed and interpreted to effectuate its purposes. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce. said provision or any other provision hereof.

F. Applicable Law

This Declaration and the covenants, conditions and restrictions created hereby shall be governed by and construed according to the laws of the State of California.

G. Number, Gender, and Headings

As used in this Declaration, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part hereof, and shall not affect the interpretation of any provision.

H. Notices

Any notice to the City pursuant to this Declaration shall be deemed given when delivered personally to the Director of Community Development or to the City Clerk of the City of San Buenaventura, or upon deposit in the U.S. mail postage prepaid, certified mail and return receipt requested, addressed to:

Director of Community Development  
City of San Buenaventura  
501 Poli Street  
P.O. Box 99  
Ventura, CA 93002-0099

Any notice to the Declarant or an Owner pursuant to this Declaration shall be deemed given when delivered personally to the Declarant or Owner, or an officer thereof, or upon deposit in the U.S. mail

postage prepaid, certified mail and return receipt requested, addressed as follows:

To Declarant: Seneca Gardens Limited  
21601 Van Owen, Suite 201  
Canoga Park, CA 91303

To an Owner: At the address of the applicable Production Home, or at the address of the last known assessee of such Production Home as shown on the last equalized assessment roll of Ventura County, or at the address of the record owner of such Production Home as such ownership is shown on the records of the County Recorder on the date the notice is mailed, or at such other address as has been designated to the City in a notice given pursuant to this paragraph H of Section X.

I. The Declarant and each Owner of a Production Home covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of Parcel B or any Production Home thereon, nor shall the Declarant itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with references to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in Parcel B or any production Home thereon.

J. Each Owner of a Production Home, and each tenant of a Lower Income Production Home, and the guests and invitees of such Owners and tenants, shall have access to, and the right to use, the common recreational facilities and other common facilities and amenities that are part of the Project, subject to such reasonable rules and regulations as may be adopted by Declarant and/or a homeowners association formed in connection with the Project. In addition, each Owner of a Production Home, and each tenant of a Lower Income Production Home, and the guests and

invitees of such Owners and tenants, shall have access to, and the right to use, Common Area(s) and Open Space(s), as those terms are defined and described in THE DECLARATION, subject to such reasonable rules and regulations as may heretofore have been adopted, or may hereafter be adopted, by the Declarant or its predecessors or successors in interest.

K. In the event of a conflict between the covenants, conditions, restrictions, and other provisions contained in this Declaration and any covenant, condition, restriction or provision contained in any other document, including THE DECLARATION, the covenants, conditions, restrictions and other provisions contained in this Declaration shall govern and take precedence over any such other covenants, conditions, restrictions, and other provisions.

L. Each deed, contract of sale, and other document conveying, transferring, or agreeing to convey or transfer any interest in Parcel B or any Production Home therein shall contain substantially the following provision:

"THIS DEED IS MADE AND ACCEPTED UPON AND SUBJECT TO THE DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SENECA GARDENS RECORDED DECEMBER 6, 1996, AS INSTRUMENT NUMBER 96-167045 OF OFFICIAL RECORDS OF VENTURA COUNTY AS AMENDED BY THE FIRST AMENDMENT TO DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS RECORDED \_\_\_\_\_, AS INSTRUMENT NO. \_\_\_\_\_, OF OFFICIAL RECORDS OF VENTURA COUNTY, AND ANY FURTHER AMENDMENTS THERETO, ALL OF WHICH COVENANTS, CONDITIONS, RESTRICTIONS AND OTHER MATTERS ARE INCORPORATED HEREIN BY REFERENCE WITH THE SAME FORCE AND EFFECT AS THOUGH FULLY SET FORTH HEREIN."

M. The provisions of this ARTICLE XXII shall be the exclusive provisions regarding the requirements of the City's AHP as applied to Parcel B, and no other provisions shall apply, including, but not limited to ARTICLE XXI of THE DECLARATION, unless and until imposed by a further

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amendment approved by the City and imposed by the DECLARANT or the DECLARANT'S successor in interest in and to all or any portion of Parcel B.

Except as expressly provided herein, THE DECLARATION shall remain in full force and effect.

IN WITNESS WHEREOF, THE DECLARANT has executed this FIRST AMENDMENT this 12TH day of AUGUST, 1998.

SENECA GARDENS LIMITED, a California  
limited partnership

By: BULMER DEVELOPMENT CORPORATION, a  
California corporation, General  
Partner

By:   
Stanley R. Bulmer, President

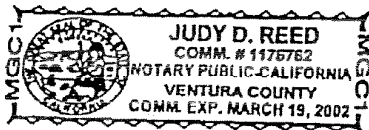
**ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Ventura } ss.

On August 12, 1998 before me, Judy D. Reed  
(DATE) (NOTARY)  
 personally appeared Stanley H. Bulmer  
SIGNER(S)

☐ personally known to me - OR - ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Judy D. Reed  
NOTARY'S SIGNATURE

**OPTIONAL INFORMATION**

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

**CAPACITY CLAIMED BY SIGNER (PRINCIPAL)**

- ☐ INDIVIDUAL  
☐ CORPORATE OFFICER

- ☐ PARTNER(S)  
☐ ATTORNEY-IN-FACT  
☐ TRUSTEE(S)  
☐ GUARDIAN/CONSERVATOR  
☐ OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
 NAME OF PERSON(S) OR ENTITY(IES)

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_  
TITLE OR TYPE OF DOCUMENT

\_\_\_\_\_  
NUMBER OF PAGES

\_\_\_\_\_  
DATE OF DOCUMENT

\_\_\_\_\_  
OTHER