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DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
AND COVENANTS, CONDITIONS AND RESTRICTIONS
FOR SENECA GARDENS

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EXHIBITS

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| Description of Common Area(s) | Exhibit "I" |
| Description of Open Space Area(s) | Exhibit "II" |
| Description of Residential Area(s) | Exhibit "III" |
| Articles of Incorporation of THE SENECA GARDENS ASSOCIATION | Exhibit. "A-1(a)" |
| Certificate of Amendment of Articles of Incorporation of THE SENECA GARDENS ASSOCIATION | Exhibit "A-1(b)" |
| By-Laws of the SENECA GARDENS ASSOCIATION | Exhibit "A-2" |
| Schedule of Undivided Interests To Be Conveyed And Vested | Exhibit "B-1" |
| Schedule of Garage Spaces and Parking Stalls Appurtenant to each UNIT | Exhibit "C" |

(THIS PAGE RESERVED)

DECLARATION ESTABLISHING A PLAN
OF CONDOMINIUM OWNERSHIP
AND COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
SENECA GARDENS

PREAMBLE

WITNESSETH this DECLARATION made this 3RD day of
DECEMBER, 1996, by SENECA GARDENS LIMITED, a California
limited partnership (herein referred to as "DECLARANT")

A. WHEREAS, the DECLARANT is the owner in fee simple of
that certain real property situate in the City of San
Buenaventura, in the County of Ventura, in the State of
California, legally described as:

PARCEL A:

LOTS 1 TO 5, INCLUSIVE, OF TRACT 4908 IN THE CITY OF SAN
BUENAVENTURA, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP
FILED IN BOOK 127 OF MISCELLANEOUS RECORDS (MAPS) AT PAGES 65 TO
67, INCLUSIVE, RECORDS OF VENTURA COUNTY.

EXCEPT THEREFROM ALL DEPOSITS OF MINERALS, INCLUDING OIL AND
GAS, LYING BELOW A DEPTH OF FIVE (500) HUNDRED FEET, WITHOUT,
HOWEVER THE RIGHT TO SURFACE ENTRY OR THE RIGHT TO DRILL OR MINE
THROUGH THE SURFACE THEREOF, AS RESERVED BY THE STATE OF
CALIFORNIA, IN DEED RECORDED APRIL 29, 1965 IN BOOK 2778, PAGE
413 OF OFFICIAL RECORDS.

PARCEL B:

PARCEL 3 of PARCEL MAP LD-542, IN THE CITY OF SAN BUENAVENTURA,
COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER PARCEL MAP FILED
IN Book 46 , PAGES 3 AND 4 OF PARCEL MAPS, IN THE OFFICE OF THE
COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM ALL DEPOSITS OF
MINERALS, INCLUDING OIL AND GAS, LYING BELOW A DEPTH OF FIVE
HUNDRED (500) FEET, WITHOUT HOWEVER, THE RIGHT OF SURFACE ENTRY
OR THE RIGHT TO DRILL OR MINE THROUGH THE SURFACE THEREOF, AS
RESERVED BY THE STATE OF CALIFORNIA, IN DEED RECORDED APRIL 29,

1965 IN BOOK 2778, PAGE 413 OF OFFICIAL RECORDS. (This Parcel B is also sometimes referred to as a [Tentative] Tract No. 4668].

PARCEL C:

Part of the valley of San Buenaventura, as the same is designated and delineated upon that certain map entitled "Map of the Rancho Ex-Mission, Tract No. 1", in the City of San Buenaventura, County of Ventura, State of California, as per map thereof recorded in Book 2, Page 103, of Miscellaneous Records, in the Office of the County recorder of said County, described as follows:

Beginning at the most easterly corner of the land described in the deed to the State of California, recorded May 6, 1914, in Book 142, Page 358 of deeds; thence along the boundary of said land, the following courses and distances.

- 1st: North 16 Deg. 30' West 905.52 feet; thence,
- 2nd: North 56 Deg. 45' West 485.76 feet; thence,
- 3rd: North 28 Deg. 45' West 594 feet; thence,
- 4th: North 48 Deg. 15' West 462 feet, thence,
- 5th: North 57 Deg. 15' West 921.36 feet to a rock mound on the edge of the Joaquin Barranca; thence,
- 6th: South 80 Deg. 53' West 792 feet to the Northeast corner of a parcel of land conveyed to Jacklin Willett by Deed recorded in Book 1, Page 259 of deeds; thence along the east line of said land of Willett,
- 7th: South 9 Deg. 00' East 1518 feet; thence,
- 8th: South 14 Deg. West 686.40 feet to the southeast corner of the land conveyed to the State of California by deed recorded in Book 142, Page 360 of deeds; thence,
- 9th: South 86 deg. 30' East 2,784.54 feet to the point of beginning.

Excepting therefrom that portion of said land lying northerly of the southerly line of Lot 2 of the Mariano Rancho, in the City of San Buenaventura, County of Ventura, State of California, as per Map recorded in Book 5, Page 34, of Maps, in the office of the County Recorder of said County.

Also except therefrom all deposits of minerals including oil and gas lying below a depth of five hundred (500) feet, without however, the right to drill or mine through the surface thereof,

as reserved by the State of California, in deed recorded April 29, 1965 in Book 2778, Page 413 of Official Records.

Also excepting therefrom all that portion of said land described as follows:

Parcels 1 and 2 of Parcel Map LD-392, in the City of San Buenaventura, County of Ventura, State of California, as per Parcel Map filed in Book 34, Pages 83, 84 and 85 of Parcel Maps in the office of the County Recorder of said County.

Also excepting therefrom all that portion of said land described as follows:

Parcels 1 and 2 of Parcel Map LD-542, in the City of San Buenaventura, County of Ventura, State of California, as per Parcel Map filed in Book 46, Pages 3 and 4 of Parcel Maps, in the office of the County Recorder of said County.

Also excepting therefrom all that portion of said land described as follows:

Lot 1 of Tract No. 4668, in the City of San Buenaventura, County of Ventura, State of California as per Map filed in Book __, Page __ of Miscellaneous Records (Maps) in the office of the County Recorder of said County; and

B. WHEREAS, the DECLARANT has developed portions of said property and may develop other portions thereof with streets, curbs, gutters, sidewalks, street lights, water lines, sewer lines, storm drains, gas lines and facilities, electric lines and facilities and telephone conduits and facilities and with buildings for residential use and with other structures for use for recreational and other purposes, portions of which said property, as presently developed, and as may be further developed will be constituted as a condominium PROJECT (as presently

defined in Section 1351 (f) of the Civil Code of the State of California); and

C. WHEREAS, it is presently contemplated that the PROJECT may be developed and completed in one or more phases as set forth immediately below and in Article IV, viz:

PHASE I - Lot 1, Tract No. 4908 and UNITS 1 to 8, inclusive located thereon.

PHASE II - Lot 2, Tract No. 4908 and UNITS 9 to 20, inclusive, located thereon.

PHASE III - Lot 3, Tract No. 4908 and UNITS 21 to 40, inclusive, located thereon.

PHASE IV - Lot 4, Tract No. 4908 and UNITS 41 to 60, inclusive, located thereon.

PHASE V - Lot 1, Tract No. 4668 (Parcel B in the Preamble above) and (if constructed) UNITS 1 to 57, inclusive, located thereon. And with respect thereto:

1. PHASE I OF THE PROJECT, LOT 5 OF TRACT NO. 4908 AND PARCEL C WILL BE DEEMED SUBJECTED TO THIS DECLARATION UPON THE RECORDATION HEREOF, AND;
2. ALL OTHER PHASES OF THE PROJECT WILL BE DEEMED SUBJECTED TO THIS DECLARATION UPON THE RECORDATION OF A DECLARATION OF ANNEXATION APPLICABLE TO EACH SEPARATE PHASE AS PROVIDED IN ARTICLE IV.

D. WHEREAS, the DECLARANT proposes to sell and/or lease said property or portions thereof, together with certain other rights and now desires to provide and establish a plan for the management and operation of the PROJECT and for the maintenance, repair and replacement of the COMMON AREA(S) (including the OPEN SPACE AREA(S)) of the PROJECT and the buildings and other

(c) The 32' wide easement for ingress and egress, driveway and utility purposes situate within Parcel 1 of said Parcel Map LD-542, as shown on said Parcel Map LD-542 and the Map of Tract No. 4908, and

(d) All sidewalks lying parallel to and adjoining the 32' wide easement described above, whether within Parcel 1 or Parcel 2 of said Parcel Map LD-542, and

(e) Any water, sewer and/or storm drain lines, water meters and other devices which are located within the 32' wide easement referred to in (c) immediately above and which are intended by design and function to service Parcel 2 and/or both Parcel 1 and/or Parcel 3 of said Parcel Map LD-542, provided that any such lines, meters or devices intended by design and function to service only Parcel 2 of Parcel Map LD-392 as shown in Book 34 of Parcel Maps, at Page 83, recorded in the Office of the Recorder of Ventura County, California shall not be deemed a part of the COMMON AREA(S).

(f) Except where a separate reference may be made thereto for specific purposes, the term "COMMON AREA(S)" shall also be deemed to include the "OPEN SPACE AREA(S)".

1.08. CONDOMINIUM

The term "CONDOMINIUM" shall mean an estate in real property as defined in Section 783 and Section 1351 (f) of the Civil Code of the State of California, consisting of an undivided interest as a tenant in common in all or any portion of the COMMON AREA(S) of the PROJECT (except Lot 5 of

Tract 4908 and except Parcel C (Open Space Areas)) together with a separate fee interest in a UNIT(S) (defined below) shown and described on the CONDOMINIUM PLAN and other separate interests, if any, as are described in this DECLARATION, in the CONDOMINIUM PLAN or in the deed conveying the CONDOMINIUM. Air spaces 1-L and 2-L shown on the CONDOMINIUM PLAN are not an element of a condominium or a UNIT and shall be deemed COMMON AREA(S) as and when Lot 3 is annexed (as to Air Space 1-L and as and when Lot 4 is annexed (as to Air Space 2-L)).

1.09. CONDOMINIUM PLAN

The term "CONDOMINIUM PLAN" shall mean the CONDOMINIUM PLAN recorded on _____, 199____, as instrument No. _____ in the Office of the Recorder of Ventura County in the State of California, and any amendments thereto and, if any, any other CONDOMINIUM PLAN subsequently recorded and relating to Tract 4668 (presently being PARCEL 3 of PARCEL MAP LD-542).

1.10. DECLARANT

The term "DECLARANT" shall mean SENECA GARDENS LIMITED, a California limited partnership, and any successor or assignee thereto established by a specific assignment by DECLARANT of its rights as DECLARANT under this DECLARATION in a document of assignment executed by DECLARANT and recorded in the Office of the Recorder of Ventura County in the State of California, or if such successor or assignee is a mortgagee or BENEFICIARY acquiring the interest of the DECLARANT in the PROJECT by foreclosure or a deed in lieu of foreclosure.

1.11. DECLARATION

The term "DECLARATION" shall mean this instrument, including all of the Exhibits referred to herein (all of which shall be deemed incorporated herein by reference), as the same may be amended from time to time.

1.12. DEED OF TRUST (TRUST DEED)

The term "DEED OF TRUST" or "TRUST DEED" shall mean a first mortgage or a first Deed of Trust, as the case may be, and shall also include, whether a first mortgage or a first deed of trust, or not, any mortgage or Deed of Trust executed and delivered to the DECLARANT (or its successors and assigns) in payment upon the purchase of a UNIT(S).

1.13. MEMBER(S)

The term "MEMBER(S)" shall mean all PERSONS (including the DECLARANT), who from time to time own or are the owners of a CONDOMINIUM.

1.14. MORTGAGEE

The term "MORTGAGEE" shall mean the beneficiary of, or the holder of a Note secured by a first DEED OF TRUST (TRUST DEED) or, as the case may be, the mortgagee under a first mortgage, and/or the assignee of such beneficiary, holder or mortgage, but shall include the DECLARANT or its assigns under any Note secured by a junior mortgage or Deed of Trust executed and delivered to the DECLARANT (or its successors and assigns) in payment upon the purchase price of a UNIT(S).

1.15. OPEN SPACE AREA(S)

The term "OPEN SPACE AREA(S)" shall mean those portions of the PROJECT described as Parcel C in the Preamble and on the exhibit attached hereto marked Exhibit "II", and shall include, if any, all improvements, facilities and/or landscaping originally erected and/or placed (and any replacement of such improvements and/or facilities and/or landscaping) over, under, along and upon such portions.

1.16. OWNER (OR OWNERS)

The term "OWNER" (or "OWNERS", if more than one) shall mean the PERSON or PERSONS (including the DECLARANT), as the case may be, in whom legal title to a UNIT (S) is vested from time to time.

1.17. PERSON (OR PERSONS)

The term "PERSON" (or "PERSONS", if more than one) shall mean a natural individual, a natural individual acting in a legal capacity, or a corporation, unincorporated association, partnership, joint venture, trust, conservatorship, executor, administrator, or any entity with the legal right to hold title to real property.

1.18. PRIVATE STREETS (PRIVATE DRIVEWAYS)

The term PRIVATE STREETS (PRIVATE DRIVEWAYS) shall mean the areas shown and designated as such or by a definitive name on the map of said Tract No. 4908.

1.19. PROJECT

The term "PROJECT" shall mean all of the real property described and identified in PHASE I and in Lot 5 of

Tract No. 4908 and in Parcel C of the PREAMBLE above, (and shall mean and include PHASES II, III, IV, and V when, and if the same or any of them are annexed pursuant to Article IV) and all improvements thereto, and all buildings and other structures erected or hereafter erected thereon, as the same may be constituted from time to time.

1.20. PUBLIC PARKING AREA(S)

The term "PUBLIC PARKING AREA(S)" shall mean those areas located within the PRIVATE STREET(S) and designated by the Board from time to time for parking purposes and the same are deemed as part of the COMMON AREA(S). The use of the PUBLIC PARKING AREA(S) in this DECLARATION shall not imply any right to the use of such area(s) by the general public, it being the intent that such area(s) may be used only by the OWNERS and Tenants and members of their families and the guests and invitees of OWNERS and Tenants and their immediate families on a non-exclusive basis.

1.21. RECREATIONAL AREA(S)

The term "RECREATIONAL AREA(S)" shall mean Lot 5 of Tract No. 4908, the OPEN SPACE AREA(S) and such other portions of the COMMON AREA(S) as shall be designated as such by the BOARD from time to time except that the same shall not include the PRIVATE STREETS and the same are deemed a portion of the COMMON AREA(S).

1.22. RESIDENTIAL AREA(S)

The term "RESIDENTIAL AREA(S)" shall mean those

portions of the PROJECT described on the exhibit attached hereto marked EXHIBIT "III" and shall include if any, all improvements, facilities and/or landscaping presently or hereafter erected thereon.

1.23. RULES AND REGULATIONS

The term "RULES AND REGULATIONS" shall mean such rules and regulations as may be promulgated from time to time by the BOARD with respect to the use of the COMMON AREA(S) and the OPEN SPACE AREA(S) by the OWNER(S), Tenants and invitees of such OWNER(S) and Tenants.

1.24. STRUCTURE

The term "STRUCTURE" shall mean anything manufactured or fabricated or shaped by any PERSONS.

1.25. UNIT(S)

The term "UNIT(S)" shall, for the purposes of this DECLARATION, mean the elements of a CONDOMINIUM which are not owned in common with the other OWNER(S) of condominiums in the PROJECT, such UNIT(S) and their separate elements being more particularly described on the CONDOMINIUM PLAN. The boundaries of each UNIT are the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, and doors of the UNIT. In interpreting deeds and plans the existing physical boundaries of a UNIT or of a UNIT reconstructed in substantial accordance with the original plan thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or CONDOMINIUM PLAN, if any exists,

regardless of any minor variance between boundaries shown on the CONDOMINIUM PLAN or in the deed and those of the building and regardless of settling or lateral movement of the building. Whenever reference is made herein, in the CONDOMINIUM PLAN, in any deed, or elsewhere, to a UNIT, it shall be deemed that such reference is made to the UNIT as a whole, including each of its component elements.

1.26. EXCLUSIVE USE COMMON AREA(S)

The term "EXCLUSIVE USE COMMON AREA(S)" shall mean that portion of the COMMON AREA(S) that is reserved for the exclusive use of an OWNER of a UNIT. Each such EXCLUSIVE USE COMMON AREA shall be appurtenant to the OWNERS UNIT and may not be conveyed or transferred separate from the UNIT. The boundaries and/or location of and limitations on the EXCLUSIVE USE COMMON AREA(S) are as shown on the CONDOMINIUM PLAN. Except as expressly provided in this DECLARATION and/or in Section 1351(a)(i) and 1351(a)(b) 1 and (2) of the Civil Code of the State of California, as the same be amended from time to time, no other portion of the PROJECT is EXCLUSIVE USE COMMON AREA(S). The ASSOCIATION acting on behalf of all OWNER(S) may reserve to OWNER(S) in the name of all OWNER(S) as their attorney-in-fact (or in the name of the ASSOCIATION for any property to which the ASSOCIATION holds title) EXCLUSIVE USE COMMON AREA(S) for any purpose not inconsistent with the rights of other OWNER(S) under this DECLARATION.

**ARTICLE II - DESCRIPTION OF COMMON INTERESTS, PROPERTY RIGHTS,
RIGHTS OF ENJOYMENT AND EASEMENTS:**

2.01. ELEMENTS OF A CONDOMINIUM

OWNERSHIP of each CONDOMINIUM within the PROJECT shall include a UNIT, an undivided interest as tenant-in-common with other OWNERS in all or a part of the COMMON AREA(S) as set forth in Exhibit "B-1" (which undivided interest may not be altered or changed so long as the prohibition against severability of component interests in a CONDOMINIUM remains in effect as hereinafter provided), a membership in the ASSOCIATION and any EXCLUSIVE USE COMMON AREA(S) appurtenant to such UNIT as are described in this DECLARATION, the deed thereto and the CONDOMINIUM PLAN (as e.g. certain patios, certain balconies, certain Utility areas and a garage space and a parking space).

2.02. OWNER'S NON-EXCLUSIVE RIGHTS

Every OWNER of a CONDOMINIUM shall have a non-exclusive right of use, enjoyment, ingress, egress and support in, to and throughout the COMMON AREA(S); provided, however, such non-exclusive right shall be subordinate to, and shall not interfere with the right of the OWNER to the occupancy and use by an OWNER of a UNIT owned by such OWNER and EXCLUSIVE USE COMMON AREA(S) appurtenant to a UNIT, if any. Each such right shall be appurtenant to and pass with the title to the CONDOMINIUM, subject to the following rights and restrictions:

(a) The right of the ASSOCIATION to limit the number of guests, and to adopt and enforce RULES AND REGULATIONS as provided in Section 7.03.

(b) Subject to the provisions of this

DECLARATION, the right of the ASSOCIATION to borrow money for the purpose of improving, repairing or maintaining the COMMON AREA(S).

(c) The right of the ASSOCIATION to assign, rent, license or otherwise designate and control the use of any unassigned parking and storage spaces within the COMMON AREA(S) and to charge reasonable fees for such use.

(d) The right of the ASSOCIATION to adopt and enforce RULES AND REGULATIONS concerning the control and use of any private streets, roadways and paved areas located upon or across the COMMON AREA(S), including the right to regulate the kind of vehicles and their speed and the parking of vehicles upon such private streets and roadways. DECLARANT or the ASSOCIATION is authorized to delegate to a municipality or other governmental entity or to contract with any private security patrol company to exercise its authorized rights in connection with such private streets, roadways, and parking areas.

(e) The right of DECLARANT or its designees to enter upon any portion of the PROJECT for purposes of construction and completion of the PROJECT and for purposes of making repairs and remedying construction defects, provided such entry shall not interfere with the use of any occupied UNIT unless authorized by the UNIT OWNER, which authorization shall not be unreasonably withheld.

(f) The right of the ASSOCIATION, or its agents, to enter any of the UNIT(S) in order to perform its duties and

obligations hereunder, including obligations and duties with respect to construction, maintenance or repair for the benefit of the COMMON AREA(S) or the OWNER(S) in common, or to make necessary repairs which a UNIT OWNER has failed to perform. The rights shall be immediate in case of an emergency originating upon or threatening any UNIT, whether or not its OWNER is present.

(g) The right of any OWNER, or his representatives, to enter the UNIT of any other OWNER for purposes of performing installations, alterations or repairs of mechanical or electrical services, including installation of television antennae and related cables, which are reasonably necessary for the use and enjoyment of his UNIT, provided requests for entry are made in advance, that such entry is at a time convenient to the OWNER whose UNIT is being entered and that any damage caused by such entry shall be repaired by the entering party at its expense; and in the case of emergency such right of entry shall be immediate.

2.03. DELEGATION OF USE; CONTRACT PURCHASERS; LESSEES

Any OWNER may delegate his rights of enjoyment in the PROJECT, including any recreational facilities thereof, to the members of his family, his guests, and invitees, and to such other PERSONS as may be permitted by the BY-LAWS and the ASSOCIATION RULES AND REGULATIONS subject, however, to this DECLARATION, provided, however, that neither an OWNER of a CONDOMINIUM who has sold or leased the same, nor members of his

family, his guests and invitees shall be entitled to use and enjoy any of such rights in the PROJECT while such OWNER's CONDOMINIUM is occupied by such contract purchaser or Lessee, but instead, such contract purchaser or Lessee, while occupying such CONDOMINIUM shall be entitled to use and enjoy such rights in the PROJECT and to delegate the rights of enjoyment in the same manner as if such contract purchaser or Lessee was the OWNER of such CONDOMINIUM during the period of his occupancy of such OWNER's CONDOMINIUM. Each OWNER, contract purchaser or Lessee shall also notify the secretary of the ASSOCIATION of the names of all PERSON(S) to whom such OWNER, contract purchaser or Lessee has delegated any rights of enjoyment in the PROJECT and the relationship which each such PERSON bears to such OWNER, contract purchaser or Lessee. Any rights of enjoyment delegated pursuant hereto are subject to suspension to the same extent that rights of OWNER(S) are subject thereto. No such delegation shall relieve an OWNER from liability to the ASSOCIATION or to other owners for payment of assessments or performance of the covenants, conditions and restrictions contained in this DECLARATION. The ASSOCIATION and each OWNER shall have a right of action directly against any Tenant or contract purchaser of an OWNER, as well as against the OWNER, for nonperformance of any of the provisions of this DECLARATION to the same extent that such right of action exists against such OWNER.

2.04. EASEMENTS RESERVED BY DECLARANT

DECLARANT hereby reserves to itself and shall have

the power to grant and convey in the name of all the OWNER(S) as their attorney-in-fact to any other party easements and right-of-way in, on, over or under the PROJECT maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and each purchaser, in accepting a deed to a CONDOMINIUM, expressly consents to such easements and rights of way and authorizes and appoints DECLARANT as attorney-in-fact of such OWNER(S) to execute any and all instruments conveying or creating such rights or easements.

ARTICLE III - ACCESS TO PROJECT: PERMITTED AND PROHIBITED USES;
RESTRICTIONS AND OBLIGATIONS (OF OWNERS)
RESERVATION OF RIGHTS BY DECLARANT

3.01. ACCESS TO PROJECT

Subject to Section 2.02, every OWNER of a UNIT and the Tenants of such OWNER and the invitees and guests of such OWNER and such Tenants shall have mutual access to all portions of the PROJECT for purposes of ingress and egress to the COMMON AREA(S) (including the OPEN SPACE AREA(S) and all utility lines and facilities).

3.02. PERMITTED USES AND SPECIFIC LIMITATIONS REGARDING
USE.

(a) RESIDENTIAL AREA(S)

No portion of any of the RESIDENTIAL AREA (S) shall be used or occupied for other than residential purposes and purposes incidental thereto (including pedestrian and vehicular ingress and egress) and, subject to such RULES AND REGULATIONS as may be promulgated by the BOARD, for the parking of vehicles and the use or occupancy, in whole or in part, of any portion of the RESIDENTIAL AREA(S) for commercial, professional, trade or other non-residential purposes is prohibited, provided however, that the DECLARANT and its agents and representatives or its successors in interest may use portions of the RESIDENTIAL AREA(S) for sales, temporary office and storage purposes and may display signs, pennants or other advertising media thereon.

(b) CERTAIN COMMON AREA(S)

The title to Lot 5 and the existing and all future structures erected thereon and the OPEN SPACE AREA(S) and all improvements situated or hereafter situated on, under, and upon the same shall be vested in the ASSOCIATION and the ASSOCIATION shall have the unrestricted right of access to, over, under, along and upon the COMMON AREA(S) and the OPEN SPACE AREA(S), in the performance of its duties and obligations under this DECLARATION, provided that:

(i) Subject to Section 2.02 and such RULES AND REGULATIONS as may be promulgated from time to time by the BOARD pursuant to Section 7.03, the OWNER(S) of each UNIT and the Tenants of such OWNER(S) and the guests and invitees of such OWNER(S) and Tenants shall be deemed to have access to and the

Tenants of such OWNER(S) and the guests and invitees of such OWNER(S) and Tenants shall be deemed to have access to and the right of enjoyment of an a non-exclusive easement for ingress and egress over, along, and upon the COMMON AREA(S) and the OPEN SPACES AREA(S), and all buildings, structures and facilities now or hereafter erected or placed thereon, which said access right and easement shall be deemed appurtenant to each UNIT, and

(ii) Any OWNER may, from time to time, delegate such right of enjoyment and easement to his agents, representatives, invitees and licensees; and

(iii) Other than those portions thereof presently or hereafter improved with buildings or other structures, except upon the unanimous consent of all of the OWNER(S), no portion of the COMMON AREA(S) shall be used other than for landscaping, for perimeter designation purposes, for ingress and egress and for recreational purposes, provided however, that nothing herein shall be deemed to restrict the installation by the ASSOCIATION or by any governmental body or agency or any public utility of underground or overhead facilities, including but not limited to gas, water telephone, electricity lines, sanitary sewer and storm or other drain lines or devices, or the temporary use thereof in connection with the maintenance, repair or replacement of the PROJECT or any portion thereof.

(iv) Notwithstanding the foregoing, the use and enjoyment of the OPEN SPACE AREA(S) shall be subject to the provisions of Sub-Section (c) of this Section 3.02, immediately

below.

(v). As and when Lot 3 and Lot 4 are annexed, AIR SPACES 1-L and 2-L; shown on the CONDOMINIUM PLAN may be used for such purposes as specified by the BOARD.

(c) OPEN SPACE AREA(S):

No portion or portions of the OPEN SPACE AREA(S) shall be developed with any STRUCTURE or shall be used or occupied for any purpose except as may be permitted from time to time by the City of San Buenaventura (hereinafter sometimes, City) and upon the written consent of the OWNER(S) (including, if it is at the time an OWNER, the DECLARANT), provided, however, that subject to such RULES AND REGULATIONS as may be promulgated by the BOARD, the OPEN SPACE AREA(S) may be used for the observation of and enjoyment of the wild life inhabiting the same and flowers, trees and other vegetation growing thereon without such permission or consent. In addition, DECLARANT hereby recognizes that a transfer or density allocation has been made from Parcel 3 of said Parcel Map LD-542, sometimes referred to as [Tentative] Tract No. 4668 and from the OPEN SPACE AREA(S) to allow a greater density of development on Tract 4908 (formerly Parcel 1 of Parcel Map LD-542), pursuant to the Hillside management Program of the City and for the purpose of obtaining a better overall development of the PROJECT, particularly in view of the slopes and grades. As a result, the maximum number of residential dwelling units that may be allowed to be developed on Parcel 3 of said Parcel Map LD-542([Tentative] Tract No. 4668) is

specifically reduced such that, assuming all conditions are met for a "density bonus", in no event will more than 57 residential dwelling UNIT(S) be permitted to be developed on said Parcel 3 and no residential dwelling UNIT(S) shall be permitted in the OPEN SPACE AREA(S) without a change in policy or other waiver or agreement by the City. Nothing in the foregoing or elsewhere in this DECLARATION is intended to suggest that the City will or would necessarily approve development up to the maximum 57 residential dwelling units specified, or ever allow any development within the OPEN SPACE AREA(S). The provisions of this Section 3.02 of Article III shall survive the termination of this DECLARATION which may occur as the result of the expiration of the time periods specified in Sections 15.01 and 15.02 of Article XV.

3.03. LEASE OF UNIT.

Nothing in this DECLARATION shall be deemed to prohibit the lease of a UNIT by the OWNER, provided that such lease shall be in writing and by its terms, shall be expressly subject to this DECLARATION, the BY-LAWS, ARTICLES and the RULES AND REGULATIONS and by its terms, expressly provide that the Tenant/Lessee thereunder shall abide by and strictly comply with all applicable provisions of this DECLARATION and all RULES AND REGULATIONS and that any breach thereof shall constitute a default under said lease. Tenants/Lessees and the agents, representatives, invitee and licensees of such Tenants/Lessees shall have the same rights as an OWNER with respect to the OPEN

SPACE AREA(S) and the COMMON AREA(S), as is provided under Section 3.01 and Section 3.02 immediately above.

3.04. ANIMALS, BIRDS, ETC.

No animal, bird, fish, reptile or insect other than a reasonable number thereof, generally recognized as being domestic pets, shall be kept or maintained on any portion of the PROJECT, and the keeping, breeding, or maintenance of any animal, bird, fish, reptile or insect for commercial purposes is hereby prohibited; and:

(a) Upon written request of the OWNER, the BOARD shall, in its sole and absolute discretion, determine whether, for the purpose of this Section 3.04, a particular animal, or bird, or fish, or reptile, or insect is or is not a domestic pet, and/or whether the number thereof kept or maintained is reasonable, and:

(b) The BOARD may, from time to time and in its sole and absolute discretion, determine if any such animal, bird, fish, reptile, or insect is or has become a nuisance, prohibited as hereinafter provided.

3.05. DISEASES, INSECTS, ETC.

The maintenance of any condition which induces or harbors, or may tend to induce or harbor infectious plant diseases and/or noxious insects, and/or rodents or reptiles is prohibited.

3.06. ANTENNAS, ETC.

Except as may be permitted from time to time by

the BOARD, on a uniform basis, no STRUCTURE may be affixed to any residence or garage or carport, so as to extend outward beyond the surface of the residence or garage or carport, including, but not limited to antennas, TV satellite dishes or receptors, solar energy appliances or air coolers, awnings or sun shades, window screens or door screens, provided that nothing herein shall be deemed to prohibit the installation of curtains, drapes, shades, venetian blinds, or shutters affixed to windows or door frames or the surface of a wall, ceiling, or floor within a UNIT or garage.

3.07. SHORT WAVE RECEIVERS AND TRANSMITTERS

No short wave receiver or transmitter shall be operated on or within the PROJECT except upon approval of the BOARD.

3.08. STORAGE/DRYING OF CLOTHES

The storage of personal property in or upon any part of the PROJECT is prohibited unless entirely enclosed in a STRUCTURE. The drying or airing of clothes in or upon any part of the PROJECT which is not entirely enclosed is prohibited.

3.09. TRASH/CONTAINERS, ETC.

No garbage or trash shall be placed or kept on any UNIT so that the same is visible from any other UNIT except to make the same available for collection; and the BOARD may prescribe RULES and REGULATIONS relating to containers for trash and garbage and other matters relating to the collection of trash and garbage.

3.10. TRUCKS, TRAILERS, CAMPERS, BOATS, ETC./REPAIRS.

ETC.

(a) The parking or maintenance of any vehicle of any kind on any PRIVATE STREET is prohibited and the BOARD shall provide for the posting of the "No Parking" signs in appropriate places along the PRIVATE STREETS, provided, however, that the parking of motor vehicles may be allowed in the PUBLIC PARKING AREA(S) located within the PRIVATE STREETS so designated as such by the BOARD..

(b) The construction, repair, or rehabilitation of any machine, mechanical or electronic equipment or other thing, except that owned by the ASSOCIATION or permitted by the BOARD for use of all of the OWNERS, within the PROJECT is prohibited, provided that such prohibition shall not be deemed to apply to the emergence repair or motor vehicles owned by an OWNER.

3.11. NUISANCES

The keeping or maintenance of anything or any condition within the PROJECT or the commission of any act or any failure to act which constitutes a nuisance under any law or ordinance and/or which increases the insurance rate relating to injury or death to any PERSON or to loss or damage to the PROJECT is prohibited and may be abated by the ASSOCIATION, provided that any such abatement shall be made and conducted by lawful means only.

3.12. SIGNS.

No signs whatsoever shall be placed, erected or maintained within the PROJECT except

(a) Such signs, if any, as may be required by law.

(b) One or more PROJECT identification signs, each having a total surface area or not more than one hundred and fifty (150) square feet.

(c) Uniform (as to size, lettering and color) address, mail box, parking space, and storage area identification signs, and street identification signs.

(d) Signs placed in the COMMON AREA(S) by the BOARD setting forth or relating to the RULES AND REGULATIONS promulgated from time to time by the BOARD.

(e) Such signs as may from time to time be placed and maintained on the PROJECT by the DECLARANT, during the period of the erection of the PROJECT and the conduct by the DECLARANT, or its agent, of the sale and/or lease of the PROJECT.

(f) Such other signs as may be approved by the ARCHITECTURAL CONTROL COMMITTEE.

(g) A sign of not more than necessary and reasonable dimensions relating to the proposed sale or lease of a UNIT located within the RESIDENTIAL AREA(S), it being the intent to restrict such signs only to the extent that such restriction is not void under Section 712 of the Civil Code of the State of California.

3.13. OBLIGATIONS OF OWNER(S).

Subject to the obligations of the ASSOCIATION with respect to the COMMON AREA(S) as provided in ARTICLE VI, every UNIT and any EXCLUSIVE USE COMMON AREA(S) appurtenant to a UNIT shall be maintained in good order and repair (and repaired when necessary) by the OWNER thereof, and all landscaped areas not maintained by the ASSOCIATION shall be kept free of weeds, adequately watered, fertilized, trimmed and cut.

3.14. IMPROVEMENT, ALTERATIONS OR MODIFICATIONS OF
COMMON AREA(S)

No lawn care improvement, lawn care alterations to or lawn care modifications of the COMMON AREA(S) (as originally constructed or contemplated) shall be made or conducted, except as may be allowed upon the express approval of the OWNER(S) of a majority of the voting rights in the ASSOCIATION secured at an Annual Meeting or a Special Meeting of the MEMBER(S) called for the purpose of considering the same.

3.15. IMPROVEMENT, ALTERATIONS OR MODIFICATIONS OF
RESIDENTIAL AREA(S).

No Lawn Care Improvements, Lawn Care Alterations to or Lawn Care Modifications of THE RESIDENTIAL AREA(S) (as originally constructed or contemplated) and no improvements, excavation or other work (including but not limited to exterior painting) which in any way may alter the exterior appearance of any structure within the RESIDENTIAL AREA(S) from its natural or improved state, shall be made or conducted without the prior approval of the ARCHITECTURAL CONTROL COMMITTEE, as provided in

ARTICLE IX.

3.16. LIVING TREES.

No Living Tree in excess of seven (7) feet in height shall be removed or destroyed except upon the written approval of the ARCHITECTURAL CONTROL COMMITTEE.

3.17. OTHER RESTRICTIONS.

The use and enjoyment of the COMMON AREA(S) (including the OPEN SPACE AREA(S) may be subject to other and further restrictions, in the form of RULES AND REGULATIONS, promulgated from time to time by the BOARD, as provided in ARTICLE VII.

3.18. RESERVATION OF RIGHTS BY DECLARANT.

(a) DECLARANT hereby reserves, to itself and its successors and assigns, the right to grade all portions of the PROJECT and to erect and complete the construction of improvements to the COMMON AREA(S) and other portions of the PROJECT or to alter existing improvements prior to the completion and sale of all of the CONDOMINIUMS; and the DECLARANT shall be deemed to have an irrevocable license for such purposes. The DECLARANT reserves to itself and its successors and assigns access to all portions of the PROJECT for the purpose of developing the same and for purposes incidental thereto, and for the purposes specified in (a) immediately above, including the uses specified in Section 3.02 (a) of this Article III.

3.19. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS.

In addition to compliance with the provisions of

this DECLARATION, the ARTICLES, BY-LAWS and RULES AND REGULATIONS, the OWNER of each UNIT shall strictly comply with all Federal, State and local laws, statutes, ordinances and regulations adopted or promulgated from time to time by the applicable legislative body or governmental agency and applicable to the use of any UNIT(S); and any violation of any such law, statute, ordinance or regulation shall be deemed a breach of this DECLARATION.

ARTICLE IV - ANNEXATION OF PROPERTY TO PROJECT

4.01 ADDITIONAL PROPERTY MAY BE ANNEXED TO THE PROJECT AND BECOME SUBJECT TO THIS DECLARATION.

The effects of annexation shall be as follows: Upon annexation, the property annexed shall become subject to this DECLARATION, the BY-LAWS, ARTICLES and RULES AND REGULATIONS as all of the same may then be constituted, without the necessity of amending any of the same.

(a) Annexation Pursuant to Plan: PHASE II and/or PHASE III and/or PHASE IV and/or PHASE V, described in the PREAMBLE, may be annexed to and become a part of the PROJECT, by the act of the DECLARANT or, as the case may be, by the act of the BOARD, without the assent of the ASSOCIATION or its MEMBER(S), and without the assent of the condominium OWNER(S) of PHASE I, on condition that:

(1) Date for Annexation: Any annexation pursuant to this Section 4.01(a) shall be made prior to the third

anniversary of the issuance of the original public report for the immediately preceding phase of the project.

(2) Plan Approved: The Annexation and development of said PHASE V shall be in accordance with a plan of development approved by the Department of Real Estate of the State of California, if required.

(3) DECLARATION of Annexation: A DECLARATION of Annexation shall be recorded identifying and describing the property to be annexed and a copy of such recorded DECLARATION of Annexation shall be forthwith delivered to all OWNERS. Said DECLARATION may contain such complimentary additions and modifications of the covenants, conditions and restrictions contained in this DECLARATION as may be necessary to reflect the different character, if any, of the annexed property, and as are not inconsistent with the scheme of this DECLARATION. Said DECLARATION of Annexation shall require the payment by the DECLARANT to the ASSOCIATION, concurrently with the closing of the escrow for the first sale of a CONDOMINIUM in an annexed phase, appropriate amounts for reserves for replacement or deferred maintenance of COMMON AREA(S) improvements in the annexed phase necessitated by or arising out of the use and occupancy of residential CONDOMINIUMS under a rental program conducted by the DECLARANT which has been in effect for a period of at least one (1) year as of the date of closing of the escrow for the first sale of a CONDOMINIUM.

(b) Annexation Pursuant to Approval: Upon approval in

writing of the ASSOCIATION, pursuant to the vote or written consent of a two-thirds (2/3) majority of the voting power of its MEMBER(S), excluding the DECLARANT, the ASSOCIATION and the owner(s) of any property who desires to add it to the scheme of this DECLARATION and to subject it to the jurisdiction of the ASSOCIATION, may file of record a DECLARATION of Annexation in the manner described in Sub-Section (a)(3) above.

4.02 EFFECT OF ANNEXATION.

Assessments collected from OWNERS in the annexed property may be expended by the ASSOCIATION without regard to the particular phase from which such assessments came. All OWNER(S) shall have ingress and egress to and the use of all portions of the COMMON AREA(S) throughout the annexed property, subject to the provisions of this DECLARATION, the BY-LAWS and the RULES AND REGULATIONS in effect from time to time.

4.03. QUALITY OF CONSTRUCTION.

Future improvements to the PROJECT shall be consistent with initial improvements in terms of quality of construction.

ARTICLE V - THE SENECA GARDENS ASSOCIATION

5.01. DESIGNATION.

The management and operation of the PROJECT shall be conducted by THE SENECA GARDENS ASSOCIATION, the corporation organized or to be organized under the general non-profit corporations laws of the State of California for such purpose; and the ASSOCIATION shall have the powers and duties, as

hereinafter provided in ARTICLE VI.

5.02. MEMBERSHIP (MEMBER).

Each OWNER, by virtue of being such an OWNER and for so long as he is an OWNER, shall be deemed a MEMBER of the ASSOCIATION.

5.03. SUBJECT TO ARTICLES, DECLARATION, BY-LAWS, ETC.

Upon becoming a MEMBER an OWNER shall, without further act or notice, be subject to the ARTICLES, to this DECLARATION, to the BY-LAWS and to the RULES AND REGULATIONS.

5.04 MEMBERSHIP APPURTENANT; TRANSFER.

Membership in the ASSOCIATION shall be appurtenant to the ownership of a UNIT separately therefrom; and any conveyance of or transfer by operation of law of the title to a UNIT shall automatically operate to transfer such MEMBERSHIP to the transferee, or transferees of such title, and no reference or notice shall be required with respect thereto.

5.05. RIGHT OF OWNER(S) TO VOTE.

(a) CLASSES OF VOTING MEMBERSHIP. The ASSOCIATION shall have two (2) class of voting MEMBERSHIP:

Class A: Class A MEMBER(S) shall be all the OWNER(S) of units within said project, with the exception of the DECLARANT. Each Class A MEMBER shall be entitled to one (1) vote for each CONDOMINIUM in which such Class MEMBER A owns an interest; provided, however, when more than one (1) Class A MEMBER owns an interest in a CONDOMINIUM, the vote of such CONDOMINIUM shall be exercised by such members as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) such CONDOMINIUM.

Class B: The Class B MEMBER shall be the DECLARANT who shall be entitled to three (3) votes for each CONDOMINIUM owned in the PROJECT. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier.

(i) On the second anniversary of the issuance of the original final public report for the most recent phase of the PROJECT.

(ii) On the fourth anniversary of the issuance of the original final public report for the first phase of the PROJECT. As long as two classes of Membership in the ASSOCIATION exists, no action by the ASSOCIATION which must have the prior approval of the ASSOCIATION MEMBER(S) shall be deemed approved by the MEMBER(S) unless approved by the appropriate percentage of both classes of MEMBER(S).

(b) CUMULATIVE VOTING. Election to and removal from the BOARD shall be by Cumulative Voting, as defined in Section 7615 of the California Corporations Code.

(c) RULES REGARDING VOTING. Except as otherwise specified in this DECLARATION, the rules applicable to and the manner in which votes shall be cast, including the rules in cases in which a UNIT is owned by more than one PERSON, shall be as set forth in the BY-LAWS.

5.06. OPERATIVE DATE.

The ASSOCIATION shall become operative and shall assume its duties at the time title to the first UNIT is conveyed by the DECLARANT to a PERSON other than a subsidiary or affiliate

of the DECLARANT or at such time as the title to a UNIT becomes vested in a PERSON other than the DECLARANT or a subsidiary or affiliate of the DECLARANT.

5.07. LIMITATION RE CONTRACTS OR UNDERTAKINGS BY
DECLARANT.

The DECLARANT shall not bind the ASSOCIATION to any contract or undertaking which may extend beyond the first or organization meeting of the MEMBER(S), as provided in Sub-Article 6.03, unless the same, by its terms, may be terminated by the ASSOCIATION without penalty or payment upon not more than thirty (30) calendar days notice.

ARTICLE VI - POWERS AND DUTIES OF THE ASSOCIATION/CAPITALIZATION

6.01. POWERS.

The ASSOCIATION shall be vested with the POWERS set forth in the ARTICLES and those prescribed by the laws of the State of California with respect to nonprofit corporations and the powers vested in it by this DECLARATION and the BY-LAWS, including, but not limited to the following:

(a) To exercise general jurisdiction over all of the PROJECT and such real and personal property, or interest therein, lying within or outside of the PROJECT as it may acquire.

(b) To provide utility service to the COMMON AREA(S) not otherwise provided by a public or private utility or governmental body, including gas, electricity, water, sanitary

sewer, and scavenger service, provided, however, that nothing herein shall be deemed to require the ASSOCIATION to provide such services to any UNIT(S).

(c) To pay all general and special real property taxes and special assessments assessed and levied upon the COMMON AREA(S), or any other portion of the PROJECT, to the extent not assessed and levied upon any UNIT or OWNER, and to pay all taxes assessed and levied upon personal property owned by, or under the control of the ASSOCIATION; and the ASSOCIATION may contest and/or compromise any such assessment or levy.

(d) To levy assessments on each UNIT and/or upon the OWNER(S) thereof, and to enforce payment of such assessments, as hereinafter provided in ARTICLE VIII.

(e) To peacefully enter into or upon any UNIT for the purpose of making emergency repairs therein, or to peacefully abate any NUISANCE being conducted or maintained in or upon said UNIT, provided that any such abatement shall be made and conducted in a lawful manner only and provided further that the ASSOCIATION shall have no obligation to conduct any such repairs or abatement.

(f) To employ the services of any PERSON or firm to perform the ministerial functions of the ASSOCIATION and to provide such labor, material and management services as may be required to effect the conduct and performance by the ASSOCIATION of its duties and obligations under the law and under the ARTICLES, this DECLARATION, and the BY-LAWS, provided that if

required under any law, ordinance, conditional use permit or variance, the ASSOCIATION shall employ such a PERSON or firm.

(g) To restrain or enjoin any violation of this DECLARATION or the BY-LAWS or enforce compliance therewith by appropriate legal proceedings or other lawful manner.

6.02. DUTIES.

The ASSOCIATION shall have the obligation and the duty to:

(a) Maintain, in a first class condition and good state of repair, and replace the COMMON AREA(S), as defined in Section 1.07 of ARTICLE I of this DECLARATION (and not maintained, repaired or replaced by a governmental body or public utility) as the same shall become necessary, which obligation shall include, but not be limited to, the removal and replacement (at the expense of the ASSOCIATION) of any structure located on the COMMON AREA(S) as the same may be necessary in connection with the maintenance, repair and replacement of any meter, waterline, sanitary sewer, storm drain, gas or electricity line or device as to which the ASSOCIATION shall have a duty to maintain, repair or replace under this DECLARATION.

(b) So long as the quantity of water supplied to Lots 1, 2, 3, 4 & 5 of said Tract No. 4908 and the Open Space Areas is measured by a single master meter (wherever located within the PROJECT), to pay the cost of all water used within the PROJECT.

(c) Secure and maintain policies of insurance, as

(d) Otherwise manage and operate the PROJECT and, in connection therewith, do such things as may be necessary and consistent with the intent of the ARTICLES, this DECLARATION and the BY-LAWS.

6.03. FIRST MEETING.

The first or organization meeting of the MEMBER(S) shall be called and held within forty-five (45) days after the sale and conveyance of five (5) CONDOMINIUMS in PHASE I to PERSONS other than a subsidiary or affiliate of the DECLARANT or within six (6) months from and after the date of the first such sale and conveyance of a condominium in PHASE I, whichever event occurs earlier. The first election of the BOARD shall be conducted at the first or organization meeting of the MEMBER(S).

6.04. DELEGATION OF POWERS AND DUTIES TO BOARD.

The powers and duties of the ASSOCIATION shall be exercised by the BOARD as provide in ARTICLE VII, provided that until the ASSOCIATION holds the first or organization meeting of the MEMBER(S) as provided in Section 6.03 above the powers and duties of the ASSOCIATION may be exercised by the DECLARANT.

6.05. CAPITALIZATION

Upon acquisition of record title to a CONDOMINIUM from the DECLARANT, each owner shall contribute to the capital of the ASSOCIATION an amount equal to 1/6th of the amount of the then annual regular assessment for such CONDOMINIUM, as provided in Section 8.02 (a) of Article VIII and as determined by the BOARD; and this amount shall be deposited by the buyer of such

BOARD; and this amount shall be deposited by the buyer of such CONDOMINIUM into the purchase and sale escrow and be disbursed to the ASSOCIATION at such time as title to the CONDOMINIUM is conveyed to such Buyer (OWNER); and all such contributions shall be non-refundable and not subject to return by the ASSOCIATION or credit to or offset by the OWNER to any debt of such OWNER to the ASSOCIATION. All such contributions to the capital of the ASSOCIATION may be used for any lawful purpose.

ARTICLE VII - THE BOARD: POWERS AND DUTIES, ETC.

7.01. COMPOSITION, ETC.

The BOARD shall be composed of five (5) natural persons, all of whom shall be MEMBER(S) of the ASSOCIATION, or such other number of natural persons as the ASSOCIATION may from time to time determine, as provided in the BY-LAWS, elected at the First Organization Meeting of the MEMBERS and thereafter at the Annual Meeting of the ASSOCIATION. Notwithstanding the foregoing, designated natural PERSONS who are representatives of the DECLARANT or of a non-natural PERSON which is an OWNER but who are not MEMBER(S) may be elected to and serve on the BOARD.

7.02. POWERS AND DUTIES.

The business and affairs of the ASSOCIATION shall be conducted by and through the BOARD and for such purposes the BOARD shall be deemed vested with all of the Powers and Duties of the ASSOCIATION, acting for and on behalf of the ASSOCIATION, including but not limited to such Powers and Duties as the

ASSOCIATION may delegate and/or assign to it from time to time, provided that the BOARD shall have no power to:

(a) Amend or repeal the ARTICLES, this DECLARATION or the BY-LAWS.

(b) Remove any Member(s) of the BOARD.

(c) Make any determination as to whether or not to repair or replace in the event of damage to or destruction of the PROJECT.

(d) Bind the ASSOCIATION to any contract or undertaking with an operative period in excess of one (1) year, provided that the BOARD may, nevertheless, bind the ASSOCIATION to such contract or undertaking upon the prior approval of the OWNER(S) (excluding the DECLARANT) of a majority of the UNIT(S) at any Annual Meeting of the OWNER(S) or at a Special Meeting of the OWNER(S) held for the purpose of considering such contract or undertaking, provided further that no such contract or undertaking shall be made in any event which will bind the ASSOCIATION for a period in excess of three (3) years and unless the same shall provide that it may be terminated by the ASSOCIATION with or without cause and without penalty or payment upon not more than ninety (90) days written notice. Notwithstanding the foregoing, the BOARD may, without such prior approval, enter into a contract with an operative period in excess of one (1) year with respect to the following:

(i) a management contract, the terms of which have been approved by the Federal Housing Administration or

the Veterans Administration

(ii) with a public utility company if the rates charged by such public utility company for material furnished and for services performed by it are regulated by the Public Utility Commission of the State of California, provided nevertheless that such contract shall not bind the ASSOCIATION for a period in excess of three (3) years or the shortest period for which such utility will contract at regular rates or prices, whichever period is less, and

(iii) agreements (leases) for laundry room fixtures and equipment and/or for sale or lease of burglar alarm and fire alarm equipment and/or cable television services and equipment of not to exceed five (5) years duration, provided that the supplier is not an entity in which the DECLARANT or its successors or assigns has a direct or indirect ownership interest of 10% or more.

(iv) prepaid casualty and/or liability insurance policies, for a period not to exceed three (3) years, provided that such policy or policies provide for short rate cancellation rights by the ASSOCIATION.

(e) Sell any property of the ASSOCIATION, during any one fiscal year, having an aggregate fair market value in excess of a sum equal to five (5%) percent of the budgeted gross expense of the ASSOCIATION for such fiscal year.

(f) Incur aggregate expenditures for capital improvements to the COMMON AREA in any fiscal year in excess of

budgeted gross expenses of the ASSOCIATION for that fiscal year.

(g) Commit or suffer to be committed any act or do anything which, as provided in the ARTICLES, this DECLARATION or in the BY-LAWS, expressly requires the prior approval of the ASSOCIATION or the OWNER(S), it being the intent that only the OWNER(S) shall have power with respect to any of the matters recited in Section 7.02(a), (b), (c), (e) and (f), above, and in this Section 7.02(g).

7.03. RULES AND REGULATIONS.

The BOARD shall have the right to adopt and enforce, in the name of the ASSOCIATION, RULES AND REGULATIONS relating to the use and enjoyment of the COMMON AREA(S) and any property owned by or in the control of the ASSOCIATION, provided that no such RULES AND REGULATIONS shall be valid if otherwise prohibited by any law or the same are inconsistent with this DECLARATION or the BY-LAWS and, provided further, that no such RULES AND REGULATIONS shall operate to deprive or restrict the right of any OWNER as to the use of the COMMON AREA(S), as the same may be established under this DECLARATION.

7.04. LIABILITY OF OFFICERS OF ASSOCIATION AND MEMBER(S) OF THE BOARD: INDEMNIFICATION.

No officer of the ASSOCIATION nor Members(s) of the BOARD shall, as such, be personally liable to any OWNER(S) or to any other PERSON, firm or governmental body or agency, for any damage, loss or prejudice suffered or claimed on account of any act or omission of the ASSOCIATION or the BOARD (or any of its

Member(s)); and the ASSOCIATION shall indemnify and hold harmless such officers and Member(s) of the BOARD against any loss or damage, including court costs and reasonable attorneys' fees, which any of them shall suffer or incur as the result of any such act or omission and shall at its expense defend or provide a defense to any claim or cause of action relating to any such purported act or omission, provided that the exculpatory and the indemnity provisions herein shall not apply to any unlawful act or to any act or omission as to which there was gross negligence or willful and wanton conduct by such MEMBER(S) or officer, as the same may be determined by any final adjudication of any claim relating thereto.

7.05. SUSPENSION OF VOTING RIGHTS AND RIGHT OF OWNER TO USE RECREATIONAL FACILITIES/MONETARY PENALTIES.

The BOARD may temporarily suspend the voting rights of a MEMBER and the right of a MEMBER (and his family, tenants, and guests) to use the RECREATIONAL FACILITIES and may impose monetary penalties on such MEMBER if the MEMBER or his family, tenants or guests is in default of payment of any assessment or is in violation of this DECLARATION or the BY-LAWS, or the ARTICLES, or the RULES AND REGULATIONS, after notice and hearing as provided in the BY-LAWS.

ARTICLE VIII - MAINTENANCE FUND AND ASSESSMENTS.

8.01. MAINTENANCE FUND. The BOARD shall, on behalf of the ASSOCIATION, establish a Maintenance Fund into which shall be

disbursements relating to the PROJECT shall be made, provided that the BOARD may establish separate accounts relating to reserves and/or for other special purposes

8.02. ASSESSMENTS.

The ASSOCIATION shall have the right to levy Assessments against the OWNER(S), and each OWNER(S) shall be obligated to pay such Assessments, as follows:

(a) REGULAR ASSESSMENTS At least sixty (60) calendar days prior to the commencement of each fiscal year, the BOARD shall prepare, adopt and distribute to all MEMBER(S), a budget for the ASSOCIATION, which budget shall reflect an estimate of the unexpended funds (excluding therefrom reserves previously established by the BOARD) on hand from the current and previous fiscal years, anticipated revenues to the ASSOCIATION from all sources, and costs and expenses to be incurred for the ensuing fiscal year (including but not limited to appropriate reserves for the repair and replacement of the COMMON AREA(S)); and the cost and expenses so estimated (after a deduction for the amounts of funds on hand, as aforesaid) levied against each OWNER according to the ratio of the number of condominiums owned by the OWNER assessed to the total number of condominiums subject to assessment, provided however, that no such budget (or assessment therefore) shall exceed a sum equal to more than one hundred twenty percent (120%) of the budget (or assessment) for the prior fiscal year except upon the prior approval (vote or written assent) of the OWNER(S) of at least a majority of the voting

rights of each class of MEMBER(S) secured at an Annual Meeting or a Special Meeting of the OWNER(S) called for the purpose of considering the same.

(b) SPECIAL ASSESSMENTS. If, at any time during the fiscal year, the Regular Assessments shall, in the determination of the BOARD be deemed insufficient for any reason, including the nonpayment by any OWNER of the share of such OWNER thereof, the BOARD may levy a Special Assessment in the amount of such actual or estimated deficiency which amount shall be levied against each OWNER in the same ratio as is provided for Regular Assessment under (a) immediately above, provided however, that the aggregate of Special Assessments in any fiscal year shall not exceed a sum equal to five (5%) percent of the gross expenses contemplated by the budget approved for such year under Section 8.02(a) above except upon the prior approval of the OWNER(S) of at least a majority of the voting rights of each class of MEMBER(S) secured an Annual or a Special Meeting of the OWNER(S) called for the purpose of considering the same.

(c) REIMBURSEMENT ASSESSMENTS. In the event that the ASSOCIATION shall have expended any monies because of the act or failure to act of any OWNER under the ARTICLES, the DECLARATION or the BY-LAWS the ASSOCIATION may levy a Reimbursement Assessment against such OWNER and the UNIT owned by such OWNER for the purpose of reimbursing the ASSOCIATION, provided that such Assessment shall be limited to the amount of money so expended.

(d) REPAIR OR REPLACEMENT ASSESSMENTS. As provided under ARTICLE XI.

(e) CAPITAL IMPROVEMENT ASSESSMENTS. The ASSOCIATION may levy an Assessment for the purchase and/or installation of Capital Improvements (other than reserves for replacement or repairs, included in the Regular Assessment) which shall be levied against each OWNER in the same ratio as is provided for Regular Assessment under (a) immediately above, provided that such Assessment shall not exceed (i) the sum that would produce an Assessment on each UNIT(S) of One Thousand (\$1,000.00) Dollars in any fiscal year or (ii) a sum equal to five (5%) percent of the budgeted gross expenses for such year, whichever sum is less, except upon the prior approval of the OWNER(S) of at least a majority of the voting rights of each class of MEMBER(S) (secured at an Annual Meeting or a Special Meeting of the OWNER(S) called for the purpose of considering the same).

(f) INCREASE IN ASSESSMENT. The Board shall, prior to any increase in assessments (except as to Reimbursement Assessments), comply with the provisions of Section 5 (a) 1.(a), (b), (1) (A), (B) (3), (c) and (d) of the By-Laws (on pages 12 and 13). The Association shall give notice by first class mail to all OWNERS of any increase in a regular or special assessment not less than 30 nor more than 60 days prior to the effective date of any each increase.

8.03. PAYMENT OF ASSESSMENTS.

(a) REGULAR ASSESSMENTS. REGULAR Assessments shall be levied on each OWNER in each phase (including the DECLARANT)

(g) EXTRAORDINARY EXPENSE

Notwithstanding any other provision contained in this Section 8.02, the BOARD may increase assessments necessary for emergency situations. For purposes of this sub-section (g), an emergency situation is any one of the following:

- (1) An extraordinary expense required by an order of a court.
- (2) An extraordinary expense necessary to repair or maintain any part of the PROJECT for which the ASSOCIATION is responsible where a threat to personal safety on the PROJECT is discovered.
- (3) An extraordinary expense necessary to repair or maintain the PROJECT or any part of it for which the ASSOCIATION is responsible that could not have been reasonably foreseen by the BOARD in preparing and distributing the pro forma operating budget. However, prior to the imposition or collection of an assessment under this sub-section (g), the BOARD shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process and the resolution shall be distributed to the MEMBERS with the notice of assessment.

8.03. PAYMENT OF ASSESSMENTS.

(a) REGULAR ASSESSMENTS. REGULAR Assessments shall be levied on each OWNER in each phase (including the DECLARANT) commencing on the 1st day of the month next succeeding the month during which (i) the sale of the first UNIT in a phase of the PROJECT to a PERSON other than a subsidiary or affiliate of the DECLARANT shall have been consummated by the DECLARANT (title conveyed), or (ii) a transfer of title resulting from a foreclosure or a deed in lieu of foreclosure shall have occurred separately, as to any of UNITS 1 to 60, Inclusive, in Tract No. 4908 or any UNIT in PARCEL 3 of Parcel Map 542 (sometimes referred to as [Tentative] Tract No. 4668), when as and if the same is annexed and shall be due and payable in equal monthly installments, in advance, on the 1st day of each month thereafter during the fiscal year for which the same is levied, and such Assessments shall be payable to the ASSOCIATION as directed by the BOARD.

(b) SPECIAL ASSESSMENTS, REIMBURSEMENT, REPAIR OR REPLACEMENT ASSESSMENTS AND CAPITAL IMPROVEMENT ASSESSMENTS.
SPECIAL ASSESSMENTS, REIMBURSEMENT, REPAIR OR REPLACEMENT ASSESSMENTS AND CAPITAL IMPROVEMENT ASSESSMENTS shall be due and payable as determined by the BOARD.

(c) REGULAR ASSESSMENTS REGARDING PHASE V (sometimes referred to as [Tentative] Tract No. 4668). Notwithstanding any provision in this ARTICLE VIII or elsewhere in this DECLARATION or in the BY-LAWS or ARTICLES to the contrary, the OWNER(S) of PHASE V shall not be obligated to pay and shall not be liable for the

in the BY-LAWS or ARTICLES to the contrary, the OWNER(S) of PHASE V shall not be obligated to pay and shall not be liable for the payment of any Regular Assessment unless and until a certificate of occupancy shall have been issued by the City of San Buenaventura, or other applicable governmental body, for the occupancy of at least twenty-eight (28) UNITS then constructed upon said PHASE V.

8.04. ENFORCEMENT OF ASSESSMENTS.

Each Assessment levied under this ARTICLE VIII shall be a separate, distinct and personal debt and obligation of the OWNER against whom the same is assessed; and in the event of the failure or refusal of any OWNER to pay such ASSESSMENT, and in addition to any other remedies herein or by law provided, the ASSOCIATION may enforce such obligation by either or both of the following methods:

(a) BY SUIT. The BOARD may, in the name of the ASSOCIATION, cause an action at law to be commenced and maintained against such OWNER in any court of competent jurisdiction, including but not limited to an action in a Small Claims Court, to recover such Assessment obligation; and any judgment rendered in any such action shall include the amount due, together with interest thereon at the legal rate from the date of the default in the payment thereof, court costs and such reasonable attorneys' fees as may be fixed by the Court.

(b) BY LIEN. As provided in Section 1367 of the Civil Code of the State of California, the ASSOCIATION is herewith vested with the right to a lien, with power of sale, on each and

every UNIT within the PROJECT to secure payment to the ASSOCIATION of any and all Assessments levied against any and all of the OWNER(S) of such UNIT(S), together with interest thereon at the rate of ten (10%) percent per annum from a date which is thirty (30) days after the date payment of such Assessment is due, and all costs of collection therewith including court costs and reasonable attorneys' fees; and at any time with thirty (30) calendar days after the occurrence of any default in the payment of any such Assessment, the BOARD may make a written demand for payment to the defaulting OWNER on behalf of the ASSOCIATION which demand shall state the date, nature of and the amount due; and each default shall constitute a separate basis for a lien (but any number of defaults may be included within a single lien), and if such amount due is not paid within ten (10) calendar days after delivery of such demand, the BOARD may cause the recordation of a notice of delinquent assessment as provided in said Section 1367 and under Sections 2924, 2924(b), and 2924(c) of the Civil Code of the State of California, which notice shall set forth substantially the following:

- (i) The name of the defaulting OWNER.
- (ii) The legal description and street address of the UNIT against which the lien is lodged.
- (iii) The nature of the default.
- (iv) The total amount claimed to be due and owing (less any offsets) and interest thereon.
- (v) The name and address of the Trustee authorized by the ASSOCIATION to enforce the lien by sale.

(vi) That the lien is asserted by the ASSOCIATION pursuant to this DECLARATION and the BY-LAWS.

(vii) That the lien is lodged against said UNIT in an amount equal to the amount of the stated amount due, interest thereon, collection costs and attorneys' fees; and upon the recordation of such notice, the lien claimed therein shall immediately attach and become effective in favor of the ASSOCIATION, subject only to the limitations hereinafter set forth.

8.05. FORECLOSURE.

Any lien effected under this ARTICLE VIII may be foreclosed, either in a judicial proceeding or in the manner provided under Sections 2924, 2924(b), and 2924(c) of the Civil Code of the State of California for the foreclosure of a DEED OF TRUST under a power of sale; and the ASSOCIATION may bid at any sale conducted pursuant to either procedure, the same as any PERSON.

8.06. CURING OF DEFAULT.

If the default shall be cured within the period fixed by statute for the curing of defaults under a DEED OF TRUST, the BOARD shall record a Notice of rescission and the lien shall thereupon be deemed to be extinguished.

8.07. COSTS AND FEES.

In addition to the amount of default and interest thereon the BOARD shall be entitled to recover and shall have a like lien for and to the extent of any actual costs expended or incurred by it (including attorneys' fees) in connection with any act it may have taken pursuant to the provisions of this ARTICLE VIII.

8.08. WAIVER OF HOMESTEAD, ETC., LAWS.

Each OWNER shall be deemed to have waived the benefit of any homestead or Exemption Law under the laws of the State of California or of the United States of America insofar as the same would otherwise defeat or deny the recovery of any amount due under this ARTICLE VIII.

8.09. SUBORDINATION TO CERTAIN ENCUMBRANCES, ETC.

(a) Any lien created or effected under the provisions of this DECLARATION is expressly made subject and subordinate to the rights of a MORTGAGEE of any first MORTGAGE and the rights of the BENEFICIARY of any first TRUST DEED constituting an encumbrance upon the entire PROJECT, or upon any UNIT, made in good faith and for value, and no such lien shall, in any way operate to defeat, invalidate or impair the obligation or the priority of such first MORTGAGE or first TRUST DEED unless the MORTGAGEE or BENEFICIARY shall in writing, expressly subordinate his interest to such lien.

(b) No breach of any provision of the ARTICLES, this DECLARATION or the BY-LAWS or the RULES AND REGULATIONS shall invalidate the lien of any first MORTGAGE or first DEED OF TRUST, made in good faith and for value, but the ARTICLES, the DECLARATION, and BY-LAWS and the RULES AND REGULATIONS shall be binding upon any OWNER whose title is derived through foreclosure or trustee's sale, or otherwise.

(c) Upon the foreclosure of any such first MORTGAGE or first DEED OF TRUST constituting an encumbrance upon any UNIT,

force or effect; provided that nothing herein shall be deemed to extinguish the debt of the former OWNER thereof and the right of the ASSOCIATION to an action at law against such former OWNER for the recovery thereof.

(d) No transfer of an interest in any condominium as the result of a foreclosure or exercise of a power of sale shall relieve the new Owner, whether it be the former BENEFICIARY of any first TRUST DEED or MORTGAGEE under a mortgage, or another person (or entity), from liability for any assessments thereafter becoming due or from the lien thereof.

8.10. USE OF RESERVE FUNDS.

(a) Reserve funds shall not be used for any other purpose than:

(1) The repair, restoration, replacement or maintenance of major components for which the ASSOCIATION is obligated and for which the reserve fund is established, or

(2) Litigation involving the purposes set forth in (1) above.

(b) Notwithstanding the provisions of (a)(1) and (a)(2) above the BOARD:

(1) May authorize the temporary transfer of money from the reserve account to the ASSOCIATIONS'S operating account to meet short term cash flow requirements or other expenses.

(2) Shall cause the transferred funds to be restored to the reserve account within three years of the date of the initial transfer; however, the BOARD may, upon making a

(3) Shall exercise prudent fiscal management in delaying restoration of the transferred funds to the reserve account and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits specified in (2) above. Any such special assessments shall not be subject to the limitations specified in Section 8.02 (b) of this Article VIII.

8.11. OBLIGATION OF DECLARANT.

At such time as Regular Assessments shall be payable as provided in Sections 8.02(a) and 8.03(a) hereof, the DECLARANT shall be obligated to pay the Regular Assessments as hereinbefore provided, for each UNIT to which the DECLARANT holds title.

ARTICLE IX - ARCHITECTURAL CONTROL AND ARCHITECTURAL CONTROL COMMITTEE

9.01. ARCHITECTURAL CONTROL BY ARCHITECTURAL CONTROL COMMITTEE.

The control of excavation, the installation or the placement of any improvements in or upon any UNIT or any Modifications, Alterations and changes to any UNIT, structures or landscaping, and the control of and the repair and replacement of the same shall be vested in and exercised by an ARCHITECTURAL CONTROL COMMITTEE as hereinafter provided; and the COMMITTEE, may prescribe RULES AND REGULATIONS relating to its powers and duties as set forth in this ARTICLE IX, provided that the same are not inconsistent with this DECLARATION.

9.02. FORMATION, ETC. OF ARCHITECTURAL CONTROL COMMITTEE.

(a) MEMBERSHIP. The ARCHITECTURAL CONTROL COMMITTEE

shall be composed of not less than three nor more than five persons and the persons designated by the DECLARANT to serve as the initial members of the COMMITTEE are:

- (i) Stanley H. Bulmer;
- (ii) Scott Bulmer;
- (iii) Marge Bulmer

and the address of the COMMITTEE shall be deemed to be: 21601 Vanowen, Suite 201, Canoga Park, California, 91303.

(b) CHAIRMAN. The Chairman of the COMMITTEE shall be Stanley H. Bulmer or in his absence, or in the event of his death, resignation, failure or refusal to act, the Member(s) of the COMMITTEE senior in tenure of service as a Member(s) of the COMMITTEE shall serve as Chairman.

(c) DEATH, ETC. In the event of the death, resignation, failure or refusal to act of or by any member(s) of the COMMITTEE then the BOARD shall appoint the PERSON to replace such member on the COMMITTEE, provided that all of the OWNER(S) of all UNIT(S) shall be entitled to receive not less than thirty (30) days written notice of a proposed appointment thereof.

(d) ADDRESS CHANGE. The Address of the COMMITTEE may be changed at any time by the recordation of a notice thereof, signed by the Chairman of the COMMITTEE, and the recordation of such notice shall be deemed actual notice to all OWNER(S) of such change of address.

(e) NOTICE. The Chairman of the COMMITTEE, from time to time, may record a notice evidencing any changes in the

composition of the membership of the COMMITTEE, and the recordation of such notice shall be deemed to be actual notice thereof, provided that such actual (or constructive) notice thereof may be established by other means.

9.03. PROPOSED IMPROVEMENTS, ETC.

Any OWNER, except the DECLARANT and its designated agents, proposing to make any Improvement, Modification or Alteration of any kind whatsoever which, under this DECLARATION, requires the prior written approval of the COMMITTEE shall apply for approval by delivering to such COMMITTEE a written application describing the nature of the proposed Improvement, Modification or Alteration together with the following documents and information, in such number of copies as said COMMITTEE may require:

(a) A plot plan of the affected property showing the location of existing and any proposed, Improvements, Modifications and Alterations.

(b) Floor plans, if applicable.

(c) Drawings showing height, width and other dimensions, and all elevations if applicable.

(d) A description of exterior materials and color, with color samples.

(e) The proposed construction schedule of the OWNER(S).

The COMMITTEE may require that every written application for approval under this ARTICLE IX be accompanied by a non-refundable examination and inspection fee to be paid to the ASSOCIATION in such

an amount as may be determined by the COMMITTEE from time to time, provided that such fee shall not exceed the actual and reasonable cost of such examination and inspection for each such application.

9.04. APPROVAL OF IMPROVEMENTS, ETC.

The COMMITTEE shall grant the requested approval only if said COMMITTEE determines, in its sole and absolute discretion, that:

(a) The OWNER shall have strictly complied with the provisions of Section 9.03, of this ARTICLE IX;

(b) The proposed excavation, Improvement, Modification or Alteration would not violate any of the provisions of this DECLARATION; and

(c) The proposed excavation, Improvement, Modification or Alteration will strictly comply with all applicable ordinances of the City of San Buenaventura and other laws then in effect and all regulations promulgated thereunder, is compatible with the standards of the PROJECT and the purposes of this DECLARATION and, insofar as the same is applicable, is compatible as to quality of workmanship and materials, as to harmony of external design and color with structures existing within the PROJECT and/or upon adjacent property, and as to location with respect to topography and finished grade elevations.

9.05. FORM OF APPROVAL. All approvals given shall be in writing; provided, however, that any such application for approval which has not been disapproved, generally or in particular, within thirty (30) calendar days from the date of submission thereof to the

COMMITTEE, shall be deemed approved. One set of plans as finally approved shall be retained by the COMMITTEE as a permanent record, and the COMMITTEE may approve such plans in whole or in part and/or upon any condition or conditions.

9.06. TIME LIMITATION/REVOCATION.

In the event that any excavation, improvement, modification or alteration approved by the COMMITTEE shall not have been commenced within ninety (90) calendar days from and after the date of the approval thereof, such approval, whether expressed or implied, shall be deemed to have been revoked, and, in the event that such Improvement, Modification or Alteration shall not have been erected, placed, located or otherwise completed strictly in accordance with such approval within the time period, if any, fixed in any condition or conditions thereof, such approval, whether expressed or implied, shall have been deemed to have been revoked, and such OWNER(S) shall, upon the written demand of the COMMITTEE or its agent forthwith at his expense, remove such Improvement, Modification or Alteration and restore the affected property to its condition prior to the commencement of such excavation, erection, placement or location, provided, however, that, at any time following the delivery of such demand, the COMMITTEE may so remove and restore and charge the cost thereof to such OWNER.

9.07. RIGHT TO APPEAL.

(a) Any OWNER may appeal any decision or determination made by the ARCHITECTURAL CONTROL COMMITTEE (including any approval which results from the failure of the ARCHITECTURAL CONTROL

COMMITTEE to act) to the BOARD.

(b) The BOARD shall adopt and promulgate RULES AND REGULATIONS as to the manner and method of appeals to it from the ARCHITECTURAL CONTROL COMMITTEE, including time limits.

9.08. EXEMPTION FOR ORIGINAL CONSTRUCTION.

Notwithstanding anything to the contrary in this ARTICLE IX, or elsewhere in this DECLARATION, the provisions of this ARTICLE IX, shall not apply to any original (first) excavations for or original (first) construction of any UNIT(S) or STRUCTURE(S), whether conducted by the DECLARANT or any other OWNER or PERSON, provided however, that any such original (first) construction shall be generally alike to similar STRUCTURES, if any, previously constructed on PARCEL 1 of said PARCEL MAP 542, if any.

9.09 RIGHT TO APPOINT MEMBERS TO THE COMMITTEE, ETC.

(A) The DECLARANT reserves to itself the right to appoint a majority of the members of the COMMITTEE until 90% of all of the interests in the PROJECT and including said PARCEL 3 of Parcel Map 543 (sometimes referred to as [Tentative] Tract No. 4668) have been sold or until the fifth anniversary of the original issuance of the final public report for said Tract No. 4908, whichever occurs first.

(B) Notwithstanding (A) immediately above, after one year from the date of issuance of the original public report for the PROJECT, the BOARD shall have the power to appoint one member of the COMMITTEE until 90% of all of the interests in the PROJECT (including said Parcel B) have been sold or until the fifth anniversary date of the original issuance of the final public report

for the PROJECT, whichever first occurs. Thereafter, the BOARD shall have the power to appoint all of the members of the COMMITTEE.

(C) Persons appointed to the COMMITTEE by the BOARD shall be from the membership of the ASSOCIATION. Members appointed to the COMMITTEE by the DECLARANT need not be members of the ASSOCIATION.

9.10 TERMINATION OF CONTROL.

The rights, powers and duties of the ARCHITECTURAL CONTROL COMMITTEE with respect to excavation, Improvements to and/or Modifications, Alternations and changes to or of the UNIT(S) shall terminate and be of no further force or effect after December 31, 2040, provided that such date may be extended in the same manner and for the same period (and successive periods) as is provided in ARTICLE XV.

ARTICLE X - INSURANCE

10.01. RISKS AND COVERAGE.

The ASSOCIATION shall, at its expense, secure and maintain in force the following policies of insurance:

(a) All risk (including but not limited to fire, hazards ordinarily included under an extended coverage endorsement, and, at the election of the BOARD, flood and earthquake) blanket coverage insurance on all improvements, buildings and other STRUCTURES, situate within the COMMON AREA(S), the amount of such insurance to be not less than the aggregate full insurable value, meaning the actual replacement costs, thereof; and appropriate insurance with respect to damage to or loss of all personal property

which may be owned by, or under the control of, the ASSOCIATION as the named insured thereon and all MORTGAGEES and BENEFICIARIES of record, as their respective interests may appear;

(b) Bodily injury and liability insurance in such amounts as may be determined by the BOARD from time to time, but in the absence of such determination, with limits of not less than One Million Dollars (\$1,000,000.00) per person, and Two Million Dollars (\$2,000,000.00) per occurrence, and property damage liability insurance with a per occurrence deductible of not more than Two Thousand Five Hundred Dollars (\$2,500.00), and a limit of not less than One Million Dollars (\$1,000,000.00) per accident, insuring against liability for bodily injury, death and property damage arising out of the maintenance, repair, replacement, use or operation of the COMMON AREA(S); and such policy shall include a cross liability endorsement relating to the liability of each OWNER to each of the other OWNER(S), and such policy shall name as separately protected insureds, the DECLARANT, the ASSOCIATION, the BOARD and its representatives, agents and employees, and the OWNER(S) (as a Class); and such policy shall insure each of the insureds as if each were separately insured under separate policies, provided however, that such policy shall not require the insurer to pay any amount in excess of the maximum limits stated therein.

(c) Such faithful performance and fidelity bonds as are required to insure the ASSOCIATION against any loss from malfeasance or dishonesty of any employee, or other PERSON, charged with the management or possession of any ASSOCIATION funds or other

property.

(d) Such other insurance, including debris removal and demolition, worker's compensation, indemnity and bonds and officers and directors liability coverage as the ASSOCIATION shall deem necessary or desirable.

10.02. OTHER PROVISIONS.

(a) The proceeds of all policies written under Section 10.01(a) of this ARTICLE X shall be payable to the ASSOCIATION, and, subject to the rights of MORTGAGEES and BENEFICIARIES, shall be held and disbursed for the benefit of the ASSOCIATION, OWNER(S), MORTGAGEES, BENEFICIARIES, and others as their respective interests may appear, as provided under ARTICLE XII hereof with respect to condemnation.

(b) Every policy of insurance secured by the ASSOCIATION shall include a waiver of any and all rights of subrogation against the DECLARANT, its representatives, agents and employees and all OWNER(S) (and Members of the families of OWNER(S) who reside in a UNIT).

(d) Nothing herein shall be deemed to affect the right of any OWNER(S) to separately insure his UNIT(S) and/or any personal property owned by him.

ARTICLE XI - DAMAGE TO OR DESTRUCTION OF COMMON AREA(S)

11.01. TOTAL OR PARTIAL DAMAGE OR DESTRUCTION; ELECTIONS OF OWNER(S).

In the event of damage to, or the total or partial

destruction of the COMMON AREA(S), the following rules shall apply:

(a) Provided that the proceeds of insurance relating thereto shall be at least one-hundred (100%) percent of the estimated cost and expense of such repair or replacement, then without any act or consent of the OWNER(S) (but subject to Section 11.01(b) below) the damage or destruction, shall, as the case may be, be repaired or replaced as soon thereafter as practicable and with all due diligence.

(b) Notwithstanding the provisions of Section 11.01(a) above, if, within thirty (30) days from and after the date of such damage or destruction, the OWNER(S) of three-fourths (3/4) or more of the UNIT(S) shall elect that such repair or replacement shall not be conducted, the same shall not in fact be conducted.

(c) If the estimated cost and expense of such repair or replacement shall exceed an amount equal to eighty-five (85%) percent of the proceeds of such insurance, such repair or replacement shall, nevertheless, be conducted if, with thirty (30) calendar days from and after the date of such damage or destruction, the OWNER(S) of a majority of the voting rights in the ASSOCIATION shall elect to repair and replace. If the estimated cost and expense of such repair or replacement shall be equal to or less than eight-five (85%) percent of the proceeds of such insurance, such repair or replacement shall be conducted if within thirty (30) days from and after the date of such damage or destruction, the OWNER(S) with three-quarters (3/4) or more of the Voting Rights in the ASSOCIATION, shall elect that such repair or replacement be

conducted.

11.02. ELECTION TO REPAIR/CONTRIBUTIONS BY OWNER(S):
REPAIR OR REPLACEMENT ASSESSMENTS.

If the OWNER(S) shall elect to repair or replace damage to or destruction of the COMMON AREA(S), the OWNER of each UNIT shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost thereof in excess of the amount of the proceeds from such insurance, and the share of such cost and expense of each OWNER shall be in the same proportion as the Regular Assessments are then levied under ARTICLE VIII; and in the event of the failure or refusal of any OWNER to make his proportionate contribution, within thirty (30) calendar days from the date written demand is made upon him by the BOARD therefore, the BOARD may levy a repair or replacement Assessment against such OWNER enforceable the same as with respect to any other Assessment as set forth in ARTICLE VIII of this DECLARATION.

11.03. BIDS: CERTIFICATE.

(a) If the repair or replacement shall be conducted under Section 11.01(a) or Section 11.01(c) above and if the cost thereof shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00), the work may be let by negotiation.

(b) If the cost of repair or replacement, in any case, shall exceed Two Thousand Five Hundred Dollars (\$2,500.00), then the work therefore shall be awarded to the lowest responsible bidder.

11.04. ELECTION NOT TO REPAIR.

If the OWNER(S) shall elect not to repair or replace any damage to or destruction of the COMMON AREA(S) then:

(a) Subject to the rights of MORTGAGEES and BENEFICIARIES, any insurance proceeds available after first applying the insurance proceeds to the cost of placing the damaged or destroyed portion of any common areas in a safe, clean and slightly condition in accordance with all requirements of the City of San Buenaventura, including any requirement to secure approvals, permits or other entitlements from said City, shall be distributed to the OWNER(S) in the same proportion as is provided with respect to the payment of Regular Assessments, as set forth in EXHIBIT "B", and

(b) Within 120 calendar days from and after the date of such damage or destruction, record a certificate setting forth the election of the OWNER(S); and the BOARD shall promptly cause to be prepaid and file of record such revised maps and other documents as may be necessary to show the conversion of the COMMON AREA(S), if applicable, to the status of that of improved or unimproved land.

11.05. ARBITRATION.

In the event of a dispute among the OWNER(S) in connection with the provisions of this ARTICLE XI, any OWNER may cause the same to be referred to ARBITRATION in accordance with the then prevailing rules of the American Arbitration Association; and in the event of ARBITRATION, as provided herein, notice thereof shall be given to the member(s) of the BOARD, and all other OWNER(S) as promptly thereafter as possible, and each shall have the right to

appear in person or by counsel in any proceedings conducted in connection with such ARBITRATION. The decision of the American Arbitration Association shall be final and conclusive upon all OWNER(S); and the arbitrator may include in his decision an award for costs and/or attorneys' fees against any one or more of the other OWNER(S).

ARTICLE XII - CONDEMNATION OF COMMON AREA(S).

12.01. CONDEMNATION.

In the event an action for CONDEMNATION of the COMMON AREA(S) or any portion thereof is proposed or is commenced by any governmental body having the right of eminent domain, the following rules shall apply:

(a) TAKING OF ENTIRE COMMON AREA(S). If such action or proposed action is for the taking of the entire COMMON AREA(S) then, upon the unanimous consent of all of the OWNER(S) of at least seventy-five (75%) percent of the Voting Rights of each Class of MEMBER(S), the COMMON AREA(S) may be sold to such governmental body prior to judgment and the proceeds of such sale shall be distributed to the ASSOCIATION, OWNER(S), MORTGAGEES and BENEFICIARIES, as their respective interests may appear, the distribution to be as is provided in ARTICLE X with respect to the proceeds of insurance.

(b) PARTIAL TAKING. The rules set forth in Section 12.01(a) immediately above with respect to the taking of the whole of the COMMON AREA(S) shall apply to the taking of a portion only of the COMMON AREA(S).

12.02. DISTRIBUTION OF AWARD.

In the event that the OWNER(S) shall not consent unanimously to such sale, then the compensation awarded upon a judgment shall be distributed in like manner, unless by the terms of said judgment such award shall be apportioned among the several OWNER(S) in a different manner.

ARTICLE XIII - PROHIBITION AGAINST SEVERABILITY OF
COMPONENT INTERESTS.

13.01. NO SEVERABILITY OF COMPONENT INTEREST.

No OWNER shall be entitled to sever his interest as an OWNER(S) from his Membership in the ASSOCIATION, for any purpose; and neither his interest as an OWNER nor his Membership in the ASSOCIATION may be separately sold, conveyed, encumbered, hypothecated, transferred or otherwise dealt with, and any attempt to do so any such sale, conveyance, encumbrance, hypothecation or transfer shall be null and void and of no effect.

13.02. TERM OF PROHIBITION.

The Prohibition of the right of severability shall, in no event, extend beyond the period (including any extension of the primary period) set forth in ARTICLE XVII.

13.03. CONVEYANCE OF COMPONENT INTEREST.

Subsequent to the date the title to the first UNIT is conveyed each subsequent sale and conveyance or transfer (by operation of law or otherwise) thereof by the OWNER of a UNIT, shall be presumed to convey the UNIT owned by such OWNER and the Membership of such OWNER in the ASSOCIATION; provided, however, that

nothing herein contained shall be construed to prohibit the OWNER of any UNIT from creating a co-tenancy in the ownership of said UNIT with any other PERSON or PERSONS.

ARTICLE XIV - SPECIAL RIGHTS OF MORTGAGEE OR BENEFICIARY UNDER DEED OF TRUST AND MORTGAGE.

14.01. RIGHT TO INSPECT BOOKS OF ASSOCIATION.

Every BENEFICIARY and MORTGAGEE, or the representative thereof, shall have the right to examine the books and records of the ASSOCIATION at any time during the hours of 9:00 o'clock A.M. to 5:00 o'clock P.M., except Saturdays, Sundays, and Holidays.

14.02. NOTICE REGARDING LOSS OR TAKING.

Upon any single and separate loss (by damage or destruction) to or taking or proposed taking (by condemnation) of the COMMON AREA(S) or any portion thereof in excess of the sum of Ten Thousand Dollars (\$10,000.00) or upon any damage to a UNIT in excess of the sum of One Thousand Dollars (\$1,000.00), written notice thereof shall be given by the ASSOCIATION to the BENEFICIARY under each DEED OF TRUST and to the MORTGAGEE under each MORTGAGE constituting an encumbrance on any UNIT in the PROJECT or, as the case may be, the particular UNIT(S) affected by such damage.

14.03. NOTICE REGARDING DEFAULT OF OWNER(S).

Upon the written request of any BENEFICIARY under a DEED OF TRUST or any MORTGAGEE under any MORTGAGE constituting an encumbrance on any UNIT in the PROJECT the ASSOCIATION shall give to such BENEFICIARY or MORTGAGEE written notice of the default by or

the breach or violation by the OWNER of such UNIT of this DECLARATION or the ARTICLES or the BY-LAWS or the RULES AND REGULATIONS provided that no such notice need be given if such default, breach or violation is cured by such OWNER within sixty (60) calendar days from and after the date of the occurrence of such default, breach or violation.

ARTICLE XV - MISCELLANEOUS PROVISIONS.

15.01. NON-WAIVER.

No OWNER may exempt himself from liability for the payment of any Assessment by non-use of the COMMON AREA(S) or by the non-use or abandonment of the UNIT of such OWNER, and no waiver of or the failure to act or otherwise by the ASSOCIATION or the BOARD with respect to any breach or violation of the provisions of the DECLARATION or the BY-LAWS shall constitute a waiver of any subsequent breach or violation of this DECLARATION or the BY-LAWS.

15.02. RECORDING OF CONVEYANCES, ETC., BY OWNER(S).

No OWNER shall record any instrument or otherwise impose, directly or indirectly, any restriction or condition as to the use or occupancy of the UNIT owned by him on the basis of race, creed or color or otherwise inconsistent with this DECLARATION or the BY-LAWS.

15.03. ESTOPPEL CERTIFICATE.

A certificate executed under penalty of perjury by any two (2) Member(s) of the BOARD and acknowledged shall be conclusive upon the ASSOCIATION, the BOARD and the OWNER in favor of

any and all PERSONS who rely thereon in good faith as to the matters therein contained and any OWNER shall be entitled to such a certificate setting forth the amount of any unpaid Assessment with respect to the UNIT owned by such OWNER (or stating that all Assessments due are paid if such is the case), within ten (10) days after demand therefore and upon payment of a reasonable fee, not to exceed (\$10.00), which fee may be fixed by the BOARD.

15.04. LIABILITY OF OWNER(S).

Each OWNER shall be liable for any damage to the COMMON AREA(S) or to any personal property owned by or under the control of the ASSOCIATION committed or suffered to be committed by such OWNER or any PERSON(S) occupying the UNIT of such OWNER, or his guests, invitees and licensees; and if more than one OWNER the liability of each OWNER of a UNIT shall be joint and several.

15.05. CONSTRUCTION AND SEVERABILITY; SINGULAR AND PLURAL;
GENDER; CAPTIONS; CONFLICTS.

(a) The provisions of this DECLARATION and the BY-LAWS shall be liberally construed, it being the primary intent to give effect to the general purpose as set forth in the PREAMBLE above.

(b) Each of the provisions of this DECLARATION and the BY-LAWS shall be deemed severable, and the invalidity of any provision or any portion thereof shall not affect the validity of or invalidate all or any other provisions.

(c) Unless the context requires a contrary qualification, the singular shall mean and include the plural; and the plural shall mean and include the singular; and the masculine, feminine or neuter

shall be deemed to mean and/or include the masculine, feminine or neuter, as the case be

(d) All captions or titles used in the ARTICLES, this DECLARATION or the BY-LAWS are intended solely for convenience and reference and shall not affect any of the substantive provisions of the ARTICLES, this DECLARATION or of the BY-LAWS.

(e) In the event of any conflict or inconsistency between the provisions of the ARTICLES or the BY-LAWS and the provisions of this DECLARATION, then the provisions of the DECLARATION shall control.

15.06. RIGHTS AND REMEDIES.

(a) SUITS AT LAW AND IN EQUITY. The ASSOCIATION or any OWNER (including the DECLARANT), may enjoin any violation or breach or attempt to violate or breach any of the covenants, conditions, restrictions contained in this DECLARATION or any of the provisions of the ARTICLES, BY-LAWS or RULES AND REGULATIONS or may sue at law for damages for such violation, breach or attempt to violate or breach and any judgment or decree entered against the OWNER(S) of any UNIT(S) may include costs and reasonable attorneys' fees.

(b) RIGHTS AND REMEDIES CUMULATIVE. Each and every remedy provided under this DECLARATION or the BY-LAWS or otherwise provided shall be deemed cumulative and not exclusive.

(c) ALTERNATE DISPUTE RESOLUTION. If applicable by its terms, the provisions of Section 1354 (b), et seq. of the Civil Code of the State of California shall be in full force and

effect with respect to disputes within the purview of that Section.

ARTICLE XVI - DELIVERY OF NOTICES AND DOCUMENTS.

16.01. NOTICE.

Any written notice or any document relating to or required under the DECLARATION or the BY-LAWS may be delivered either personally or by mail and if by mail it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same shall have been deposited in a depository of the United States Postal Service, for mailing by certified or registered mail, postage prepaid, addressed as follows:

(a) If to the ASSOCIATION or the BOARD:

AT: C/O STANLEY H. BULMER
21601 Vanowen, Suite 201
Canoga Park, California 91303

(b) If to an OWNER, to the common street address of the UNIT owned by such OWNER, as appears on the rolls of the tax assessor of Ventura County:

(c) If to the DECLARANT:

AT: SENECA GARDENS LIMITED
C/O Bulmer Development Corporation.
21601 Vanowen, Suite 201
Canoga, California 91303

ARTICLE XVII - DURATION OF RESTRICTIONS.

17.01. PRIMARY PERIOD.

The covenants, conditions and restrictions set forth in this DECLARATION shall continue and remain in full force.

and effect until December 31, 2040, unless amended or repealed earlier as provided in ARTICLE XVIII.

17.02. EXTENSIONS.

Notwithstanding the provisions of Section 17.01 immediately above, unless on or prior to December 31, 2039, a written instrument evidencing termination of such covenants, conditions and restrictions is signed by the OWNER(S) of not less than two-thirds (2/3) of the UNIT(S) and recorded, such covenants, conditions and restrictions as in effect immediately prior to December 31, 2040, shall continue in full force and effect for an additional period of ten (10) years and thereafter for successive periods of ten (10) years, unless within one (1) year prior to the expiration of any such ten (10) year period the same are terminated in the same manner by the then OWNER(S).

ARTICLE XVIII - AMENDMENT OR REPEAL; LIMITATIONS AS TO CERTAIN MATTERS

18.01. BY OWNERS, ETC.

Except as otherwise expressly provided in this DECLARATION, and subject to the limitations provided in Section 18.02, any of the provisions of this DECLARATION may be amended or repealed at any time upon:

(a)(i) The vote or written consent of the OWNER(S) of three-fourths (3/4) or more of the voting rights for each class of MEMBER(S) approving the proposed amendment or repeal (secured at an Annual Meeting or a Special Meeting of the OWNER(S)s called for the purpose of considering the same), and

(ii) the vote or written consent of at least a bare majority of the votes of MEMBER(S) other than the DECLARANT secured at such meeting, and

(b) The recordation of a certificate executed by the Secretary of the ASSOCIATION setting forth in full the amendment or repeal and certifying that said amendment or repeal has been approved by the OWNER(S) (excluding the DECLARANT) of three-fourths (3/4) or more of the voting rights for each class of MEMBER(S), and

(c) The written approval of the City of San Buenaventura, California and any other applicable municipality and/or local, state or federal agency, and the approval of the Commissioner of Real Estate of the State of California or his successor in interest or, as the case may be, any successor agency of the Department of Real Estate of the State of California.

18.02. ABANDONMENT, TERMINATION, ETC. OF CONDOMINIUM
CONCEPT, ETC.

Unless at least three-fourths (3/4) of the BENEFICIARIES and MORTGAGEES under all of the first DEEDS OF TRUST and the first MORTGAGES constituting encumbrances upon the PROJECT shall consent thereto in writing (one vote for each first MORTGAGE and each first DEED OF TRUST) the ASSOCIATION shall have no right, power or authority to:

(a) By act or omission, abandon or terminate the CONDOMINIUM concept or format to which the PROJECT is subject.

(b) Change, for any purpose, the Allocated Quantums of Interest or proportions shown and set forth on EXHIBIT "B", except as provided in Section 8.02(f) of Article XVIII.

(c) By act or omission, partition, subdivide, abandon, encumber, sell or transfer the PROJECT, or any portion thereof, provided that the granting of easements for public utility or for public purposes, consistent with the intended use thereof, in, on, over, along and upon the COMMON AREA(S) shall not be deemed a sale or transfer within the meaning of this Section 18.02(c).

(d) Use the proceeds from any insurance policy (or from other sources) secured as the result of loss to any portion of the PROJECT for other than the repair, replacement or reconstruction of the improvements affected by such loss, except as may be provided by statute in case of substantial loss to the COMMON AREA(S) or by ARTICLE XI hereof.

ARTICLE XIX - ENCROACHMENT/COMMON AREA(S) AND UNIT(S)

19.01. Units Subject To Easement

To the extent that any portion of the COMMON AREA(S) do now or may hereafter encroach upon any UNIT or portion of a UNIT (whether as a result of repair or replacement of any damage or destruction, or otherwise) such UNIT or portion of a UNIT shall be deemed subject to a valid easement permitting or allowing such encroachment and the maintenance and/or repair and/or replacement of any STRUCTURE or thing constituting such encroachment.

19.02. Common Area(s) Subject To Easement

To the extent that any portion of any UNIT does now or may hereafter encroach upon any portion of the COMMON AREA(S) such portion of the COMMON AREA(S) shall be deemed subject to a valid easement permitting or allowing such encroachment, provided that no such easement shall be deemed to be valid or subsisting if such encroachment shall have occurred as the result of any willful act or omission or bad faith.

ARTICLE XX - PROVISIONS FOR THE BENEFIT OF THE
CITY OF SAN BUENAVENTURA

20.01. AMENDMENT.

Notwithstanding any other provision of this DECLARATION, no provision of this DECLARATION shall be amended, modified, or revoked in any respect except with the written consent of the City of San Buenaventura, acting through its City Planner or other designated officer, first had and obtained. The written consent of the City must be recorded with or as a part of any such amendment, modification or revocation.

20.02. ENFORCEMENT OPTIONS.

DECLARANT covenants and agrees for itself and on behalf of its successors, assigns and grantees, including each OWNER(S), that the City shall be a third party BENEFICIARY to this DECLARATION and shall have the powers hereinafter provided:

(a) The City in the name of the ASSOCIATION or the BOARD may, but shall not be obligated to, do or perform any action the ASSOCIATION or the BOARD is empowered to do or

perform, if the ASSOCIATION or the BOARD is in default in performing any act in breach of their obligation to manage and maintain the COMMON AREA(S) in a first class condition and in a good state of repair, or of any other obligation imposed by this DECLARATION, after the City has given 30 days prior written notice of its intent to act to the ASSOCIATION, which notice shall state the acts which are contemplated.

(b) If the City does any act in the name of the ASSOCIATION or the BOARD, the City may fix the amount of reasonable compensation, including fixing the amount of attorneys fees and other reasonable costs incurred, for doing such act. The ASSOCIATION shall be liable to the City of such reasonable compensation and, should the ASSOCIATION fail to pay such reasonable compensation within 30 days after the date of service on the ASSOCIATION of a written statement of the amount of reasonable compensation due to the City, then each OWNER(S) shall become jointly and severally liable to the City, with the ASSOCIATION, in the same proportion as is provided in Section 8.02(a) for Regular Assessments.

(c) The remedies set forth in this Section 20.02 are cumulative to other rights and remedies that the City may have with respect to the enforcement of this DECLARATION.

20.03. APPROVED DEVELOPMENT CONDITIONS.

DECLARANT for itself and on behalf of all those who obtain any interest in the PROJECT, acknowledges that the PROJECT is and will be subject to certain conditions of

development imposed in conjunction with land development approvals granted by the City. The precise terms of each of the conditions are set forth in the records of the Planning and/or Engineering Divisions of the City and are identified as Conditions of Approval to, by way of example, but without limitation, AQMP-66, Z-712, PD-439, LD-542 and Tract No. S4908. The provisions of all such conditions shall supersede any contrary provisions which may appear in this DECLARATION. The design of the COMMON AREA(S) must conform to the terms and conditions of the Development approvals and no deviation from the terms and conditions of the Development approval shall be permitted, unless deviation is authorized by a modification of one or more of those Development approvals, duly authorized by the City, or unless the deviation is permitted pursuant to the terms of a new Development approval duly approved by the City which supersedes prior applicable Development approvals by City.

20.04. ADDITIONAL REGULATIONS.

DECLARANT, for itself, and on behalf of all those who obtain any interest in all or any portion of the PROJECT, acknowledges that the private Covenants, Conditions and Restrictions contained in this DECLARATION constitute separate and distinct limitations or restrictions respecting this PROJECT, but that the property described in the PREAMBLE is also independently subject to the applicable conditions of the land development approvals described or identified herein and to all applicable zoning and other laws, and that this DECLARATION is in

no respect a limitation on the separate and independent applicability thereof.

ARTICLE XXI - SPECIAL PROVISION REGARDING THE AFFORDABLE HOUSING
PROGRAM OF THE CITY OF SAN BUENAVENTURA

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RECITALS

A. The City of San Buenaventura (hereinafter, City) has heretofore enacted resolutions creating an Affordable Housing Program with respect to the lease and the sale of certain housing units constructed within the City; and the City has required, as a condition of approval of said Tract No. 4908 and the CONDOMINIUM PROJECT that at least 15 of the presently existing 60 UNITS situated on Lots 1, 2, 3 and 4 of Tract 4908, shall be subject to such Affordable Housing Program.

B. In compliance with such requirement (and condition), the DECLARANT has heretofore designated and shall from time to time hereafter designate various units (as shown on the CONDOMINIUM PLAN) (hereinafter, Affordable Housing Program Units or AHPU) as being subject to such Affordable Housing Program and covenants that at all times not less than 15 such UNITS shall be so designated and that such UNITS shall not be leased or sold, by the DECLARANT or its successors or assigns or by any OWNER, except as hereinafter provided.

C. The provisions of this Article XXI shall be applicable for a period of thirty (30) years from and after the date that an AHPU was (or is hereafter) occupied by an eligible tenant.

D. Notwithstanding any other provision to the contrary in this DECLARATION and any other provision of law, present or future, neither the ASSOCIATION nor any OWNER (other than an OWNER whose UNIT is designated as an AHPU) shall have any right, duty or obligation to enforce any of the provisions of this

ARTICLE XXI; and neither the ASSOCIATION nor any OWNER (other than an OWNER whose UNIT is designated as an AHPU) shall have standing to sue with respect to any of the provisions of this ARTICLE XXI.

SECTION I - SALE OF AFFORDABLE HOUSING PROGRAM UNITS

1. None of the AHPU's shall be sold for a price greater than the Affordable Sales Price, as defined below, and with respect to the initial sale by the Developer (DECLARANT) and all subsequent sales all of this AHPU's shall be subject to this SECTION I and SECTION II and SECTION III of this Article XXI.

2. For purposes of this ARTICLE XXI, all of the AHPU's may be referred to as Lower Income Production Homes.

3. For purposes of this ARTICLE XXI, the definitions set forth in Article A immediately below shall apply:

ARTICLE A - DEFINITIONS, ETC.

A. (i) "Affordable Sales Price" shall mean that figure for which an AHPU 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 Article C of Article XXI of this SECTION I.

(ii) "Affordable Rent" 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 (CONDOMINIUM) pursuant to

the provisions of SECTION II of this ARTICLE XXI, which amount shall be determined by the City and shall be the lesser of HUD Fair Market Rents or 30% of 80% of the County median income, based on a family size corresponding to the unit size.

B. "AHP" shall mean City's Affordable Housing Program, adopted by Resolution No. 88-92, and attached as an exhibit to the Comprehensive Plan (on file in the office of the Clerk of the City), and any modification or amendments thereto.

C. "Buyer Eligibility Requirements", with respect to AHPU Lower Income Production Homes, shall mean the eligibility standards that a prospective buyer must meet in order to be eligible to buy an AHPU Lower Income Production Home. The standard is that the buyers household income shall not exceed 80% of the County Median income as established by the City pursuant to Resolution No. 88-92.

D. "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.

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

F. "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.

G. "DECLARANT" (or "Developer" as used in this Article XXI) shall mean and refer to Seneca Gardens Limited, a California Limited Partnership, or, as the case may be, its successors and assigns.

H. "DECLARATION" shall mean and refer to this DECLARATION, as amended or supplemented from time to time.

I. "Eligible Purchaser", with respect to AHPU Lower Income Production Homes, shall mean a person who meets the Buyer Eligibility Requirements set forth in Paragraph C of this Section I (Article A), above.

J. "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 an AHPU 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.

K. "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.

L. "Initial Sale" shall mean the sale of each ANPU Production Home according to the terms hereinafter 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 ANPU Production Home.

M. "Lower Income Household" shall mean a lower income household which meets the "Buyer Eligibility Requirements" as defined in Paragraph C of this Article A.

N. "Lower Income Production Home" shall mean each of the 15 Production Homes (CONDOMINIUMS) that are part of the PROJECT, and have therefore or hereafter been designated by the DECLARANT pursuant to the Recitals above in this Article XXI as ANPU and that are intended to be sold or rented to buyers or renters that meet the Lower Income Household criteria set forth in Paragraph M of this ARTICLE A. Production homes shall become Lower Income Production Homes when so designated by the DECLARANT prior to Initial Sale or Rental.

O. "Map" shall mean and refer to the Final Subdivision Map (Tract No. S4908) recorded with respect to the Property before recordation of this DECLARATION.

P. "OWNER" shall mean any person or entity who holds all or any portion of the fee title to a Production Home or any other 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.

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

R. "Production Home" shall mean a condominium residence constructed as part of the PROJECT for the purpose of sale or rental to eligible Purchasers.

S. "Production Home Price" shall mean the price the OWNER paid or agreed to pay for the Production Home.

T. "Property" shall mean and refer to the real property described in Paragraph A of the Recitals to this DECLARATION and all improvements erected or to be erected thereon.

U. "Subsequent Sale" shall mean any sale of each AHPU Production Home after the Initial Sale, regardless of whether the sale is by the DECLARANT, the City or a subsequent OWNER.

ARTICLE B - RIGHT OF FIRST REFUSAL

A. Right of First Refusal

(1) 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 any AHPU Production Home at the time and in the manner set forth in Paragraph F of Article C and Paragraph F of Article D of this Section I.

(2) 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's Eligibility requirements. After the exercise of said Preemptive Right by City, its assignee or designee in the manner hereinafter prescribed, City or its assignee or designee may assign said Preemptive Right to any substitute individual private buyer who meets the City's Eligibility requirements and is approved by the City; provided, however, that such subsequent assignment shall not extend any time limits contained herein.

ARTICLE C - INITIAL SALES

A. Prescreening by City

(1) Each prospective purchaser desiring to acquire an AHPU Production Home from the DECLARANT as an Initial Sale shall be prescreened by the City after the City's receipt of DECLARANTS written request for a prescreening which shall include the address of the Production Home or the sufficient identification. 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 this Article C, the DECLARANT may only sell AHPU Production Homes initially to prospective purchasers that the City determines are Eligible Purchasers. The City shall not be required to seek Eligible Purchasers, but may do so at its own 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

the purchaser.

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

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

(b) 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

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

(d) The escrow agent, if any; and

(e) The date scheduled for close of escrow; and

(f) Such further information as the City shall from time to time advise the DECLARANT in writing, in advance of a requested pre-screening, that the City will require for future prescreening requests.

3. Each prospective purchaser shall provide the City within then (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 who wishes to buy an AHPU Lower Income

Production Home at Initial Sale shall have a Household Eligibility Income that meets the criteria set forth in Paragraph C of ARTICLE A of this SECTION I.

2. A person who purchases an AHPU 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 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:

(a) 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

(b) 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 verification for a twelve month period to determine Household Eligibility Income.

C. Affordability of AHPU Production Home: Calculations

(1) Each AHPU 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% 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 Article XXI.

(2) In determining the Affordable Sales Price of a Production Home, as provided above, the City shall either use the following equations or use a financial calculator or mortgage payment table that incorporates and applies the following equation:

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

Where,

PV = 90% of the Affordable Sales Price

P = The principal and interest component of the Gross Monthly Housing Expense of the prospective purchaser based on the current HUD median income limits, adjusted for family size, this (P) shall be deemed to be 25% of the Monthly Eligibility Income. The total number of months over which the loan is payable.

Monthly Interest = 1/12th of the actual or imputed annual interest rate to be used to calculate the Affordable Sales Price. For Production Homes purchased with loans financed with City of San Buenaventura Single Family Mortgage Revenue Bonds Series 1991 issue, the annual interest rate is 7.75%. For Production Homes

not financed with the Mortgage Revenue Bonds referred to above, the imputed annual interest rate shall be a rate equal to the interest rate charged on Federal National Mortgage Association (FNMA) of 60 day mortgage commitments for Standard Conventional fixed rate mortgages at the time the HUD median income data plus an additional 25%. If the required FNMA information is not available, the City may also use another source at its discretion.

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

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 Article C execute a Certificate certifying compliance with SECTION 1 of this Article XXI (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 the 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 AHPU production Home, the escrow agent for such sale, or if none, then the purchasers shall notify the City in writing that such escrow has closed and the name of the purchaser, and the price at which the Production Home was sold at the Initial Sale.

F. Inability to Sell AHPU Lower Income Production Home to Eligible Purchaser

(1) If, after making a diligent effort to do so, DECLARANT is unable to sell a Lower Income Production Home (CONDOMINIUM) to an Eligible Purchaser within one hundred and eighty (180) days after offering such Lower Income Production Home for sale, and if DECLARANT wishes to sell such Lower Income Production Home to a specifically identified 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 Specifically Identified Non-Eligible Purchaser").

(2) If DECLARANT gives to the City a Notice of Proposed Sale to Specifically Identified 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 Lower 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 the City or its assignee or designee, as hereinafter 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 Article 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 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 otherwise may be provided by mutual agreement of City or its assignee and DECLARANT.

(4) The purchase price which City shall pay for the CONDOMINIUM shall be the Affordable Sales Price for which an Eligible Purchaser could purchase a Lower 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 in any way be obligated or liable to DECLARANT for any failure of the City's assignee to consummate a purchase of a Lower 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 Lower 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 Lower Income Production Home, and declaring that the provisions of this DECLARATION are no longer applicable to said Lower 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 the City receives the 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 Lower 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 2924b 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, California 93002-0099

(8) Any notice of sale given pursuant to Civil Code section 2924f 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 the DECLARANT may be entitled pursuant to Code of Civil Procedure Section 727 shall be paid as follows: That portion of the 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 the surplus, if any, shall be paid to the City or its assignee.

ARTICLE D - SUBSEQUENT SALES

A. Prescreening by City

(1) Each owner of an AHPU Production Home who desires to

sell such Production Home as a Subsequent Sale shall notify the City at the address set forth in Subparagraph 7 Paragraph F of Article D 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) The Affordable Sales Price at which the OWNER purchased the Production Home ; and
- (c) The Date upon which escrow closed and conveyance took place at which the OWNER acquired his interest in the Production Home; and
- (d) Copies of any information reasonable 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 the 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; 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 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 Paragraph C of ARTICLE A of this SECTION I.

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 verification for a twelve month period to determine Household Eligibility Income.

C. Determination of Subsequent Production Home Sale Price

An AHPU Production Home sold at a Subsequent Sale shall be sold for an Affordable Sales Price calculated in the same manner that the Affordable Sales Price is calculated for an Initial Sale, as provided in Section I of this Article XXI; 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.

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 Article D, execute a Certificate certifying compliance with SECTION I of this Article XXI (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 the particular Production Home proposed to be sold.

ARTICLE E. 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 by speculators, each AHPU 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 each 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 (12) months out of every twenty-four (24) months. The OWNER of each AHPU 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 Article D of Section I of this Article XXI.

B. PRESCREENING BY CITY; CERTIFICATION OF OCCUPANCY

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

ARTICLE F. Inability to Sell Lower Income Production Home to Eligible Purchaser

- (1) If, after making a diligent effort to do so, an OWNER .

is unable to sell a Lower Income Production Home (CONDOMINIUM) to an Eligible Purchaser within one hundred and eighty (180) days after offering such Lower Income Production Home for sale, and if, such OWNER wishes to sell such Lower Income Production Home to a specifically identified 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 Specifically Identified Non-Eligible Purchaser").

(2) If the OWNER gives City a Notice of Proposed Sale to Specifically Identified 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 Lower 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 designee or assignee, 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 Article 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 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 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 the any lender by reason of the sale of the Lower Income Production Home. The purchase price, which shall be 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 Lower Income Production Home shall be the Affordable Sales Price for which an Eligible Purchaser could purchase the Lower Income Production Home at a Subsequent Sale (as provided in Paragraph C of Article D of this Section I).

(5) In no event shall City become in any way liable to any OWNER, nor become obligated or liable to any OWNER for any failure of City's assignee to consummate a purchase of a Lower 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 Lower Income Production Home in question within thirty (30) days after it receives OWNER'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 Lower Income Production Home, and declaring that the provisions of this DECLARATION are no longer applicable to said Lower Income Production Home, and shall deliver a copy thereof to the OWNER of said Lower 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 such notice, the

provisions of this DECLARATION shall no longer be applicable to said Lower 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 2924b 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, California 93002-0099.

(8) Any notice of sale given pursuant to Civil Code Section 2924f 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 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 to 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 the property on the date of the foreclosure sale shall be paid to the OWNER on the date of the foreclosure sale; the balance of surplus, if any, shall be paid to the City or its assignee.

ARTICLE G - PERMITTED TRANSFERS

The following transfers of title to a AHPU 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 such Production Home following said transfer.

ARTICLE H - CONSENT TO TRANSFER REQUIRED

During the period that this DECLARATION is in effect, each AHPU Production Home 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 Article H shall not prohibit encumbrances permitted pursuant to Article I herein below, which shall be governed by Article I. ANY SALE, TRANSFER, CONVEYANCE OR ASSIGNMENT INCLUDING RENT OR

LEASE WHICH HAS NOT BEEN CONSENTED TO BY CITY, SHALL BE VOID.

ARTICLE I - PERMITTED ENCUMBRANCES

This ARTICLE XXI shall not prohibit DECLARANT from encumbering the Property 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 Articles C and D) set forth in this DECLARATION. Any permitted lender taking title to an AHPU 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 Article D of this Section I, the Production Home Price paid by the OWNER from which such lender acquired title.

ARTICLE J - INSURANCE AND CONDEMNATION PROCEEDS

In the event that an AHPU 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 the property to an Eligible Purchaser shall be paid to the OWNER; and

(b) The balance of any surplus, if any, shall be paid to City.

SECTION II - LEASE OR RENTAL OF AFFORDABLE HOUSING PROGRAM UNIT
ELIGIBILITY REQUIREMENTS; RECORDS, MAINTENANCE

ARTICLE A - RIGHT TO SELL OR LEASE AHPU LOWER INCOME PRODUCTION
HOME

A. Notwithstanding any other provisions contained in this DECLARATION, any time before a particular AHPU 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 C (1) of ARTICLE A of SECTION I of this ARTICLE XXI. Furthermore, if a Lower Income Production Home is leased or rented it shall be leased or rented as defined in ARTICLE A of SECTION I of this ARTICLE XXI which amount may include the then amount of the Regular assessment levied by the ASSOCIATION upon such UNIT).

B. Initial Rental of AHPU Lower Income Production Home

If DECLARANT elects to lease or rent a particular AHPU Lower Income Production Home as provided in Article A immediately above, and if such lease or rental is the first time that particular Lower Income Production Home will have been leased or rented, (whether prior to or subsequent to this DECLARATION) 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 this Article A:

- (1) The name and current address of the prospective tenant;
- (2) The address of the Lower Income Production Home; to be lease 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 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 this Article A. 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 Article (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 this Article A, 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 requirement of this Article A, 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 Section I of ARTICLE XXI 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:

(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 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 moved 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 Article J 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 5 years after all 7 Lower Income 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 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 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 "Overcharge" included 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 Section I of this Article XXI, City shall so notify DECLARANT ("Notice of Ineligible Tenant"). Within 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 Article A 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 III - GENERAL PROVISIONS

(APPLICABLE TO SECTION I AND SECTION II OF THIS ARTICLE XXI)

ARTICLE A - TRANSFERS IN VIOLATION OF THIS ARTICLE XXI

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

ARTICLE B - IRREVOCABILITY; TERM OF ARTICLE XXI

This Article XXI and the covenants, conditions, and restrictions created hereby shall be irrevocable by the DECLARANT, its successors and assigns to the Property or any portion thereof or any subsequent OWNER of an AHPU Production Home.

ARTICLE C - AMENDMENT OF ARTICLE XXI

Only the City, its successors and assigns, and the DECLARANT, and the heirs, legatees, devisees, administrators, executors, successors and assigns of the DECLARANT in and to the fee title to each AHPU Production Home shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the provisions contained in this Article XXI, 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 Article H 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.

ARTICLE D - SOLE RECOURSE

The provisions of this Article XXI shall be deemed

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

In the event this Article XXI 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 provisions 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 the Property or any portion thereof, and each subsequent OWNER of each Production Home specifically waives any right to obtain from the City any damages in connection with the imposition or enforcement of this DECLARATION, and they agree to indemnify the City against all liability arising out of the imposition of this ARTICLE XXI against the property or the enforcement of any of the provisions of this ARTICLE XXI.

ARTICLE 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.

ARTICLE 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.

ARTICLE 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 text requires the contrary. All headings are not a part hereof, and shall not effect the interpretation of any provision.

ARTICLE 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 Services
City of San Buenaventura
501 Poli Street
Post Office Box 99
Ventura, California 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 Vanowen Blvd., #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 Article J.

ARTICLE I - NON DISCRIMINATION

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 the Property 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 the Property or any Production Home thereon.

ARTICLE J - RIGHT OF ACCESS

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 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 the COMMON AREA(S) and OPEN SPACE AREA(S) as those terms are defined and described in Sections 1.07 and 1.15 of Article I of this DECLARATION.

ARTICLE K - CONFLICT

In the event of a conflict between the provisions contained in this ARTICLE XXI and any Covenant, Condition, Restriction or provision contained in any other document, the provisions contained in this ARTICLE XXI shall govern and take precedence over any such other Covenants, Conditions, Restrictions and other provisions.

ARTICLE L - DEED RECITATION

Each deed, contract of sale, and other document conveying, transferring, or agreeing to convey or transfer any interest in any Lower Production Home or AHPU Production Home therein shall contain substantially the following provisions:

"The CONDOMINIUM WHICH IS THE SUBJECT OF THIS DEED HAS BEEN DESIGNATED AS A "LOWER INCOME PRODUCTION HOME" OR AN "AHPU PRODUCTION HOME" PURSUANT TO ARTICLE XXI OF THE DECLARATION HEREIN REFERRED TO AND IDENTIFIED; AND THE SAID CONDOMINIUM SHALL NOT BE SOLD, LEASED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SAID ARTICLE XXI AND

AFTER OBTAINING WRITTEN CONSENT FROM THE CITY
OF SAN BUENAVENTURA; AND ANY ATTEMPT TO SELL,
LEASE OR OTHERWISE TRANSFER THE CONDOMINIUM
IN A MANNER CONTRARY TO SAID ARTICLE XXI
SHALL BE VOID AND OF NO FORCE OR EFFECT."

IN WITNESS WHEREOF, the DECLARANT has executed this instrument on the day and year first above written.

SENECA GARDENS LIMITED, a California limited partnership

BY: BULMER DEVELOPMENT CORPORATION,
a California corporation,
Its Sole General Partner

By: Stanley H. Bulmer
STANLEY H. BULMER, Its President

Attest: Marge Bulmer
Marge Bulmer, Secretary

STATE OF CALIFORNIA
COUNTY OF Ventura

On Dec. 3, 1996 before me, Anna M. Gehr
personally appeared Stanley H. Bulmer and Marge Bulmer,
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.

Signature Anna M. Gehr

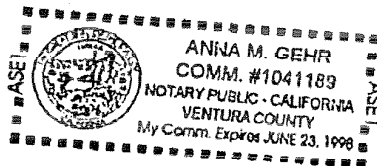


EXHIBIT I - COMMON AREAS

(1) Lots 1 to 5, Inclusive, of Tract 4908 in the City of San Buenaventura, County of Ventura, State of California, as per map filed in Book 127 of Miscellaneous Records (Maps) at Pages 65 to 67, Inclusive, Records of Ventura County.

Excepting therefrom Units 1 to 60, Inclusive, as shown on the Condominium Plan recorded on 12-6, 1996 as Instrument No. (or Book and Page No.) 96-167044 in the office of the Recorder of Ventura County, in the State of California.

And Excepting Therefrom all deposits of minerals, including oil and gas, lying below a depth of five hundred (500) feet, without, however, the right of surface of entry or the right or drill or mine through the surface thereof, as reserved by the State of California, in deed recorded April 29, 1965, in Book 2778, Page 413 of Official Records.

(2) All of the property described on Exhibit II (Open Space Areas)

OPEN SPACE AREA(S)

EXHIBIT II

Part of the valley of San Buenaventura, as the same is designated and delineated upon that certain map entitled "Map of the Rancho Ex-Mission, Tract No. 1", in the City of San Buenaventura, County of Ventura, State of California, as per map thereof recorded in Book 2, Page 103, of Miscellaneous Records, in the Office of the County recorder of said County, described as follows:

Beginning at the most easterly corner of the land described in the deed to the State of California, recorded May 6, 1914, in Book 142, Page 358 of deeds; thence along the boundary of said land, the following courses and distances.

- 1st: North 16 Deg. 30' West 905.52 feet; thence,
- 2nd: North 56 Deg. 45' West 485.76 feet; thence,
- 3rd: North 28 Deg. 45' West 594 feet; thence,
- 4th: North 48 Deg. 15' West 462 feet, thence,
- 5th: North 57 Deg. 15' West 921.36 feet to a rock mound on the edge of the Joaquin Barranca; thence,
- 6th: South 80 Deg. 53' West 792 feet to the Northeast corner of a parcel of land conveyed to Jacklin Willett by Deed recorded in Book 1, Page 259 of deeds; thence along the east line of said land of Willett,
- 7th: South 9 Deg. 00' East 1518 feet; thence,
- 8th: South 14 Deg. West 686.40 feet to the southeast corner of the land conveyed to the State of California by deed recorded in Book 142, Page 360 of deeds; thence,
- 9th: South 86 deg. 30' East 2,784.54 feet to the point of beginning.

Excepting therefrom that portion of said land lying northerly of the southerly line of Lot 2 of the Mariano Rancho, in the City of San Buenaventura, County of Ventura, State of California, as per Map recorded in Book 5, Page 34, of Maps, in the office of the County Recorder of said County.

Also except therefrom all deposits of minerals including oil and gas lying below a depth of five hundred (500) feet, without however, the right to drill or mine through the surface thereof, as reserved by the State of California, in deed recorded April 29, 1965 in Book 2778, Page 413 of Official Records.

Also excepting therefrom all that portion of said land described as follows:

Parcels 1 and 2 of Parcel Map LD-392, in the City of San Buenaventura, County of Ventura, State of California, as per Parcel Map filed in Book 34, Pages 83, 84 and 85 of Parcel Maps in the office of the County Recorder of said County.

Also excepting therefrom all that portion of said land described as follows:

Parcels 1 and 2 of Parcel Map LD-542, in the City of San Buenaventura, County of Ventura, State of California, as per Parcel Map filed in Book 46, Pages 3 and 4 of Parcel Maps, in the office of the County Recorder of said County.

Also excepting therefrom all that portion of said land described as follows:

Lot 1 of Tract No. 4668, in the City of San Buenaventura, County of Ventura, State of California as per Map filed in Book __, Page __ of Miscellaneous Records (Maps) in the office of the County Recorder of said County.

EXHIBIT II

EXHIBIT III - RESIDENTIAL AREAS

Lots 1, 2, 3 and 4, Inclusive, of Tract 4908 in the City of San Buenaventura, County of Ventura, State of California, as per map filed in Book 127 of Miscellaneous Records (Maps) at Pages 65 to 67, Inclusive, Records of Ventura County.

Excepting therefrom, all deposits of minerals, including oil and gas, lying below a depth of five (500) feet, without, however, the right of surface entry or the right or drill or mine through the surface thereof, as reserved by the State of California, in deed recorded April 29, 1965 in Book 2778, Page 413 of Official Records.

EXHIBIT III

1433233

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

ARTICLES OF INCORPORATION

MAR 30 1988

OF

MARCH FONG EU, Secretary of State

THE SENECA GARDENS ASSOCIATION

1. The name of the Corporation is THE SENECA GARDENS ASSOCIATION.

2. This Corporation is a non profit mutual benefit corporation organized under the Non Profit Mutual Benefit Corporation Law of the State of California. The purpose of this Corporation is to engage in any lawful act or activity for which such a corporation may be organized under such law.

3.A. The specific purpose for which this Corporation is organized is to provide for the management and operation of the PROJECT known as SENECA GARDENS and located in the City of San Buenaventura, in the County of Ventura and State of California, in accordance with the terms and provisions of that certain instrument entitled, "DECLARATION AND ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS", which Declaration has or will be recorded in the Office of the Recorder of said County.

3.B. Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this Corporation.

4. The name and address in this state of the Corporation's initial agent for service of process is: Stanley H. Bulmer, 5000 North Parkway, Calabasas, California 91302.

5. This corporation shall have one (1) class of voting membership, and each member shall be entitled to one (1) vote for each UNIT owned; and the vote for each UNIT shall be exercised as provided in the By-Laws of this Corporation.

6. These Articles of Incorporation may be amended upon the vote of not less than:

(a) A majority of the members of the Board of Directors of this Corporation; and


(b) At least a majority of the voting power of each class of membership described in Article 5. above.

Dated FEB 17, 1988


STANLEY H. BULMER, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

Dated FEB 17, 1988


STANLEY H. BULMER

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE SENECA GARDENS ASSOCIATION

Stanley H. Bulmer certifies:

1. That he is the sole incorporator of THE SENECA GARDENS ASSOCIATION and that he constitutes 100% of the incorporators of the Corporation.

2. That the Corporation has not admitted any members.

3. That directors were not named in the Articles of Incorporation and have not been elected.

4. That he hereby adopts the Amendment of the Articles of Incorporation of the Corporation as set forth in Paragraph 5 of this certificate.

5. The Articles of Incorporation shall be amended to read as follows:

"1. The name of the Corporation is THE SENECA GARDENS ASSOCIATION.

2. This Corporation is a non-profit mutual benefit corporation organized under the Non-Profit Mutual Benefit Corporation Law. The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

3. A. The specific purpose for which the Corporation is organized is to provide for the management and operation of the condominium PROJECT, known as SENECA GARDENS and located in the City of San Buenaventura, in the County of Ventura, in the State of California, in accordance with the terms and provisions of that certain instrument entitled, "DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS" which Declaration has or will be recorded in the Office of the Recorder of said County.

3. B. Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this Corporation.

4. The name and address in this state of the Corporation's initial agent for service of process are: Stanley H. Bulmer, 21601 Vanowen, Canoga Park, California 91303.

5. This Corporation shall have two (2) classes of voting membership, as follows:

(a) Class A - Class A Member(s) shall originally be all owner(s) of Units within said PROJECT, with the exception of the Declarant (as defined in said Declaration) for so long as there exists a Class B membership. Class A Members shall be entitled to one (1) vote for each unit owned by such Member. Declarant shall become a Class A Member with respect to Units owned by Declarant upon conversion of Declarant's Class B membership as provided in (b) below. The vote for each Unit shall be exercised as provided in the By-Laws of this Corporation.

(b) Class B - The Class B Member shall be Declarant and Declarant shall be entitled to three (3) votes for each Unit owned by Declarant.

Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

(i) The second anniversary of the original issuance of the most recently issued Final Subdivision Public Report for the most recent Phase of the PROJECT.

(ii) The fourth anniversary of the original issuance of the Final Subdivision Public Report for the First (1st) Phase of the PROJECT.

6. These Articles of Incorporation may be amended upon the vote of not less than:

(a) A majority of the members of the Board of Directors of this Corporation; and

(b) A majority of the voting power of this Corporation including a majority of the Class A membership and the Class B membership, if applicable; and

(c) A majority of the members of this Corporation other than the Declarant (or the successors and assigns of the Declarant) under the Declaration described in Article 3. above.

Dated _____, 1995.

STANLEY H. BULMER, Incorporator"

I hereby declare under penalty of perjury under the laws of the State of California that the statements contained in the foregoing Certificate of Amendment of The Articles of Incorporation of The Seneca Gardens Association are true of my own knowledge and that this Declaration was executed on _____, 1995 at Canoga Park, California.

STANLEY H. BULMER, Incorporator

BY-LAWS
OF
THE SENECA GARDENS ASSOCIATION

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BY-LAWS

OF

THE SENECA GARDENS ASSOCIATION

A Mutual Benefit Corporation organized under the
Not For Profit Corporation Law of the State of California

PREAMBLE

Pursuant to the applicable laws of the State of California and the Articles of Incorporation of said corporation and to the provisions of that certain instrument entitled "DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP AND COVENANTS, CONDITIONS AND RESTRICTIONS FOR SENECA GARDENS", promulgated and executed by SENECA GARDENS, LTD., a California limited partnership (herein, DECLARANT), relating to the condominium project located in the City of San Buenaventura, in the County of Ventura, and State of California, known as SENECA GARDENS, which DECLARATION relates to the management and operation of the COMMON AREAS and the improvements, buildings and other structures situate, or to be situate thereon in said project and certain other matters, WE HEREBY adopt, establish and declare the following as the BY-LAWS OF THE SENECA GARDENS ASSOCIATION.

ARTICLE I - NAME AND DESIGNATION

Section 1. NAME. The name of this corporation shall be THE SENECA GARDENS ASSOCIATION (hereinafter referred to as the ASSOCIATION).

Section 2. DESIGNATION. These By-Laws shall be known and designated as the "BY-LAWS OF THE SENECA GARDENS ASSOCIATION", and shall constitute the BY-LAWS referred in the said DECLARATION.

ARTICLE II - DEFINITIONS

Section 1. CAPITALIZED TERMS. As used in these BY-LAWS, certain words, terms and phrases shall be deemed to be defined as and mean the same as the same words, terms and phrases are defined in the said DECLARATION.

Section 2. GENDER. Whenever used in these BY-LAWS the masculine gender shall be deemed to mean the female or neuter gender, and the singular form shall be deemed to mean the plural form and vice versa, as the case may be.

ARTICLE III - OFFICES

Section 1. PRINCIPAL OFFICE. The office of the ASSOCIATION is hereby temporarily fixed and located at 21601 Vanowen, in the Canoga Park area of the City of Los Angeles, in the County of Los Angeles, State of California. As soon as practicable the BOARD shall establish a principal office of the ASSOCIATION in the City of San Buenaventura, in the County of Ventura. The BOARD is hereby granted full power and authority to change said Principal Office from one location to another, but within the geographical limits of the City of San Buenaventura.

Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the BOARD at any place or places, but within the geographical limits of the County of Ventura.

ARTICLE IV - MEETINGS OF OWNERS OF UNITS

Section 1. PLACE OF MEETINGS. The first or initial meeting and all Annual and other meetings of the OWNERS shall be held at the Principal Office of the ASSOCIATION, within the PROJECT, or at a place as close thereto as may be practicable within the geographical limits of the City of San Buenaventura, which place may be designated by either the BOARD pursuant to authority hereinafter granted to said BOARD, or by the written consent of all OWNERS entitled to vote at such meeting, given either before or after the meeting and filed with the Secretary of the BOARD.

Section 2. FIRST MEETING. The first or initial Meeting of the OWNERS shall be held as is specified in the DECLARATION.

Section 3. ANNUAL MEETINGS.

(a) The Annual Meeting of the OWNERS shall be held on the first (1st) Monday in the Month of October of each year, at 7:00 p.m., provided, however, that should said day fall upon a legal holiday, then such Annual Meeting of OWNERS shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday.

(b) Written notice of each Annual Meeting shall be given to each OWNER entitled to vote thereat, either personally or addressed to such OWNER at his or her address appearing on the records of the ASSOCIATION for the purpose of Notice. If an OWNER has given no address, notice shall be deemed to have been given him or her if sent by mail or other means or written communication addressed to the UNIT owned by such OWNER within the PROJECT, or if published at least once of some newspaper of general circulation in the County of Ventura. All such notices shall be sent to such OWNER entitled thereto, not less than ten (10) days nor more than ninety (90) days before the date of such Annual Meeting, and shall specify the place, day and hour of such Meeting, and shall also

state the general nature of the business or proposal to be considered or acted upon at such Meeting before action may be taken at such Meeting.

Section 4. SPECIAL MEETINGS. Special Meetings of the OWNERS, for any purpose or purposes whatsoever, shall be called upon (a) the vote for such a meeting by a majority of the quorum of the BOARD, or (b) written request therefore of five percent (5%) or more of the total voting power of the ASSOCIATION.

Except in special cases where other express provision is made by statute, notice of such Special Meetings shall be given in the same manner as for Annual Meetings of OWNERS. Notice of any Special Meeting shall specify, in addition to the place, day and hour of such Meeting, the nature of the business to be transacted.

Section 5. ADJOURNED MEETINGS AND NOTICES THEREOF.

(a) Any OWNER'S Meeting, Annual or Special, whether or not a quorum is present, may be adjourned from time to time by vote of a majority of those present, whether in person or by proxy thereat, but in the absence of a quorum, no other business may be transacted at any such Meeting, provided, however, that if no quorum is present the Meeting may be adjourned to a time not less than five (5) days nor more than thirty (30) days hence.

(b) When any OWNER'S Meeting, either Annual or Special, is adjourned for thirty (30) days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting, other than by announcement at the Meeting at which such adjournment is taken.

Section 6. ENTRY OF NOTICE. Whenever an OWNER entitled to vote has been absent from any Meeting of OWNERS, whether Annual or Special, an entry in the Minutes to the effect that notice has been duly given shall be sufficient evidence that notice of such Meeting was given to such OWNER, as required by law and the BY-LAWS of the ASSOCIATION.

Section 7. VOTING; CUMULATIVE VOTING RE ELECTION TO BOARD.

(a) At all Meetings of OWNERS, every OWNER entitled to vote shall have the right to vote in person or by proxy. Such vote may be given by viva voce or by ballot; provided, however, that all elections for members of the BOARD must be by secret written ballot. At all elections of members of the BOARD at which two or more members of the BOARD are intended to be elected each OWNER shall be entitled to as many votes as shall equal the number of UNITS owned by such OWNER multiplied by the number of the members of the BOARD to be elected, and he may cast all of such votes for a single nominee or may distribute them, as he may see fit. The Candidates

receiving the highest number of votes shall be elected. Notwithstanding the foregoing, so long as the DECLARANT shall have Class B voting rights under Section 5.05(a) of Article V of the DECLARATION and as provided in the ARTICLES the DECLARANT shall have a right to cast three (3) votes for each UNIT owned by it and with respect to the election of members of the BOARD, to cast three (3) votes for such UNIT multiplied by the number of members of the BOARD to be elected. The Candidates receiving the highest number of votes shall be elected.

(b) Whenever the ownership of a UNIT is vested in more than one PERSON the OWNERS thereof shall, collectively, have one (1) vote and the following rules shall be applicable:

(i) The OWNERS thereof shall, among themselves, decide who shall cast the collective vote, and the PERSON casting the ballot shall certify that he or she has the consent of all of the OWNERS of each UNIT.

(ii) If all of the OWNERS of said UNIT are unable to agree whom amongst them shall cast the vote, the vote of such OWNERS on the issue to be determined shall be deemed forfeited.

(iii) Neither the BOARD, nor any other OWNER, shall be obligated to inquire as to consent or determination of such OWNERS amongst themselves or to poll such OWNERS and the casting of a vote by one of such OWNERS shall be conclusive as to the determination of all.

Section 8. QUORUM. The presence in person or by proxy of the OWNERS of not less than Fifty Percentum (50%) of the UNITS shall constitute a quorum for the transaction of business. The OWNERS present at a duly called or held Meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough OWNERS to leave less than a quorum. When a quorum is present at any Meeting, a majority in interest of the UNITS represented thereat shall decide any question brought before such meeting, or if under the ARTICLES or DECLARATION or these BY-LAWS a larger and different vote is required, then in such case such express provision shall govern and control the determination of such question.

Section 9. ACTION WITHOUT MEETING. Any action which may be taken by the vote of the MEMBERS at a regular or special meeting, except the election of governing body MEMBER(S) where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporations Code of the State of California.

Section 10. PROXIES OR WRITTEN BALLOTS. Any form of proxy or written ballot distributed by any person to the MEMBERSHIP of the ASSOCIATION shall afford the opportunity to specify a choice

between approval and disapproval of each matter or groups of matter to be acted upon, except it shall not be mandatory that a candidate for election to the governing body be named in the proxy or written ballot. The proxy or written ballot shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

ARTICLE V - BOARD OF DIRECTORS

Section 1. POWERS. The BOARD OF DIRECTORS shall have the powers vested in it under the ARTICLES and the DECLARATION, including the power:

First : To select all other officers, agents and employees of the ASSOCIATION, prescribe such powers and duties for them as may not be inconsistent with law, the ARTICLES, DECLARATION or BY-LAWS, fix their compensation (if any) and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the ASSOCIATION, and to make such RULES AND REGULATIONS therefore not inconsistent with the law, the ARTICLES, DECLARATION or BY-LAWS, as they may deem necessary and appropriate in the best interests of the ASSOCIATION.

Third : To change the Principal Office for the transaction of the business of the ASSOCIATION from one location to another within the same area as provided in Article IV, Section 1., hereof; to fix and locate from time to time, one or branch or subsidiary offices of the ASSOCIATION within or without the area as provided in Article III, Section 2., hereof; to designate the place within the geographical area of said City for the holding of any OWNER'S Meetings except Annual Meetings.

Fourth: To appoint committees to assist and advise the BOARD.

Fifth : To sue, in the name of the ASSOCIATION, others and to sue any OWNER to collect any delinquency and any assessment lawfully imposed upon any OWNER and to restrain or enforce any breach of or any of the provisions of the DECLARATION or these BY-LAWS.

Section 2. NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of DIRECTORS of the ASSOCIATION shall be five (5) until changed by amendment of the ARTICLES and DECLARATION by or an amendment to this Section 2. of this Article V of these BY-LAWS duly adopted by the vote or written assents of the OWNERS having a majority of the voting rights of each class of members of the ASSOCIATION. At least two (2) of the DIRECTORS shall be MEMBERS

(OWNERS), provided that authorized representatives of the DECLARANT or of a MEMBER (OWNER) which is not a natural person may be elected to and may serve as a member of the BOARD.

Section 3. ELECTION; TERM OF OFFICE; REMOVAL OF DIRECTOR.

(a) Except for the first elected members of the BOARD who shall be elected at the first or organization Meeting of the OWNERS and who shall serve thereafter until their respective successors are elected, the members of the BOARD shall be elected at each Annual Meeting of the OWNERS.

(b) If any such Annual Meeting is not held, or all of the members of the BOARD are not elected thereat, they may be elected at any Special Meeting of the OWNERS held thereafter for that purpose.

(c) All members of the BOARD shall hold office until their respective successors are elected or until their death, resignation or removal.

(d) At least one (1) member of the BOARD shall be elected solely upon votes cast by the OWNERS other than the DECLARANT notwithstanding that the OWNERS other than the DECLARANT would otherwise have an insufficient number of votes to elect any member of the BOARD.

(e) Any member of the BOARD may be removed by the affirmative vote of a majority of the OWNERS, cast at a regular Meeting of the OWNERS or at a Special Meeting of the OWNERS (called for such purpose) at which at least a majority of the OWNERS are present in person or by proxy, provided that:

(i) Unless the entire BOARD is removed from office at any such meeting, no individual member of the BOARD shall be removed prior to the expiration of his or her term of office if the number of votes cast against his or her removal would be sufficient to elect such member of the BOARD at an election at which the same total number of votes were cast and the entire number of members of the BOARD authorized at the time of the most recent election of the member of the BOARD were then being elected, and

(ii) A DIRECTOR who has been elected to the BOARD solely by the votes of the OWNERS other than the DECLARANT may be removed from office prior to the expiration of his or her term of office only by the vote of a majority of the OWNERS other than the DECLARANT.

Section 4. VACANCIES.

(a) Vacancies (other than those created by removal of a member of the BOARD) may be filled by a majority of the remaining

members of the BOARD, though less than a quorum, and each DIRECTOR so elected shall hold office until his or her successor is elected at an Annual or Special Meeting of the OWNERS.

(b) A vacancy or vacancies of the BOARD shall be deemed to exist in case of the death or resignation of any member(s) thereof, or if the authorized number thereof be increased, or if the OWNERS fail at any Annual or Special Meeting of OWNERS at which any member or members of the BOARD are elected, to elect the full authorized number to be voted for at the Meeting. A member of the BOARD whose ownership in a UNIT shall terminate shall be deemed to have resigned as such at the time of such termination.

(c) The OWNERS may elect a member to the BOARD at any time to fill any vacancy or vacancies not filled by the other members of the BOARD; and only the OWNERS shall, in any event, have the right to fill a vacancy created by a removal. If the BOARD shall accept the resignation of one of its members tendered to take effect at a future time, the BOARD or the OWNERS shall have power to elect a successor to take office when the resignation is to become effective.

(d) No reduction of the authorized number of members of the BOARD shall have the effect of removing any member thereof prior to the expiration of his or her term of office.

Section 5. PLACE OF MEETING. All Meetings of the BOARD shall be held at any place within the PROJECT which has been designated from time to time by resolution of the BOARD or by written consent of all members of the BOARD and all Meetings of the BOARD shall be open to attendance by all of the OWNERS, and written notice of all Meetings of the BOARD shall be given to the members of the BOARD and shall be posted at one or more prominent places within the COMMON AREAS, not less than ninety-six (96) hours prior to the date and time scheduled therefore.

Section 6. ORGANIZATION (ANNUAL) MEETING. Immediately following the first organization Meeting of the OWNERS and each Annual Meeting of OWNERS, the BOARD shall hold its Annual Meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such Meetings shall be given orally at the first organization Meeting of the OWNERS and at each Annual Meeting of the OWNERS, as the case may be.

Section 7. OTHER REGULAR MEETINGS. Other regular Meetings of the BOARD shall be held monthly without call on the first (1st) Tuesday of each month at 7:00 p.m.; provided, however, that should said day fall upon a legal holiday, then said Meeting shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular Meetings of the BOARD shall not be required except as provided in Section 5 above.

Section 8. SPECIAL MEETINGS.

(a) Special Meetings of the BOARD for any purpose or purposes may be called at any time by the chairman (or president), or, if he is absent or unable or refuses to act, or, in any case, by any two (2) members of the BOARD other than the chairman (or president).

(b) Written notice of the time, place and purpose and nature of the matters to be considered thereat of all Special Meetings shall be delivered personally to the members of the BOARD or sent to each of them by mail or other form of written communication, charges prepaid, addressed to him or her at his or her address as it is shown upon the records of the ASSOCIATION, or if it is not shown on such records or is not readily ascertainable, at the place in which the Meetings of the BOARD are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the U.S. Mail or delivered to the telegraph company in the place in which the principal office of the ASSOCIATION is located at least seventy-two (72) hours prior to the time of the holding of the Meeting. Such mailing, telegraphing or delivery as above provided, shall be deemed due, timely, legal and personal notice to such member of the BOARD.

Section 9. NOTICE OF ADJOURNMENT. Written notice of the time and place of holding an adjourned Meeting shall have been given to absent members of the BOARD.

Section 10. ENTRY OF NOTICE. Whenever any member thereof has been absent from any Special Meeting of the BOARD, an entry in the Minutes to effect that notice has been duly given shall be sufficient evidence that due notice of such Special Meeting was given to such member, as required by law and the BY-LAWS of the ASSOCIATION.

Section 11. QUORUM. A majority of the authorized number of members of the BOARD shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided or to appoint a new DIRECTOR as hereinbefore provided. Every act or decision done or made by a majority of the members of the BOARD present, shall be regarded as the act of the BOARD, unless a greater number be required by law.

Section 12. ADJOURNMENT. A quorum of the BOARD may adjourn any Meeting of the BOARD to a stated time, place and hour, provided, however, that, in the absence of a quorum, the members of the BOARD present at any BOARD Meeting, either regular or Special, may adjourn from time to time, until the time fixed for the next regular Meeting of the BOARD.

Section 13. EXECUTIVE SESSIONS. The BOARD may, with the approval of a majority of a quorum of its members, adjourn and

reconvene in executive session to discuss and vote upon personnel matters, litigation in which the ASSOCIATION is or may become involved and the business of a similar nature, provided that the nature of any and all business to be and in fact considered in executive session shall first be announced in open session prior to such adjournment.

Section 14. ACTION WITHOUT MEETING. The BOARD may take action without a meeting if all of the members of the BOARD consent in writing to the action to be taken. If the BOARD resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place of places in the COMMON AREA within three days after the written consents of all members of the BOARD have been obtained. If the COMMON AREA consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the BOARD shall communicate said explanation by any means it deems appropriate.

Section 15. FEES AND COMPENSATION. Members of the BOARD shall not receive any salary for their services as such, but, by resolution of the BOARD, the actual expenses incurred, if reasonable, by any of its members in connection with the business or affairs of the ASSOCIATION may be reimbursed to such member.

Section 16. RIGHT TO INSPECT, ETC. Every member of the BOARD shall have the absolute right at any reasonable time to inspect all books, records and documents of the ASSOCIATION and the physical property owned and controlled by the ASSOCIATION and the right of inspection includes the right to make extracts and copies of documents.

Section 16. RIGHT OF OWNERS TO ATTEND BOARD MEETINGS. Every OWNER shall have a right to attend any Meeting of this BOARD, provided that no OWNER not a member of the BOARD shall have a right to participate in any discussion or deliberation of the BOARD thereat unless expressly so authorized by the vote of a majority of a quorum of the BOARD.

ARTICLE VI - OFFICERS

Section 1. OFFICERS. The officers of the ASSOCIATION shall be:

1. President.
2. Vice President.
3. Secretary.
4. Treasurer.
5. Assistant Secretary.

The ASSOCIATION may also have, at the discretion of the BOARD, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of

Section 3. of this Article. Officers shall be chosen from the members of the BOARD only. One person may hold two or more offices, except those of President and Secretary.

Section 2. ELECTIONS. The officers of the ASSOCIATION, except such officers as may be appointed in accordance with the provisions of Section 3. or 5. of this Article, shall be chosen at the first or organization Meeting of the BOARD, and thereafter, at the Annual Meeting of the BOARD.

Section 3. SUBORDINATE OFFICERS, ETC. The BOARD may appoint such other officers as the business of the ASSOCIATION may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the BY-LAWS or as the BOARD may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.

(a) Any officer, in office at the time, may be removed, either with or without cause, by the vote of the OWNERS of a majority of all the UNITS at a regular or Special Meeting of the OWNERS.

(b) Any officer may resign at any time by giving written notice to the BOARD, or to the Secretary of the ASSOCIATION. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, ~~disqualification~~ or any other cause, shall be filled in the manner prescribed in these BY-LAWS for regular appointments to such office.

Section 6. PRESIDENT. The President shall be the chief executive officer of the ASSOCIATION and shall, subject to the control of the BOARD, have general and specific supervision, direction and control of the business and affairs of the ASSOCIATION. He shall preside at all Meetings of the OWNERS and at all Meetings of the BOARD. He shall be ex-officio a member of all of the standing committees, including the executive committee, if any, and have the general powers and duties of management usually vested in the office of the Chairman of the corporation and shall have such other powers and duties as may be prescribed by the BOARD or these BY-LAWS.

Section 7. VICE PRESIDENT. In the absence or disability of the President, the Vice President, in order of their rank as fixed by the BOARD, or if not ranked, the Vice President designated by the BOARD, shall perform all of the duties of, and be subject to all the restrictions upon the President. The Vice President shall

have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the BOARD or these BY-LAWS.

Section 8. SECRETARY.

(a) The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the BOARD may order, of all Meetings of the BOARD and OWNERS, with the time and place of holding, whether regular or Special, and if Special, how authorized, the notice thereof given, the names of those members of the BOARD and OWNERS present, the names of those present at the BOARD meeting, the number of UNIT votes present or represented at OWNERS' Meetings, and the proceedings thereof.

(b) The Secretary shall keep, or cause to be kept, at the principal office or at a branch or subordinate office of the ASSOCIATION, an OWNERS' register, showing the names of the OWNERS and their addresses.

(c) The Secretary shall give or cause to be given, notice of all Meetings of OWNERS and the BOARD, as required by these BY-LAWS or by law to be given, and shall have such other powers and perform such other duties as may be prescribed by the BOARD or these BY-LAWS.

Section 9. TREASURER.

(a) The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the ASSOCIATION, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. Any surplus shall be classified according to source and shown in a separate account. The books of the account shall at all times be open for inspection by any member of the BOARD.

(b) The Treasurer (or any agent designated by the BOARD) shall deposit all monies and other valuables in the name and to the credit of the ASSOCIATION with such depositories as may be designated by the BOARD. The Treasurer (or such designated agent) shall disburse the funds of the ASSOCIATION as may be ordered by the BOARD and shall render to the Chairman and other members, when they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the ASSOCIATION, and shall have such other powers and perform such other duties as may be prescribed by the BOARD or these BY-LAWS. The faithful performance by the Treasurer of his or her duties as such shall be secured by an adequate and satisfactory bond approved by the BOARD.

Section 10. FEES AND COMPENSATION. No officer of the ASSOCIATION shall receive any salary or other compensation for

serving as such officer, but, by resolution of the BOARD, the actual expenses incurred by an officer in connection with the business or affairs of the ASSOCIATION may be reimbursed to such officer.

ARTICLE VII - MISCELLANEOUS

Section 1. FISCAL YEAR. The fiscal year of the ASSOCIATION shall be January 1 to December 31, inclusive.

Section 2. RECORD DATE. Only persons who are the OWNER of record as of the date and time of any Meeting of the OWNERS shall be entitled to vote at a Meeting of the OWNERS; and no notice of a Meeting of the OWNERS shall be deemed invalid on account of a change in the record OWNER between the time notice of any Meeting of the OWNERS is duly given and such Meeting.

Section 3. INSPECTION OF ASSOCIATION RECORDS. A list of the names and addresses and telephone numbers of the OWNERS, the books of account, and committees of the BOARD shall be open to inspection upon the written demand of any member of the BOARD or any OWNER, at any reasonable time, and for such a purpose reasonably related to his interest as a member of the BOARD or as an OWNER. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts or reproductions. Demand for inspection other than at a BOARD Meeting or at an OWNERS' Meeting shall be made in writing upon the Chairman, Secretary or Assistant Secretary of the ASSOCIATION. The BOARD shall establish reasonable rules with respect to:

- (a) the content of such notice and the manner of service thereat;
- (b) the hours and days of the week when such inspection may be made;
- (c) payment of the cost of reproducing any item requested.

Section 4. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the ASSOCIATION, shall be signed and endorsed by such person or persons and in such manner as, from time to time shall be determined by resolution of the BOARD, but, by at least two (2) persons.

Section 5. BUDGETS, FINANCIAL STATEMENTS, ETC.
(REGULATIONS OF THE DRE SECTION 2792.22)

(a) The BOARD shall cause to be prepared and distributed to each OWNER financial statements and related information as to the business and affairs of the ASSOCIATION, as follows:

1. A pro forma operating budget for the immediately ensuing fiscal year consisting of at least the following information shall be distributed no less than 45 days and not more than 60 days prior to the beginning of the fiscal year.

(a) Estimated revenue and expenses on an accrual basis;

(b) A summary of the ASSOCIATION'S reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the Civil Code of the State of California which shall be printed in bold type and include all of the following:

(1) The current estimated replacement cost, estimated remaining life and estimated useful life of each major component.

(2) As of the end of the fiscal year for which the study is prepared:

(A) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain major components.

(B) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.

(3) The percentage of accumulated cash reserves actually set aside is of the current cash reserves necessary.

(c) A statement as to whether the BOARD has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor.

(d) A general statement setting forth the procedures used by the BOARD in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common areas and facilities for which the ASSOCIATION is responsible.

2. A balance sheet - as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision - and an operating statement for the period from the date of the first closing to the said accounting date shall be distributed within 60 days after the accounting date. This operating statements shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

3. A report consisting of the following shall be distributed within 120 days after the close of the fiscal year.

- (A) A balance sheet at the end of the fiscal year;
- (B) An operating (income) statements for the fiscal year;
- (C) A statement of changes in financial position for the fiscal year;
- (D) For the fiscal year in which the gross income to the ASSOCIATION exceeds \$75,000.00, a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by the licensee of the California State Board of Accountancy.

(b) If the report referred to in (A)(3) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the ASSOCIATION that the statement was prepared from the books and records of the ASSOCIATION without independent audit or review.

(c) In lieu of the distribution of the pro forma operating budget required by subdivision (a) the BOARD may elect to distribute a summary of the items described in Section (a)(1)(A), (B), (C) and (D) to all members of the ASSOCIATION with a written notice that the budget is available at the business office of the ASSOCIATION or at another suitable location within the boundaries of the PROJECT and that copies will be provided upon requests and at the expense of the ASSOCIATION. If any MEMBER requests copies of the pro forma operating budget including the items described in Section (a)(1)(A), (B), (C) and (D) to be mailed to the MEMBER, the ASSOCIATION shall provide such copies to the MEMBER by first-class United States mail at the expense of the ASSOCIATION and mailed within 5 days. The written notice that is distributed to each of the ASSOCIATION MEMBERS shall be in at least 10 point bold type on the front page of the summary of the statements.

(d) In addition to financial statements, the BOARD shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement of the ASSOCIATION'S policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against MEMBER'S subdivision interests.

(e) The BOARD shall do the following not less frequently than quarterly:

(1) Cause a current reconciliation of the ASSOCIATION'S operating accounts to be made and review the same.

(2) Cause a current reconciliation of the

ASSOCIATION'S reserve accounts to be made and review the same.

(3) Review the year's actual reserve revenues and expenses compared to the current year's budget.

(4) Review the most current account statements prepared by the financial institution where the ASSOCIATION has its operating and reserve accounts.

(5) Review an income and expense statement for the ASSOCIATION'S operating and reserve statements.

(f) Withdrawal of funds from the ASSOCIATION'S reserve account shall require the signatures of either:

(1) Two members of the BOARD or;

(2) One member of the BOARD and an officer of the ASSOCIATION who is not also a member of the BOARD.

Section 6. CONTRACTS, ETC.: HOW EXECUTED. The BOARD, except as these BY-LAWS otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the ASSOCIATION and such authority may be general or confined to specific instances; and unless so authorized by the BOARD, no officer, agent or employee shall have any power or authority to bind the ASSOCIATION by any contract or agreement or to pledge its credit to render it liable for any purpose or to any amount.

Section 7. INSPECTION OF BY-LAWS. The ASSOCIATION shall keep in its Principal Office for the transaction of business, the original or a copy of these BY-LAWS as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the OWNERS at all reasonable times during business hours.

Section 8. BONDS. All persons, whether members of the BOARD, officers or otherwise, with authority to sign checks, drafts or other orders for payment of money or notes or contracts or to otherwise obligate the ASSOCIATION shall (at the expense of the ASSOCIATION in the case of members of the BOARD and its officers) furnish an adequate and sufficient bond to insure the faithful and honest performance by them of their duties in connection therewith.

Section 9. ROBERTS RULE OF ORDER. Except as may be provided in these BY-LAWS all Meetings of the OWNERS and the BOARD shall be conducted in accordance with Roberts Rules of Order.

ARTICLE VIII - AMENDMENTS

Section 1. POWER OF OWNERS. These BY-LAWS may be amended or repealed by the vote of:

(a) At least a bare majority of a quorum, but less than a bare majority of the voting power of the ASSOCIATION, and

(b) At least a bare majority of the votes of the OWNER(S) other than the DECLARANT.

(c) So long as there is a Class B membership, any Amendment to these BY-LAWS shall require the prior approval of the Veterans Administration. A draft of the Amendment should be submitted to the Veterans Administration for its approval prior to its approval by the membership of the ASSOCIATION.

ARTICLE IX - SUSPENSION OF VOTING RIGHTS AND
RIGHT OF OWNER TO USE RECREATIONAL
FACILITIES/MONETARY PENALTIES

If any OWNER (or the occupant of a unit owned by such an OWNER, or the invitees or guests of such OWNER) shall violate any of the provisions of the DECLARATION or of the BY-LAWS or ARTICLES or the RULES AND REGULATIONS then, as to each such violation, in addition to such other remedies as are afforded elsewhere in the DECLARATION or the BY-LAWS, the rights and privileges of such OWNER as a MEMBER, including but not limited to the right to vote under the DECLARATION, may be suspended (for a period not to exceed thirty (30) days) until such violation has ceased, been cured, corrected or otherwise terminated; and the BOARD may levy a monetary penalty against such OWNER for any single violation, in such amount as the BOARD shall deem reasonable (taking into account the nature and extent of such violation, the duration thereof and prior, similar violations), provided:

(a) That the BOARD shall cause written notice of such violation to be served upon such OWNER, stating specifically and in detail the amount and dates of arrearage or, as the case may be, the nature of the violation; and the said notice shall set forth the proposed type and duration of such suspension and/or monetary penalty, and

(b) Upon the written demand of such OWNER, served upon any member of the BOARD within fifteen (15) days from and after the date of service of such notice upon the OWNER, the BOARD shall fix a date, time and place for a hearing by the BOARD (which hearing shall be open to all MEMBERS of the ASSOCIATION) upon such notice and demand, provided that such OWNER shall be advised in writing not less than seven (7) days prior thereto as to such date, time and place, and

(c) At such hearing, the OWNER may be represented by counsel; the BOARD may hear such testimony and consider and admit

such evidence as may be sufficient and adequate to assure to the OWNER a fair and impartial hearing, and

(d) The BOARD may, but not later than twenty-four (24) hours following the conclusion of such hearing, declare such suspension, if any, and levy such monetary penalty as it shall determine, provided that no suspension shall exceed a period of thirty (30) days, and

(e) The BOARD shall adopt rules of procedure and other rules relating to the manner in which the provisions of this Section shall be administered and the manner in which hearings and appeals shall be conducted provided that all such rules shall comply with Section 7341 of the California Corporations Code, and

(f) The BOARD shall, from time to time, appoint two or more members of the BOARD to act as a committee on behalf of the BOARD and the committee shall conduct all hearings, and

(g) Any decision against an OWNER by the committee may be appealed by the OWNER to the BOARD.

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being all of the Members of the BOARD and Secretary of the ASSOCIATION known as THE SENECA GARDENS ASSOCIATION, do hereby certify that the above and foregoing BY-LAWS of said ASSOCIATION were duly adopted as the BY-LAWS thereof on the _____ day of _____, 199____, and that the same do now constitute the BY-LAWS of said ASSOCIATION.

Secretary

Member of the Board

Member of the Board

Member of the Board

Member of the Board

Member of the Board

EXHIBIT B-1

SCHEDULE OF UNDIVIDED INTERESTS TO BE
CONVEYED AND VESTED

PHASE NO. - TRACT NO. 4908

UNDIVIDED INTERESTS TO BE
CONVEYED AND VESTED WITH
EACH UNIT

| | |
|-------------------|--------|
| PHASE I - Lot 1 | 1/8th |
| PHASE II - Lot 2 | 1/12th |
| PHASE III - Lot 3 | 1/20th |
| PHASE IV - Lot 4 | 1/20th |

PHASE No.
TRACT NO. 4668

| | |
|-----------------|--------|
| PHASE V - Lot 1 | 1/57th |
|-----------------|--------|

EXHIBIT "C"

Schedule of Garage Spaces and Parking Stalls (Exclusive Use
Common Areas) Appurtenant To Respective Unit (1)

| <u>RESIDENTIAL BUILDING (a)</u> | <u>UNIT NO (a-1)</u> | <u>GARAGE BUILDING (b)</u> | <u>GARAGE SPACE NO. (b)</u> | <u>PARKING AREA (b)</u> | <u>PARKING STALL NO. (b)</u> |
|-------------------------------------|----------------------|------------------------------------|-------------------------------------|-----------------------------|--------------------------------------|
| A | 1 | E | G-1 | PK A-2 | 8PK |
| A | 2 | E | G-2 | PK A-2 | 7PK |
| A | 3 | E | G-4 | PK A-2 | 6PK |
| A | 4 | F | G-8 | PK A-2 | 5PK |
| A | 5 | F | G-7 | PK A-2 | 4PK |
| A | 6 | F | G-6 | PK A-1 | 3PK |
| A | 7 | F | G-5 | PK A-1 | 2PK |
| A | 8 | F | G-4 | PK A-1 | 1PK |
| B | 9 | G | G-10 | PK B-1 | 9PK |
| B | 10 | G | G-9 | PK B-1 | 10PK |
| B | 11 | G | G-12 | PK B-1 | 11PK |
| B | 12 | G | G-11 | PK B-1 | 12PK |
| B | 13 | H | G-16 | PK B-1 | 13PK |
| B | 14 | H | G-17 | PK B-1 | 14PK |
| B | 15 | H | G-15 | PK B-2 | 15PK |
| B | 16 | H | G-14 | PK B-2 | 16PK |
| B | 17 | H | G-13 | PK B-2 | 17PK |
| B | 18 | I | G-20 | PK B-2 | 18PK |
| B | 19 | I | G-18 | PK B-2 | 19PK |
| B | 20 | I | G-19 | PK B-2 | 20PK |
| C | 21 | J | G-22 | PK C-1 | 22PK |
| C | 22 | J | G-23 | PK C-1 | 21PK |
| C | 23 | J | G-21 | PK C-1 | 23PK |
| C | 24 | K | G-26 | PK C-1 | 24PK |
| C | 25 | K | G-25 | PK C-1 | 25PK |
| C | 26 | K | G-24 | PK C-1 | 26PK |
| C | 27 | L | G-30 | PK C-1 | 27PK |
| C | 28 | L | G-31 | PK C-1 | 28PK |
| C | 29 | L | G-28 | PK C-1 | 29PK |
| C | 30 | L | G-29 | PK C-2 | 30PK |
| C | 31 | L | G-27 | PK C-2 | 31PK |
| C | 32 | M | G-40 | PK C-2 | 32PK |
| C | 33 | M | G-39 | PK C-2 | 33PK |
| C | 34 | M | G-38 | PK C-2 | 34PK |
| C | 35 | M | G-37 | PK C-2 | 35PK |
| C | 36 | M | G-36 | PK C-2 | 36PK |
| C | 37 | M | G-35 | PK C-3 | 37PK |
| C | 38 | M | G-34 | PK C-3 | 38PK |
| C | 39 | M | G-32 | PK C-3 | 39PK |
| C | 40 | M | G-33 | PK C-3 | 40PK |

- (a) As shown on the Condominium Plan (Pages 7 and 8)
(a-1) As shown on the Condominium Plan (Pages 9-16)
(b) As shown on the Condominium Plan (Pages 17, 18 and 19)
(1) Assumes that PHASE II, III, and IV have been annexed

Exhibit C

| <u>RESIDENTIAL</u> <u>BUILDING (a)</u> | <u>UNIT NO (a)</u> | <u>GARAGE</u> <u>BUILDING</u> | <u>GARAGE</u> <u>SPACE NO.</u> <u>(b)</u> | <u>PARKING</u> <u>AREA (b)</u> | <u>PARKING</u> <u>STALL</u> <u>NO. (b)</u> |
|---|--------------------|----------------------------------|---|-----------------------------------|--|
| D | 41 | N | G-47 | PK D-1 | 55PK |
| D | 42 | N | G-48 | PK D-1 | 56PK |
| D | 43 | N | G-46 | PK D-1 | 57PK |
| D | 44 | N | G-45 | PK D-1 | 58PK |
| D | 45 | N | G-44 | PK D-1 | 59PK |
| D | 46 | N | G-43 | PK D-1 | 60PK |
| D | 47 | N | G-42 | PK D-1 | 41PK |
| D | 48 | N | G-41 | PK D-1 | 42PK |
| D | 49 | O | G-59 | PK D-1 | 43PK |
| D | 50 | O | G-60 | PK D-1 | 44PK |
| D | 51 | O | G-58 | PK D-1 | 45PK |
| D | 52 | O | G-57 | PK D-1 | 46PK |
| D | 53 | O | G-56 | PK D-1 | 47PK |
| D | 54 | O | G-55 | PK D-2 | 48PK |
| D | 55 | O | G-54 | PK D-2 | 49PK |
| D | 56 | O | G-53 | PK D-2 | 54PK |
| D | 57 | O | G-52 | PK D-2 | 53PK |
| D | 58 | O | G-51 | PK D-2 | 52PK |
| D | 59 | O | G-50 | PK D-2 | 51PK |
| D | 60 | O | G-49 | PK D-2 | 50PK |

ORDINANCE NO. 93-28

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN
BUENAVENTURA APPROVING FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT DA-17 BETWEEN THE CITY
OF SAN BUENAVENTURA AND SENECA GARDENS LIMITED

The City Council of the City of San Buenaventura does ordain
as follows:

SECTION 1: A development agreement amendment request has been initiated by the City for the purpose of allowing the financing, and constructing of 100% affordable residential units and related public facilities, as well as other facilities, equipment and programs beneficial to the City all as previously approved by Development Agreement DA-17. All properties affected by the proposed First Amendment to Development Agreement are described in Development Agreement No. DA-17 which is on file with the City Clerk and the First Amendment to Development Agreement DA-17 is attached hereto as Exhibit "A" and incorporated herein by this reference. All public hearing requirements have been completed and the matter has been fully considered by the City Council.

SECTION 2: All proceedings having been duly completed as required by law, including public testimony and consideration of the Planning Commission approval recommendation, the City Council finds the Ordinance Code requirements for approval of the First Amendment to Development Agreement DA-17 have been satisfied by reason of the following findings:

1. The proposed First Amendment to Development Agreement DA-17 (hereinafter "First Amendment") will be advantageous to the City in the manner described in this Ordinance and Development Agreement DA-17. The First Amendment is fair, just and reasonable; and the First Amendment will assure that the City is best served by providing affordable residential units and by providing for construction of needed public improvements in the Avenue Planning Community; and
2. The proposed First Amendment is consistent with the City's Comprehensive Plan and with the County's Air Quality Management Plan; and
3. The proposed First Amendment is consistent with the City's Affordable Housing Program and Residential Growth Management Program. There are currently sufficient residential allocations available for the project, and allocations will be awarded notwithstanding Resolution 91-29, provided that the conditions and obligations of Development Agreement DA-17 are met.

SECTION 3: The City Council hereby approves the First Amendment to Development Agreement DA-17 between the City and

Seneca Gardens Limited. The City Manager is hereby authorized to execute the First Amendment to Development Agreement DA-17 subject to approval as to form by the City Attorney.


SECTION 4: This Ordinance shall take effect on the 31st day after final passage and adoption.

PASSED AND ADOPTED this 30th day of August, 1993.



Mayor

ATTEST:



City Clerk

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss
CITY OF SAN BUENAVENTURA)

I, BARBARA J. KAM, City Clerk of the City of San Buenaventura, California, do hereby certify that the foregoing Ordinance was passed and adopted by the City Council of the City of San Buenaventura at a regular meeting thereof, held on the 30th of August, 1993 by the following vote:

AYES: Councilmembers Buford, Bean, Tuttle,
 Tingstrom, Monahan, Collart and Carson.

NOES: None.

ABSENT: None.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Buenaventura this 31st day of August, 1993.

Barbara J. Kam
City Clerk



Deputy City Clerk

EXHIBIT 'A'

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:

CITY OF SAN BUENAVENTURA
P.O. Box 99
Ventura, California 93002
Attention: City Clerk

(Space Above This Line for Recorder's Use)

FIRST AMENDMENT TO SENECA GARDENS LIMITED DEVELOPMENT AGREEMENT

This First Amendment To Development Agreement DA-17 (hereinafter "First Amendment") is entered into by and between the CITY OF SAN BUENAVENTURA, a charter city ("City"), and SENECA GARDENS LIMITED, a California Limited Partnership ("Developer").

RECITALS

A. On July 13, 1992 City and Developer entered into Seneca Gardens Limited Development Agreement DA-17 (hereinafter "Agreement") recorded at the Ventura County Recorder's Office as Instrument No. 92-124136 and on file in the Office of the City Clerk of City.

B. Developer and City wish to amend said Agreement, as provided in this First Amendment.

NOW, THEREFORE, in consideration of the RECITALS, mutual covenants, conditions, restrictions and promises contained herein, the parties agree as follows:

1. Paragraph 5.8 of the Agreement is hereby amended by adding hereto the following unnumbered paragraph:

"Notwithstanding anything contained in this Agreement to the contrary, in the event of a conflict between any provision in this Agreement and the provisions of the "Resale Control Provisions" referred to in paragraph 5.8 of this Agreement relating to the rights and obligations of lending or financing agencies or mortgage holders, the provisions of the "Resale Control Provisions" shall control."

2. Except as amended by this First Amendment to Agreement, the Agreement, and all terms and provisions contained therein, all continue unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment To Development Agreement DA-17 on the day and year stated below as authorized by Ordinance No. 93-___ of the City Council.

Witnessed: _____

"DEVELOPER"

SENECA GARDENS LIMITED
a California Limited
Partnership

By: _____

STANLEY H. BULMER, President
Bulmer Development
Corporation, a General
Partner of Seneca Gardens
Limited

Witnessed: _____

"CITY"

CITY OF SAN BUENAVENTURA,
a Chartered City of the
State of California

By: _____

JOHN BAKER, City Manager

TEST:

City Clerk

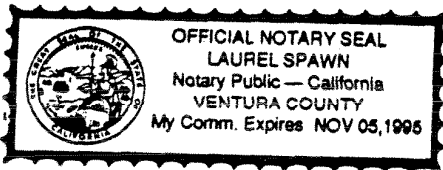
APPROVED AS TO FORM:

City Attorney

STATE OF CALIFORNIA)
)
COUNTY OF VENTURA)

On Oct 6, 1993 before me, LAUREL SPAWN
personally appeared JOHN BAKER
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.



Laurel Spawn
Signature of Notary

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____
personally appeared _____
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.

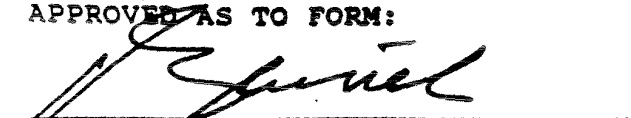
Signature of Notary

[AMNDKNM.RDC]
4/29/93

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney