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BOOK 4547 PAGE 631

HERBERT J. STRICKSTEIN
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FEB 27 1976

Robert H. Morrison RECORDER

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DECLARATION OF ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS

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Ventura County, California

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WHEN RECORDED MAIL TO:

HERBERT J. STRICKSTEIN
LAW CORPORATION
9454 Wilshire Boulevard
Penthouse Suite
Beverly Hills, California 90212

DECLARATION OF ESTABLISHMENT OF
COVENANTS, CONDITIONS AND RESTRICTIONS

SURFSIDE III CONDOMINIUMS

Phase I, Lots 1 to 6 Inclusive of Tract 2459-1
City of Port Hueneme
Ventura County, California

THIS DECLARATION is made this 22ND day of DECEMBER, 1975,
by HOWARD T. LANE COMPANY, a California corporation, hereinafter
referred to as "Declarant," with reference to the following facts:

A. On or about the day of recordation of this Declaration, in
the Office of the County Recorder of Ventura County, Declarant
owns that certain real property (hereinafter referred to as the
"Property") commonly known as Surfside III Condominiums, located
in the City of Port Hueneme, County of Ventura, State of Calif-
ornia, planned to be improved with a total of 103 units in Phase
I, hereinafter referred to as the "Improvements," and with the
Property, the Improvements and all appurtenances and facilities
thereon, hereinafter being collectively referred to as the
"Existing Property," all of which is hereinafter more particularly
described as follows:

All those portions of Lots 1 to 6 inclusive of
Tract 2459-1, in the City of Port Hueneme,
County of Ventura, State of California, as per
Map recorded in Book 16, Pages 95 to 97,
in the Office of the County Recorder of Ventura
County (the "Existing Property.")

B. It is the desire and intention of Declarant to sell and
convey interests in said real property to various individuals and

subject to certain basic protective restrictions, limitations, easements, covenants, reservations, liens and charges between it and the acquirers or users of said property, as hereinafter set forth.

C. Declarant will or has caused an Association, the members of which shall be the respective owners of condominiums in the existing property, and of the condominiums in the properties to be annexed pursuant to this Declaration, to be incorporated under the laws of the State of California as a non-profit corporation for the purpose of exercising the functions hereinbefore and hereinafter designated.

NOW, THEREFORE, pursuant to the provisions of Chapter 1 of Title 6, Part IV of Division 2. of the California Civil Code, and Section 1468 of the California Civil Code, Declarant hereby declares that the property, improvements, appurtenances and facilities herein and as shown on the Condominium Plan to be recorded in connection with this project, and such additions thereto as may hereafter be made pursuant to Article XVII, Annexation of Additional Properties, shall be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied and improved only and subject to the following uniform covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes, all of which are hereby declared, established, expressed and agreed: (1) to be in furtherance of a plan for the subdivision and sale of individual condominiums in a condominium project, as defined in Section 1350 of the California Civil Code; (2) to be

for the benefit and protection of the project, its desirability, value and attractiveness; (3) to be for the benefit of the owners of the condominiums in the project; (4) to run with the land and be binding upon all parties having or acquiring any right, title or interest in the project or any part thereof; (5) to inure to the benefit of every portion of the project and any interest therein; and (6) to inure to the benefit of and be binding upon each successor and assignee in interest of each owner and of Declarant.

Any conveyance, transfer, sale, assignment, lease or sublease made by Declarant or by the Association (as hereinafter defined) of a condominium in the project shall and hereby is deemed to incorporate by reference, the provisions of this Declaration, including but not limited to, covenants, conditions, restrictions, limitations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes contained herein. The provisions of this Declaration shall be enforceable by Declarant, any owner or its or his successor in interest, and shall also be enforceable by the Association, its Board of Directors, or any person, firm, corporation or other association, duly authorized by the Association or its Board of Directors, to enforce all or any one or more of the provisions hereof.

ARTICLE I

DEFINITION OF TERMS

Whenever used in this Declaration, the following terms shall mean:

1. Declarant, shall mean and refer to HOWARD T. LANE COMPANY, a California corporation, its successors and assigns, if such

successors and assigns should acquire all or any portion of the property for the purpose of sale, and are designated by Howard T. Lane Company as Declarant, by a duly recorded instrument, executed by Howard T. Lane Company.

2. Declaration, shall mean this Declaration, as the same may be amended, augmented, modified or changed from time to time.

3. Unit, shall mean the elements of a condominium which are not owned in common with owners of other condominiums in the project. The boundaries of units are as shown and defined on the Condominium Plan for Phase I, Lots 1 to 6 inclusive of Tract 2459-1, a copy of said Condominium Plan being attached hereto as Exhibit "A," and made a part hereof.

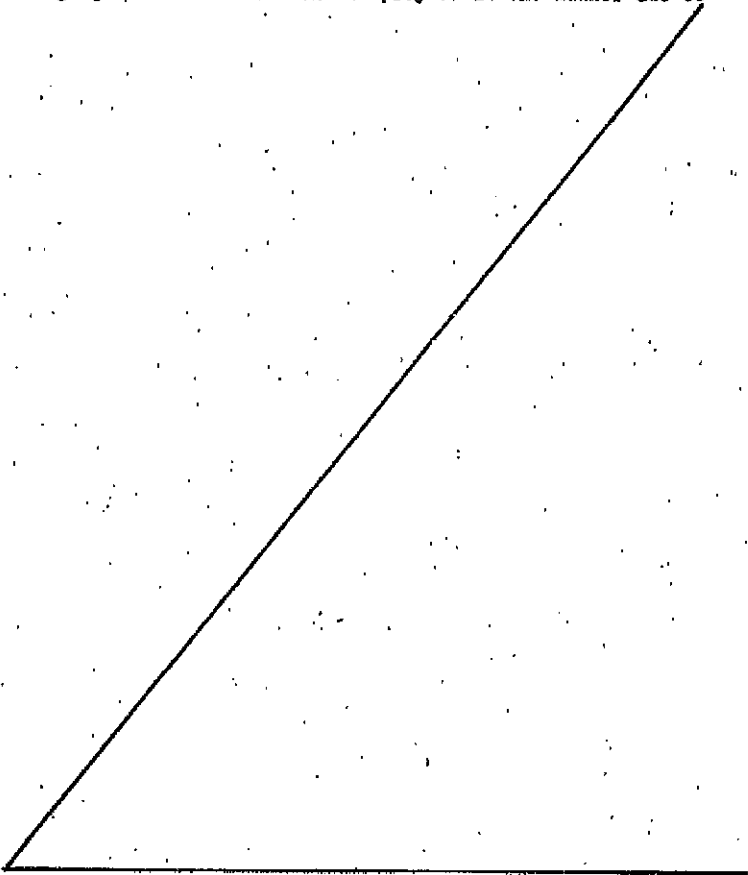
4. Common Area, shall mean the entire project, excepting all units therein granted or reserved, subject to all easements and rights of use described herein and in the document of conveyance through which each owner acquires his condominium. There shall be reserved to all members of the Association in said existing property and all additions that may hereafter be brought within the jurisdiction of the Association pursuant to Article XVII hereof, a non-exclusive easement for use and enjoyment and ingress and egress over, and to the open common area of said existing property, and the open common area of all additions that may hereafter be brought within the jurisdiction of the Association pursuant to Article XVII hereof. With the exception of paragraph 6. of this Article I, whenever and wherever the phrase "Common Area," or "common area" is used herein, the phrase shall also include the "Association Owned Area," as hereinafter defined in paragraph 5. of this Article I.

5. Association Owned Area. It is contemplated that the Association will be deeded by Declarant, Lot 4 (recreational building) of Tract 2459-1, which Lot shall be conveyed by grant deed to the Association free and clear of all money encumbrances prior to the close of the first sales escrow of a unit located within Phase I of said Tract 2459-1; when Phase II, Tract 2459-2 is annexed to the project, it is contemplated that the Association will be deeded by Declarant, Lot 18 (open space Recreation Area "B") of Tract 2459-2, which likewise shall be conveyed by grant deed to the Association free and clear of all money encumbrances prior to the close of the first sales escrow of a unit in Phase II, Tract 2459-2. The Association shall also own the covered bridge(s) over the Hueneme Drain, which bridge(s) shall be constructed over an easement granted from the Ventura County Flood Control District. It shall be the responsibility of the Association to maintain and repair said bridge(s) and further, appropriate liability insurance shall be obtained by the Board insuring not only the Association and the members thereof, but also the Ventura County Flood Control District.

6. Condominium. As defined in Section 783 of the Civil Code, consisting of an individual interest in common in a portion of a parcel of real property, together with a separate interest in space in a residential building on such real property; more particularly, an estate in real property consisting of an undivided fee interest as a tenant-in-common in the Common Area, together with a separate fee interest in a unit, as hereinabove defined in said property.

7. Owner, shall mean the record owner or owners, if more than one of a condominium in the project, including Declarant, so long as any condominiums remain unsold.

8. Association, shall mean an incorporated non-profit corporation, consisting of all owners of units in the project, which Association shall have the duty of maintaining, operating and managing the Common Area of the project in the manner and to



the extent provided for herein. Each owner shall become a member of Surfside III Owners' Association, Inc., contemporaneously with his acquisition of a unit without further documentation of any kind.

9. Organizational Meeting, shall mean the first meeting of owners referred to in Article IV hereof, wherein the owners elect a new Board of Directors to manage the affairs of the Association.

10. By-Laws, shall mean the duly adopted By-Laws of the Association.

11. Board, shall mean the Board of Directors of the Association.

12. Project, shall mean the entire parcel of real property, divided or to be divided into condominiums, including all structures and improvements thereon, hereinbefore described as the existing property and/or the existing project, and any additions that may hereafter be brought within the scheme of this Declaration and the jurisdiction of the Association pursuant to Article XVII hereof.

13. Property and Improvements, Phase I, Tract 2459-1 includes all that real property, more particularly described as Lots 1 to 6 inclusive of Tract 2459-1, as per Map recorded in the Office of the County Recorder of Ventura County, together with a total of one hundred three (103) units, Common Area and Association Owned Area.

ARTICLE II

DESCRIPTION OF LAND AND IMPROVEMENTS

Section 1. Condominium Plan(s) Best Authority. The following description is intended for information purposes only and in the event of any conflict between this description and the Condo-

minium Plan(s), said Plan(s) shall be deemed conclusively to control.

Section 2. Property Description. The property (Phase I) shall consist of Lots 1 to 6 inclusive of Tract 2459-1, of which Lot 4 (recreational building) will be conveyed by grant deed to the Association, free and clear of all money encumbrances prior to the close of the first sales escrow of a unit within Phase I of Tract 2459-1; Phase II, Tract 2459-2, to be a statutory condominium, is planned to consist of Lots 7, 8, 11, 12, 13, 14, 15, 16, 17 and Recreation Area "B." Recreation Area "B" of Tentative Tract 2459 will be conveyed to the Association by grant deed, free and clear of all money encumbrances prior to the close of the first sales escrow of a unit in Phase II, Tract 2459-2; Phase III, Tract 2459-3, to be a statutory condominium, is planned to consist of Lots 4, 5, and 6 of Tentative Tract 2459. There is presently planned 501 parking spaces for Tracts 2459-1, 2459-2 and 2459-3 combined.

Section 3. Property Boundaries. The property has within its boundaries various units and Common Areas as shown and described on the Condominium Plan(s).

Section 4. Description of Individual Condominiums. Each condominium within Phase I, Tract 2459-1, of the project which shall be offered for sale shall consist of a fee simple interest in and to a particular unit, together with an undivided 1/103rd interest in and to the Common Area of Phase I, Tract 2459-1; when Tract 2459-2, Phase II is developed, each unit within Phase II, when offered for sale, is planned to consist of a fee simple interest in and to a particular unit within Phase II, together with an undivided 1/107th interest in and to the Common Area of Phase II, Tract 2459-2; when Tract 2459-3, Phase III is developed, each unit within Phase III, when offered for sale, is planned to consist of a fee simple

interest in and to a particular unit within Phase III, together with an undivided 1/99th interest in and to the Common Area of Phase III, Tract 2459-3; all as more particularly shown with regard to Phase I, Tract 2459-1, on Exhibit "C" hereto and made a part hereof, the unit also as more particularly shown on the Condominium Plan.

Section 5. Parking. Units 754, 756, 758, 760, 762, 764 and 766 shall include within the definition of the unit, as shown on the Condominium Plan, a garage. However, with respect to each of all other units shown on the Condominium Plan, each purchaser of a condominium thereof shall be granted by Declarant in the deed to said purchaser, an exclusive easement and the exclusive right to use, without limitation as to time, one (1) parking space as shown on the Parking Assignment Plan, Exhibit "D" hereto and made a part hereof. All original parking spaces as shown on the Plan shall be used solely for the parking of passenger automobiles (as distinguished from campers, boats, trailers or other recreational type vehicles). Campers, boats, trailers and other recreational type vehicles may only be parked in the area so designated by the Declarant and/or the Board, but may not be parked in said assigned parking spaces nor in the open spaces designated for guest parking. All parking spaces shall be used only by the owners and their lessees and all such persons shall be required to have and keep in force, property damage insurance on their automobiles. Any parking space as shown on the Parking Assignment Plan remaining un-conveyed after Declarant has conveyed the last unit in Phase I, Tract 2459-1, will be conveyed to the Association with the right

of the Board on behalf of the Association to rent or convey said spaces with or without charge, as the Board may determine, but to the unit owners and their tenants only.

Section 6. Easements. Each owner shall receive as an incident of conveyance of his unit, a non-exclusive easement appurtenant to his unit, for ingress, egress and support over, across and through the Common Area and every portion of any unit within the project required for the structural support of any building within which the condominium is located.

ARTICLE III

OWNERS' ASSOCIATION

Section 1. Creation of Association. The owners of units shall constitute an owners association. Each owner of a unit, including Declarant, shall be a member of the Association.

Association membership shall be appurtenant to condominium ownership and each owner of a condominium shall automatically be a member of the Association. Ownership of a condominium within the project shall be the sole qualification for membership in the Association.

Section 2. Transfer of Membership. The Association membership of each owner (including Declarant) shall be appurtenant to the condominium giving rise to such membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon the transfer of title to said condominium and then only to the transferee of title to said condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title in a condominium shall operate automatically to transfer membership in the Association appurtenant thereto, to the new owner thereof.

Section 3. Control of Common Area and Lot 4 (Association Owned Area).

The Common Area and Lot 4, the recreation building, shall be controlled by the Board via the owners in common through their membership in the Association. The Association, through the Board, shall have the responsibility to manage and maintain or cause to be maintained all of the Common Area and Lot 4, the recreation building, in a state of high quality so as to keep the whole project in a first class condition and in a good state of repair.

ARTICLE IV

MANAGEMENT OF OWNERS' ASSOCIATION

Section 1. Creation of Board of Directors. The members

of the Association shall hold an organizational meeting of the Association within six (6) months following the recordation of a deed evidencing the initial sale by Declarant of a condominium within the project, at which time, a new Board of Directors shall be elected by a vote of members of the Association. Prior to the organizational meeting, the initial Board named by Declarant, shall manage or cause to be managed, the affairs of the Association.

Section 2. Annual Meetings. Annual meetings of owners shall be held at a time to be determined by them at the organizational meeting. At the organizational meeting, and at each annual meeting thereafter, the owners shall elect a Board of Directors consisting of five (5) members, all of whom shall be owners and which may include Declarant or its representative.

Section 3. Owner Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those owners with the exception of Declarant; Class A members shall be entitled to one vote for each unit in which they hold the interest required for membership. When more than one person holds such interest in any unit, all such persons shall be members. The one vote for such unit shall be exercised as they among themselves determine, but in no event, shall more than one vote be cast with respect to any unit.

Class B. Class B member shall be Declarant and shall be entitled to three (3) votes for each unit in which it holds the interest required for membership, provided that the Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

1. When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; however, should this occurrence take place prior to the annexation of the real property described in Exhibit "p" hereto, then upon annexation of said real property and upon commencement of monthly maintenance charges by Declarant for each unsold unit owned by it, in determining the total votes outstanding in the Class B membership, the unsold units owned by Declarant in the annexed property shall be included;

2. Two (2) years after issuance of the latest Final Subdivision Public Report;

3. On December 31, 1979.

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

Section 4. Election and Removal of Board of Directors
Cumulative Voting Features.

Every owner entitled to vote at any election of the Board, may cumulate his vote and give one candidate a number of votes equal

to the number of Directors to be elected multiplied by the number of votes to which his unit or units are entitled, or may distribute his vote on the same principle among as many candidates as he desires. The entire Board may be removed from office by the affirmative vote of fifty-one (51%) percent of the owners entitled to vote at any election of the Board. However, unless the entire Board is removed, an individual Director shall not be removed if the number of votes against the resolution for his removal, exceeds the quotient arrived at when the total number of outstanding votes is divided by one plus the authorized number of Directors. If any or all of the Directors are so removed, new Directors may be elected at the same meeting.

Section 5. Voting Proxies. Voting may be carried out either in person or by proxy.

Section 6. Quorum Requirements for Association Meetings. At all meetings of the owners, fifty (50%) percent of owners present in person or by proxy, shall constitute a quorum and a majority of owners present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with the amendment or repeal of this Declaration, as hereinafter set forth in Article XVI or in Article X.

Section 7. Written Notice of Meetings. The Board shall give written notice of the annual meeting or of any special meeting to each owner, not less than 10 days prior to the date of such meeting, by mailing a notice to the last known address of each owner. Any notice for a special meeting shall set forth the time, place and nature of business to be conducted thereat.

Section 8. Non-Liability of Directors and Officers. No Director or officer of the Association shall be liable for acts or defaults of any other officer or member, or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence.

Section 9. Indemnification for Performance of Duties. Every Director, officer and member of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including attorney fees) actually or necessarily incurred by, or imposed upon him, in connection with any claim, action, suit, proceeding, investigation or inquiry, of whatever nature, in which he may be involved as a part, or otherwise, by reason of his having been an officer or member of the Association, whether or not he continues to be such Director, officer or member of the Association at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel, selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of, all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

ARTICLE V

DUTIES AND POWERS OF OWNERS' ASSOCIATION

Section 1. Administration of Project. The owners and each of them, together with all parties bound by this Declaration, covenant and agree that the administration of the project shall be in accordance with the provisions of this Declaration, the By-Laws and such rules and regulations as may be adopted by the Board, and amendments, changes and modifications thereto, as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the By-Laws, or said rules and regulations, the provisions of this Declaration shall prevail.

Section 2. Authority of Board. Prior to the organizational meeting and thereafter, until their successors are elected, the initial Board or its duly appointed successors, shall manage the affairs of the Association. The Board as constituted, from time to time, shall at all times be responsible for the day-to-day operation and management of the affairs of the Association, and shall have the sole power and duty to perform and carry out the powers and duties of the Association, as set forth in this Declaration and the By-Laws, together with the powers and duties otherwise expressly delegated to the Board by this Declaration or the By-Laws, except for action or activity expressly set forth herein or in the By-Laws, or the California Corporations Code, as requiring the vote or assent of members of the Association, or a given percentage thereof. Without limiting the generality of the foregoing, the Board shall have the following powers and duties:

(a) To enforce the applicable provisions of the Declaration, By-Laws and other instruments for the management and control of the project. The Board shall have the right to adopt reasonable rules and to amend the same from time to time, relating to the use of the Common Area and any recreational and other facilities situated thereon, by owners and their tenants or guests, and conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities, which, if not so regulated, might detract from the appearance of the community or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide that the owner whose occupants leave property on the Common Area in violation of the rules, may be assessed to cover the expense incurred by the Directors, in removing such property and storing or disposing thereof. The Directors may provide in such rules, for reasonable rental charges to be made with respect to the use of any storage areas or facilities which may exist upon the Common Area, provided that such charge shall, in no way, impose liability upon the Directors or any of its members for damage or loss to property so stored, it being intended that the use of any such storage area or facility be solely at the risk of the person using the same. A copy of such rules and all amendments thereto, shall be mailed to each owner and a copy shall be posted in one or more places on the Common Area, where the same may be conveniently inspected.

(b) To pay taxes and assessments which are or could become a lien on the Common Area or some portion thereof.

(c) To delegate its powers to committees, officers or employees.

(d) To contract for materials and/or services for the Common Area or the Owners' Association, with the term of any service contract limited to a duration of one year, except with the approval of a majority of members of the Association, excluding the vote of Declarant.

(e) To maintain the Common Area, all improvements thereon and all utilities thereunder, except those maintained by public utility companies, in good, clean, attractive and sanitary order and repair.

(f) To operate all recreational equipment and facilities located within the Common Area.

(g) To repaint exterior surfaces of all buildings situated on the properties, as such repainting is required, in order to preserve the attractiveness of the community. Painting of exterior surfaces shall be deemed to include front doors, window trim, pot shelves, masonry, exterior walls, underneath side of roof overhang and garage doors.

(h) To maintain the portion of the project not occupied by the units in good, clean, attractive and sanitary order and repair including the waste and sewage disposal system.

(i) To maintain, repair and paint the roofs of all buildings situated on the properties.

(j) To pay premiums, taxes and other assessments against the Common Area.

(k) To meet the costs of any liability insurance and fire insurance of Common Area, fidelity bonds, Board of Director errors and omissions insurance, out-of-pocket expenses of the Board relating to the operation of the Association, legal

and accounting fees and, including without limitation, fees of any manager hereinbefore provided and a reasonable reserve for contingencies with respect to the Common Area.

(1) To contract for fire, casualty, liability, flood and other insurance on behalf of the Owners' Association. The Board shall carry fire insurance with extended coverage endorsement or other form of coverage providing protection equal to or greater than the amount of the full insurable replacement value (as determined by appraisal or such other method as shall be deemed appropriate by the Board and be acceptable to the insurance carrier and reviewed at least annually,) of all buildings, structures and other improvements (including furnishings and equipment related thereto) situated upon the Common Area, excluding trees, shrubs and other foliage, if the Board so elects. Such insurance shall be payable as approved by the Board. In the event of damage to or destruction of any building, structure or other improvement situated upon the Common Area, the Board shall cause the same to be repaired, rebuilt or replaced. In the event the cost of such repair, rebuilding or replacement exceeds the insurance proceeds payable by reason of said damage or destruction, the amount of the difference shall be prorated among the owners and assessed to such owners in accordance with the provisions of Articles VI and X. In the event the amount of such insurance proceeds exceed the cost of such repair, rebuilding or replacement, the surplus shall be retained by the Association and shall be taken into consideration in determining the amount of the annual assessment for the next budget period.

Further, the Board shall carry a blanket policy or policies of casualty insurance with a special form all-risk coverage endorsement, for the full insurable replacement cost, from time to time, of the Common Area and the units (or such other blanket fire and casualty insurances give substantially equal or greater protection) insuring the Board, the Association, the owner or owners of each unit hereunder, and their mortgagee or mortgagees, as their respective interests may appear, against loss due to fire and/or other casualty customarily insured against by homeowners, which policy or policies may provide for separate protection for each unit to the full insurable replacement cost thereof, and a separate loss-payable endorsement in favor of the mortgagee or mortgagees of each unit, if any, and shall contain provisions to the extent possible, protecting against any reduction in the amount of the proceeds payable, as a result of any fire or similar insurance independently carried by any owner of or in respect of any unit. The Board shall carry a policy or policies insuring the Association, the Board and each and all of the owners and management agent, if any, against any liability to the public or to the owners or any other person, resulting from or incident to, the ownership, management and use of the project by the Association, the Board, the owners, their invitees and tenants, and members of the public, the liability limits under which insurance shall not be less than \$1,000,000.00 for the total personal injury from any one accident; \$500,000.00 personal injury to one person; and \$500,000.00 for property damage (such limits to be reviewed annually by the Board

and increased in its discretion). The Board shall have authority to obtain such errors and omissions insurance or other insurance as it deems advisable, insuring the Board and each member thereof, against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board, or any committee thereof. The premiums for insurance purchased pursuant to the foregoing, shall be payable out of the maintenance fund. If any additional insurance is required due to extra hazardous use made of any unit or because of improvements to any unit installed by its owner, which increases the premiums for the required amount of coverage, the costs thereof shall be assessed to the owner of such unit. In order to facilitate the provision and maintenance of adequate and proper insurance, it is contemplated that Declarant may contract for blanket insurance coverage, covering the entire project prior to or concurrently with the financing of such sales and any obligations or commitments for the payment of premiums or expenses otherwise incurred by Declarant, under any such blanket policy or coverage, whether or not the same is also a personal obligation of the purchaser or purchasers of any units, shall become an obligation of the Board and shall be paid out of the maintenance fund as provided herein. The owner of any unit may purchase such fire and casualty insurance as he may deem advisable for his own account and at his own expense, except that the carrying of any insurance individually by any owner, shall not relieve him of the obligation to pay such portion of assessments as may be made, from time to time, for the purpose of paying premiums or other charges on fire and

casualty insurance carried or contracted for by the Board, for the benefit of the entire project, and provided that any such insurance shall contain a loss-payable clause in favor of such owner's mortgagee(s) and the Board as their respective interests appear. No such insurance coverage or the terms of any such insurance policy, shall defeat or contravene the purposes and intent of Article X (Damage and Destruction) hereof. Additionally, the Board shall purchase and carry flood hazard insurance in the maximum amount available in the event that the area in which the project is located is designated by the Office of Housing and Urban Development as an area having special flood hazards. All insurance policies purchased by the Board for the mutual benefit of all owners shall contain a provision that each owner will receive a notice from the insurance company that said policy is in effect and that each owner will receive thirty (30) days notice prior to cancellation or termination of said policy for any reason whatsoever.

(m) To enter upon any privately owned lot or unit where necessary in connection with construction, maintenance or repair for the benefit of the Common Area or the owners in common.

(n) To send to each member of the Association, at least 10 days in advance, written notice of annual and special meetings, specifying the date, place and time of the meeting as well as the nature of business to be undertaken thereat.

(o) To prepare or cause to be prepared a balance sheet and an operating (income) statement for the Association, a copy of which shall be distributed to each of the owners within sixty (60) days of the accounting dates as follows: (1) a balance sheet as of an accounting date which shall be the last

day of the month closest in time to 6 months from the date of closing of the first sale of a subdivision interest to a member of the Association and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date; (ii) a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year. The operating statement for the first 6 months accounting period referred to in (i) above, shall include a schedule of assessments received or receivable, itemized by lot or unit number and by the name of the person or entity assessed.

(p) To establish and collect regular monthly assessments to defray expenses attributable to ownership, use and operation of the Common Area and facilities with said assessments to be levied against each owner, including Declarant, equally, irrespective of the fractional interest in the Common Area owned by each owner.

(q) To establish and collect special assessments for capital improvements or other purposes on the same basis as regular assessments.

(r) To file liens against condominium owners on account of non-payment of assessments, duly levied, and to foreclose said liens.

(s) To receive complaints concerning violations of the Restrictions, By-Laws and/or other instruments for management and control of the Association; to hold hearings to determine whether or not to discipline members of the Association who violate

said management documents; to suspend use privileges and voting rights of members who violate said management documents after a hearing on the alleged violation has been held pursuant to the provisions of the By-Laws.

(t) To acquire and hold, for the benefit of the unit owners, tangible and intangible personal property and to dispose of same by sale or otherwise.

(u) To bond any members of any management body which participates in the management of the affairs of the Association.

(v) Any professional management body selected by Declarant or by the initial Board, prior to the organizational meeting, shall be employed to manage only until the first annual meeting, at which time, the continuance of the same or the selection of another body or agent shall be determined by majority vote of the owners, excluding the vote of Declarant; neither Declarant nor its agent or the initial Board shall enter into any contract which binds the Board for a period in excess of one year, unless said contract is approved by a majority of members of the Association, excluding the vote of Declarant.

(w) The Board shall carry worker's compensation insurance covering all persons employed by it in performance of its responsibilities under this Declaration and may obtain fidelity bonds for such of its employees as it may deem advisable.

(x) With respect to each contract made by the Board for repainting of exterior surfaces of building(s) and car storage spaces, and each contract for work and/or materials related to the maintenance, repair, rebuilding or replacement of any

building, structure or other improvement situated upon the Common Area, in which the amount to be paid by the Board exceeds \$500.00, the Board shall secure at least three (3) bids from responsible contractors and shall accept the lowest bid so obtained. If the amount of the contract exceeds the sum of \$1,000.00, the Board shall require the contractor to furnish a completion bond, assuring completion of the work and payment of all labor and materials bills for which a lien on the Common Area or any residential unit could be claimed. The Board shall require from each contractor which it engages, satisfactory evidence that adequate workmen's compensation and liability insurance is carried with respect to the employees and activities of such contractor.

In cases where a completion bond is not required, the Board shall require labor and materials releases to be furnished by the contractor prior to making payment to such contractor, unless the Board deems such requirement to be impractical or unnecessary to afford protection against liens.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTSSection 1. Creation of Lien - Personal Obligation of Assessments.

Declarant, for each unit owned by it within the project, hereby covenants, and each owner of any unit within the project, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) Regular monthly assessments or charges; (2) special assessments for capital improvements; and (3) emergency assessments; such assessments to be fixed, established and collected from time to time, as hereinafter provided. The regular monthly, special and emergency assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and a continuing lien upon the condominium against which each such assessment is made, which lien shall be created and enforced in accordance with the provisions of this Article VI. Each such assessment (and all other assessments levied in accordance with this Declaration), together with late charges, interest, costs, penalties and reasonable attorney's fees, as provided for by this Declaration, shall also be the joint and several personal obligation of each person who was an owner of such unit at the time the assessment fell due.

Section 2. Basic Amount of Regular Monthly Assessments.

(a) Initial Regular Monthly Assessment. Each owner shall be obligated to pay to the Board, or a designated member thereof, or to the manager, if any, an initial monthly maintenance charge, as indicated on Exhibit "C" attached hereto and made a part hereof.

(b) Increase of Monthly Assessment by Board.

Any increase or decrease in said monthly maintenance charge for the entire project, up to 20%, may be made by and from time to time and shall be fixed by affirmative vote of a majority of the Board; any increase in excess of 20% must have the approval of a majority of the owners, excluding however, the vote of Declarant. Such increase or decrease shall be made to each owner according to his fractional interest in the Common Area.

(c) Certificate of Payment. The Association

shall, upon demand, furnish to any owner liable for assessments a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified unit have been paid and the amount of delinquency, if any. A charge of \$10.00 per certificate may be made by the Board for issuance of said certificate. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 3. Special Assessments for Capital Improvements and Emergency Needs.

In case the regular monthly maintenance charge described in Section 2.(a) hereof, is insufficient for any reason, the Board shall have the authority to levy a special assessment to make up the deficiency in the maintenance fund, on the same basis as a regular assessment. However, on any proposed special assessment in excess of \$2,000.00 the Board shall not be authorized to either levy or spend such special assessment unless and until the prior approval of a majority of the owners affected, exclusive of Declarant, authorizing both the collection of the special assessment and the spending thereof.

Section 4. Payment of Assessment by Declarant. Upon the close of escrow of the first condominium in the project, Declarant shall be obligated to pay the monthly maintenance assessments and charges, hereinbefore provided, for each unsold unit.

Section 5. Date of Commencement of Assessments - Due Dates. Regular assessments shall be paid by each owner in equal monthly installments, in advance, on the first day of each month, commencing upon the close of the sales escrow for each particular unit, and prorated through escrow to the date of close of escrow for the month in which escrow closes. Special and emergency assessments shall be paid within 30 days of receipt of a request to pay same. Declarant shall pay assessments for all unsold units beginning the first day of the month immediately following the date of recordation of a deed to the first purchaser of a unit.

Section 6. Maintenance Fund. Assessment charges so collected shall be promptly deposited in a commercial bank account in a bank to be selected by the Board or by the manager, if any, which account shall be clearly designated: Surfside III Condominium Owners' Association Maintenance Fund Account. The Board or the manager, as the case may be, shall have exclusive control over said account and shall be responsible to the owners for the maintenance of accurate records thereof at all times. No withdrawals shall be made from said account, except to pay for the charges and expenses for the common benefit of all owners.

Section 7. Effect of Non-Payment of Assessments - Lien Rights - Remedies of the Association.

Every owner, including Declarant, shall be deemed to covenant and agree to pay the assessments provided for in this Declaration, and further, agree to the enforcement of such assessments in the manner provided for in this Declaration.

(a) Delinquency. The assessment charge which each owner is obligated to pay, shall be a debt of each owner at the time each monthly installment becomes due. In the event of default by any owner in the payment of any such installment, such amounts as may be in default, together with interest thereon at the rate of seven (7%) percent per annum, and all costs which may be incurred by the Board or manager, in the collection of such charges, including reasonable attorney fees, shall be and become a lien upon the condominium of the defaulting owner, upon the recording in the Office of the County Recorder, a Notice of Assessment, as provided in Section 1356 of the Civil Code of California.

(b) Notice of Creation of Assessment Lien. The Notice of Assessment shall not be filed of record unless and until the Board or a person designated by it, shall have delivered to said defaulting owner, not less than fifteen (15) days prior to the recordation of such Notice of Assessment, a written Notice of Default and a demand upon the defaulting owner to cure same within said fifteen (15) day period and failure of the defaulting owner to comply. Said lien shall expire and be null and void, unless within thirty (30) days after recordation of said Notice of Assessment, the Board records a Notice of Default, as hereinabove provided.

(c) Notice of Default - Foreclosure Sale. Not less than ten (10) days nor more than thirty (30) days from the filing of said Notice of Assessment, the Board shall file of record, a Notice of Default and thereafter may cause the condominium of said defaulting owner to be sold in the same manner as a sale as provided in Section 2924 et seq. of the California Civil Code or through judicial foreclosure.

(d) Enforcement of Lien by Suit. The sale of said condominium must be held or legal action to enforce the lien must be instituted, within one hundred fifty (150) days of the recording of the Notice of Default, or said lien shall be deemed void and of no effect. If any action is filed by the Board to enforce the provisions of this Article, any judgment rendered against the defaulting owner shall include all costs and expenses and reasonable attorney fees, necessarily incurred in prosecuting such action. If any such default is cured prior to sale or prior to filing a judicial foreclosure, the Board shall cause to be recorded, a certificate setting forth the satisfaction of such claim and release of such lien, upon payment of actual expense incurred, including reasonable attorney fees, not to exceed \$50.00 by such defaulting owner.

Section 8. Homestead Waiver. Each owner does hereby waive to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of the State of California, in effect at the time any installment of maintenance charges becomes delinquent or any lien is imposed, pursuant to the terms hereof.

Section 9. Curing of Default. Upon the timely payment or other satisfaction of all delinquent assessments set forth in the Notice of Assessment filed and recorded in accordance with this Article, and all other assessments which have become due and payable with respect to the condominium as to which such Notice of Assessment was filed and recorded, following the date of such recordation, together with all costs (including reasonable attorney fees) and all late charges and interest which have accrued thereon, the Board shall cause to be filed and recorded a further notice, stating the satisfaction and release of the lien created by the Notice of Assessment. A fee in the amount of \$10.00 covering the cost of preparation and recordation of the Notice of Release and satisfaction, shall be paid to the Association prior to the execution, filing and recordation of such Notice of Release and satisfaction, by the Board. The Notice of Release and satisfaction of the lien created by the Notice of Assessment, shall be executed by any officer of the Association or by any authorized representative of the Board. For the purposes of this paragraph, the term, "costs," shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the Notice of Assessment and in efforts to collect the delinquent assessments secured by the lien created by the Notice of Assessment, and shall also include a reasonable sum for attorney fees actually incurred in an amount not to exceed twenty (20%) percent of the delinquent assessments secured by the lien created by the recordation of the Notice of Assessment.

Section 10. Priority of Assessment Lien - Subordination of Lien.

Any lien created or claimed under the provisions of this Declaration, is expressly made subject and subordinate to the rights of the beneficiary of any first deed of trust upon the entire project, or upon any condominium therein, made in good faith and for value, and no such lien shall, in any way, defeat, invalidate or impair the obligation or the priority of such first deed of trust, unless the beneficiary thereof, shall expressly subordinate his interest, in writing, to such lien.

Section 11. Rights of Board - Waiver of Owners. Each owner hereby vests in and delegates to the Board or its duly authorized representatives, the right and power to bring all actions at law or lien foreclosures, whether judicially or by power of sale, or otherwise, against any owner or owners for the collection of delinquent assessments in accordance herewith and hereby expressly waives any objection to the enforcement in accordance with this Declaration of the obligation to pay assessments as set forth herein.

Section 12. Declarant's Maintenance Obligations. From and after the sale of the first condominium unit, Declarant shall be obligated to pay to the Association, assessments against all condominiums owned by Declarant, in the same manner and amount as such assessments are imposed upon owners of condominiums other than Declarant, provided that such obligation shall terminate as to the Declarant, as to condominiums sold by Declarant upon recordation of the deed of conveyance with regard thereto.

In connection with the real property that may be annexed to the scheme of this Declaration described in Exhibit "B," hereto and made a part hereof, Declarant's maintenance obligation shall also commence upon the sale of the first unit in Phase II and Phase III respectively, and likewise, Declarant's right to vote at the Association meetings for each unsold unit owned by it, shall commence at that time. However, if after recording the Supplementary Declaration(s), hereinafter described in Article XXII, bringing into the scheme of this Declaration the real property described in Exhibit "B," Phase II and Phase III but before the close of escrow of a unit, Declarant commences paying the maintenance obligations for each unsold unit owned by it, he shall likewise have the right to vote for each unsold unit owned by it at the Association meetings.

Section 13. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the members of the Association, their guests and invitees, and in particular, shall be used for the purpose of improving, protecting, operating, and maintaining the Common Area and facilities, improvements, landscaping and structures located thereon, and providing for the acquisition and maintenance of the Common Area and the units and otherwise, providing for the performance by the Board of each and every one of the powers and duties of the Board.

ARTICLE VII

USE RESTRICTIONS

Section 1. One Use, Business Usage Prohibited. All units in the project, above described, shall be used solely for single family residences.

Section 2. Maintenance of Unit. The owners shall maintain in good repair, the interiors of their units, and shall have the exclusive right, at their sole cost and expense, to paint, re-paint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding their respective units. If an owner fails to so maintain his unit or make repairs thereto, in such manner as may be deemed necessary in the judgment of the Board, to preserve and protect the attractive appearance and value of the project, the Board shall give written notice to such owner, stating with particularity, the work of maintenance or repair which the Board finds to be required, and requesting that same be carried out within a period of sixty (60) days from the giving of such notice. If such owner

fails to carry out such maintenance or repair within the period specified by the Notice, the Board shall cause such work to be done and shall assess the cost thereof to such owner, such assessment to be due and payable within thirty (30) days after the Board gives written notice hereof.

Section 3. Other Structural Changes. No owner shall, at his own expense or otherwise, make any alteration, addition or modification to the building in which his unit is located or to any part or portion of the Common Area, without the prior written approval of the Board. With respect to the installation of awnings, sunshades, screen doors and other minor installations to any individual unit, the prior written consent of the Board shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the property as a whole. No radio or television receiving or transmitting antennae or external apparatus shall be installed on or upon any unit or in, on or upon any part of the Common Area, without prior written approval of the Board. Normal radio and television installations within an individual unit are excepted.

Section 4. Signs. Any sign, other than a sign indicating the name of the project and/or the professional management agent managing the project, if any, shall be prohibited. Should an owner desire to sell or lease his unit, he shall be allowed to display a sign of customary and reasonable dimension, as determined by the Board, advertising his unit for sale or for lease, which sign shall be of a professional type and of dignified appearance and shall be placed in some appropriate location as determined and provided by the Board, on the Common Area open to public view.

Such sign may be the sign of a licensed real estate broker, engaged by an owner for the purpose of selling or leasing his unit. Nothing herein contained shall prohibit or restrict in any way, Declarant's right to construct such promotional signs or other sales aids on or about any portion of the premises which it shall deem reasonably necessary in conjunction with its original sales program, but not later than five (5) years from the date of recording this Declaration.

Section 5. Offensive Activity. No owner shall permit or suffer anything to be done or kept upon the project which shall increase the rate of insurance thereon, or which shall obstruct or interfere with the rights of other owners or annoy them by unreasonable noises or otherwise; nor shall he commit or permit any nuisance on the project or commit or suffer any immoral or illegal act to be committed thereon. Each owner shall comply with all applicable ordinances and statutes and with the requirements of the local and/or state Board of Health with respect to the occupancy and use of his unit.

Section 6. Owner Liability. Each owner shall be liable to the Board for any damage to the Common Area or to any of the equipment or improvements thereon, which may be sustained by reason of the negligence or willful misconduct of said owner or of his family members, relatives, guests or invitees, both minor and adult, to the extent that any such damage shall not be covered by insurance; said owner shall be assessed by the Board for the cost of repair or replacement thereof, together with costs and attorney's fees, such assessment to be due and payable within thirty (30) days after written notice thereof by the Board. In the case of joint ownership of a condominium, the liability of such owners

shall be joint and several. In the event of personal injury or property damage sustained by any one person while physically within the unit or private balcony or patio of any owner and in the further event any other owner shall be sued or a claim made against him for said injury or damage, the owner(s) of the units in which said injury or damage shall occur shall fully indemnify and hold harmless any such other owners against whom such claim shall be made and shall further defend any such other owners at their own expense in the event of litigation of such claim; provided, however, that such protection shall not extend to any other owner whose own negligence may have caused or contributed to the cause of any such injury or damage.

Section 7. Common Area Improvements. No fence, hedges or walls shall be erected and maintained upon the Common Area except such as are installed in accordance with the initial construction of the building located thereon, or approved in writing by the Board and further, no building, fence, structure or wall shall be constructed upon any of the open spaces unless approval for such construction has been specifically obtained from the appropriate department of the City of Port Hueneme.

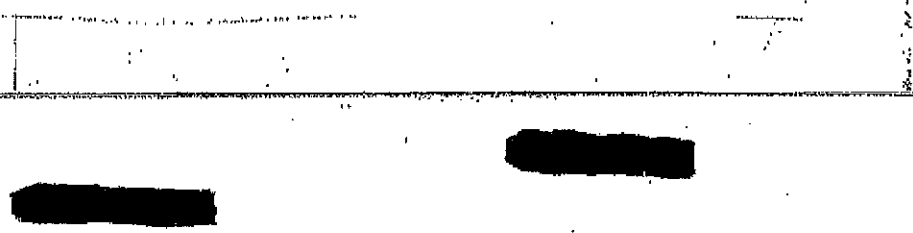
Section 8. Child Provision. Each owner shall be accountable to the remaining owners for the behavior and conduct of children residing or visiting the condominium.

Section 9. Parking Restrictions. No automobile, trailer, boat, camper or other similar type vehicle shall be permitted to remain on any portion of the Common or Associated owned area except for those areas designated as "guest parking" by the Board for a period not to exceed 24 hours; provided further, that the Board shall have the right to rent at charges determined by it, any or all of the 21 recreational vehicle parking spaces. No owner shall

park his vehicle or allow his guests and/or tenants to park their vehicles in any space other than that assigned to the owner and any spaces designated as "guest spaces."

Section 10. Rubbish. Trash, rubbish, trash bins and trash receptacles shall not be permitted to remain on any portion of the Common Area except in areas provided for same and except on the day(s) scheduled for trash and/or rubbish collection.

Section 11. Pets. No animals, livestock, reptiles or poultry shall be kept in any unit except that usual and ordinary domestic dogs, cats, fish and birds in inside bird cages may be kept as household pets within any unit, provided that they are not kept, bred or raised therein for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall be determined by the Board; provided, however, that in no event shall such term be construed so as to permit the maintenance by any owner of more than one animal per unit. The Association shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other owner. Animals belonging to owners, occupants or their licensees, tenant or invitees within the property, must be kept within an enclosed patio or on a leash being held by a person capable of controlling the animal. The patio must be so maintained that the animal cannot escape therefrom, and shall be subject to prior written approval of the Board. Should any animal belonging to an owner be found unattended out of the enclosed patio and not being held in the arms by a person capable of controlling the animal, such animal may be removed by Declarant (for so long as it owns any interest in any portion of the project) or other



occupant or owner within the project, or a person designated by them to so do, to a pound under the jurisdiction of the local municipality in which the project is situated and subject to the laws and rules governing said pound, or to a comparable animal shelter. Further, any owner shall be absolutely liable to each and all remaining unit owners, their families, guests and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the project by an owner or by members of his family, his tenants, or his guests. All dogs must be carried and held by their owners from the unit to without the project and may not be on any portion of the Common Area at any time; however, it shall be the absolute duty and responsibility of each such owner to clean up after such animals which mistakenly may have used any portion of the Common Area. Notwithstanding the foregoing, nothing herein contained shall be construed in such manner as to permit the maintenance of any animal contrary to any ordinance of the City of Port Hueneme.

Section 12. Association Maintenance and Decoration Authority.

The Board or its duly appointed agent, including the manager, if any, shall have the exclusive right to paint, decorate, repair, maintain and alter or modify the exterior walls, balconies, railings, exterior door surfaces, roof and all installations and improvements in the Common Area and no owner of a unit shall be permitted to do or have done any such work. The prior written approval of the Architectural Committee shall be required for installation of any awnings, sunshades or screen doors. The restrictions set forth herein shall not apply to the initial construction of buildings and improvements by Declarant.

Section 13. Exploration of Minerals. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the project or within 500 feet below the surface of the property, and no derrick or other structure designed for use in boring for water, oil or natural gas, shall be erected, maintained or permitted upon any portion of the project.

Section 14. Prohibition of Air Conditioning. Due to the requirements of the California Coastal Zone Conservation Commission, South Central Coast Region, Permit No. 51-1, no air conditioning shall be allowed in any unit, unless solar energy is installed within the project as a supplemental energy source, and thereafter, application to and with approval by said Commission is first obtained.

Section 15. Prohibition Against Open Storage. There shall be no open storage of materials or equipment on the property, except during the period of original construction or any reconstruction.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Owner Key Deposit for Emergency Repair - Right of Entry.

The Board shall have authority to designate one or more qualified repairmen or other persons to enter upon and within any individual unit in the presence of the owner thereof, or otherwise, for the purpose of making emergency repairs therein or for necessary maintenance or repair to portions of the Common Area, or to abate any nuisance being conducted or maintained in said unit, in order to protect the property rights and best interests of the remaining owners. To facilitate this paragraph, all owners may be required by the Board to deposit with the property manager, or his nominee,

a key to their units.

Section 2. Continuing Liability for Assessments. No owner may exempt himself from liability for his specified contribution to the maintenance fund by waiver of use or enjoyment of the Common Area or by the abandonment of his condominium.

Section 3. No Racial Restrictions. No owner shall execute or file of record, any instrument which imposes a restriction upon the sale, lease or occupancy of his unit on the basis of race, creed or color.

Section 4. Books and Records of the Association. Books and records of the Association and books and records of any agent thereof pertaining to the maintenance fund or any other funds, may be inspected or audited by any owner or his duly authorized representative for such purposes, at all reasonable times. Such representative shall be either an attorney or a public accountant.

Section 5. Taxes. Each owner shall pay any real and personal property taxes separately assessed against his respective unit and all utility charges separately metered or charged against his unit and such payments shall be made by each owner in addition to and separately from assessments otherwise payable to the Association by each such owner.

Section 6. Enforcement of Declaration and By-Laws. The owners or any one of them, or any member of the Board, or the Board acting on behalf of the owners, or the City of Port Hueneve, shall be entitled to bring legal action for damages against any owner who shall default in the performance of any of the provisions of this Declaration, (as may hereafter be amended or supplemented),

the By-Laws of the Association, or rules and regulations promulgated by the Board for the protection of this project, including but not limited to, the covenant to pay assessment charges. Further, said persons shall be entitled to enjoin any violation of this Declaration, now and as hereafter amended or supplemented, the By-Laws of the Owners Association, and any rules, and shall

further be entitled to prosecute any other legal or equitable action that may be necessary to protect the project. If any owner, member of the Board or the Board, shall deem it necessary to initiate any legal or equitable action for the protection of the project against any owner, then said persons shall be entitled to reasonable attorney fees and the costs of said action from said owner for expenses incurred in bringing or initiating said action; any judgment rendered against any such defaulting owner shall include costs of said action, together with reasonable attorney fees in an amount to be fixed by the Court.

Section 7. Liberal Interpretation of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the project for the mutual benefit of all owners.

Section 8. Severability of Provisions. The provisions herein shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any of the provisions hereof, shall not effect the validity of the remaining provisions.

Section 9. Cumulative Remedies. Each and all legal or equitable remedies provided for in this Declaration shall be deemed to be cumulative, whether so expressly provided for or not.

Section 10. Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, sublessees and assigns of the owners.

Section 11. Waiver of Breach of Declaration. No waiver or any breach of any of the covenants or conditions of this Declar-

ation shall constitute a waiver of any succeeding or preceding breach of same or any other covenant or condition herein contained.

Section 12. Delivery of Notices and Documents. Any written notice or other document relating as required by this Declaration, may be delivered personally or by mail. If by mail, such notice unless expressly provided for herein or in the By-Laws to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received 48 hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

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

(b) If to Declarant, whether in its capacity as an owner or otherwise: 575 East Surfside Drive, Port Hueneme, California 93401.

(c) Prior to the organizational meeting, notices to the Board shall be addressed to the address set forth herein for the giving of notice to Declarant. Thereafter, notices to the Board shall be addressed to the Secretary of the Association and the Board shall cause the address of the Secretary to be posted at all times in a conspicuous place. In addition, from and after the organizational meeting, notice of the address of the Secretary of the Association shall be given by the Board to each owner within a reasonable time

after the Board has received actual notice of such owner's purchase of a condominium.

Section 13. Notification of Sale of Condominium. Concurrently with the consummation of sale of any unit under circumstances whereby the transferee becomes an owner thereof, or within 5 business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth: (1) the name of the transferee and his transferor; (2) street address or unit number of the unit purchased by the transferee; (3) transferee's mailing address; and (4) date of sale. Prior to receipt of such notification any and all communications required or permitted to be given by Declarant or the Board or any agent or representative thereof, shall be deemed to be duly made and given to transferee, if duly and timely made and given to said transferee's transferor.

Section 14. Joint and Several Liability. In the case of joint ownership of a unit, the liability of each of the owners thereof, in connection with liabilities and obligations of owners, set forth in or imposed by this Declaration, shall be joint and several.

Section 15. Use by Declarant During Construction and Sale. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain during the period of construction and sale of improvements, upon the project such facilities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the construction and sale of said improvements, including but without limitation, a business office, storage areas, construction yards, signs, model units and sales offices for a period not in excess of 5 years from the date of recording of this Declaration.

ARTICLE IX

UTILITIES

Section 1. Utility Rights. The rights and duties of the owners with respect to lines for sanitary sewer, water, gas

electricity, telephone cables and television cables shall be governed by the following:

(a) Wherever sanitary sewer house connections and lines or electricity, gas and telephone lines or television cables are installed within the property, which connections or any portion thereof, lie in or upon portions of the property owned by others than the unit owner of a unit served by said connection shall have the right and are hereby granted an easement to the full extent necessary therefor, to enter upon such portion of the property or to have the utility companies enter thereupon, to repair, replace and generally maintain said connection as and when the same may be necessary as set forth below.

(b) Wherever sanitary sewer house connections and lines, facilities and/or water house connections and lines or electricity, gas and telephone lines, or television cables are installed within the property, which connections serve more than one unit, the owners of each unit served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as services his unit.

(c) In the event any portion of said connection or line is damaged or destroyed through the negligent act or acts or failure to act, or willful misconduct of one unit owner or any of his agents, invitees, tenants, servants, guests or members of his family, so as to deprive other unit owners of the full use and enjoyment of said connection or line, then

such connection or line shall be repaired and restored by the Association but at the expense of the unit owner who commits or whose guests, agents or family members commit, such act(s).

(d) In the event any portion of such connection or line is damaged or destroyed by some cause other than the negligence or willful misconduct of one of the unit owners, his agents, guests, servants, tenants, invitees or members of his family (including ordinary wear and tear and deterioration from lapse of time), then in such event such connection or line shall be repaired and restored by the Board, such repair and restoration to be paid out of the assessments levied in accordance with this Declaration equally, against all owners.

(e) In the event of a dispute between owner with respect to the repair or rebuilding of said connection or line, or with respect to the sharing of costs thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to the Board for a final and binding determination.

Section 2. Easements. Easements through the units and Common Area for all facilities for the furnishing of utility services; television cable service and heating lines within any unit, which facilities shall include but not be limited to, conduits, ducts, plumbing and wiring, shall be appurtenant to each unit and all other units and the Common Area shall be subject thereto; provided, however, that easements for such facilities shall, at all times be and remain substantially in accordance with the initial construction of the project, or the project as reconstructed upon damage or destruction pursuant to the terms of this Declaration.

DESTRUCTION OF IMPROVEMENTS

Section 1. Reconstruction with Election of Owners. In the event of total or partial destruction of the improvements in the condominium project, a special meeting shall be called for the purpose of having the Association members vote on whether or not to repair the damage. Said meeting shall be called within 45 days of said destruction. If reconstruction is to take place, as approved by a majority of the owners, the Board shall be required to execute, acknowledge, file and record, not later than 120 days from the date of said destruction, a certificate declaring the intention of the owners to rebuild.

Section 2. Reconstruction Assessments. If a majority of owners determines to rebuild, each owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of reconstruction over and above the insurance proceeds and the proportionate share of each owner shall be the same as his proportionate interest in the Common Area. In the event of failure or refusal by any owner to pay his proportionate share, after notice to him, should failure or refusal continue for a period of sixty (60) days, the Board may levy a special assessment against such owner, which may be enforced under the lien provisions contained in this Declaration.

Section 3. Obligation of Board. If a majority of owners determine to rebuild, the Board shall obtain bids from at least two reputable contractors and shall award construction work to the lowest bidder. The Board shall have authority to enter into a written contract with said contractor for such reconstruction work and the insurance

proceeds held by the Board shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to insure the commencement and completion of such reconstruction at the earliest possible time.

Section 4. Determination Not to Rebuild. If the vote of a majority of owners shall be insufficient to authorize rebuilding:

(a) Distribution of Insurance Proceeds. Subject to the rights of mortgagees, any insurance proceeds available for such rebuilding shall be distributed among the owners and their individual lenders by the Board, as their respective interests may appear. The proportionate interests of each owner in said proceeds in relation to other owners shall be based upon a formula using the most recently (Ventura County) assessed value of each unit in relation to the most recently assessed (Ventura County) aggregate value of all the units. If a majority of owners elect to rebuild, the Board shall file and record a certificate as provided in Section 1. hereinabove.

(b) Recordation of Certificate Not to Rebuild. The Board shall have the duty within 120 days of the date of such loss to execute, acknowledge and record a certificate setting forth the determination of the owners not to rebuild and shall promptly cause to be prepared and filed, such revised maps and other documents as may be necessary to show the conversion of the project to the status of unimproved land or to show the elimination of one or more of the units as a result of such destruction.

Section 5. Revival of Right to Partition Condominium. Upon recordation of such certificate, the right of any owner to partition his condominium through legal action, shall forthwith revive.

Section 6. Arbitration of Disputes. In the event of a dispute among the owners, respective of the provisions of this Article, any owner may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the members of the Board and all owners as promptly as possible after reference to arbitration is made, giving all owners an opportunity to appear in such arbitration proceedings. The decision of such arbitrator in this matter shall be final and conclusive upon all owners. The arbitrator may include in his decision an award for costs and/or attorney fees against any one or more of the parties to the arbitration.

Section 7. Condemnation. In the event an action for condemnation is proposed or commenced by any governmental body having the right of eminent domain, the following provisions shall apply: If such action or proposed action is for the condemnation of the entire project, or a portion thereof, upon the unanimous consent of all owners, the project may be sold to such government body, prior to judgment and the proceeds of such sale shall be distributed to the owners and their lenders, based upon a formula using the most recently assessed (Ventura County) value of each unit in relation to the most recently assessed (Ventura County) aggregate value of all the units. Lacking such unanimous consent, any consequent compensation for the taking shall be distributed to the owners according to their proportionate interest in the property taken by the government body.

SUSPENSION OF THE RIGHT OF PARTITION

The right of partition of the Common Area is hereby suspended pursuant to Section 1354 of the Civil Code of California. The project may be partitioned and sold as a whole, pursuant to the provisions of Section 752(b) of the Code of Civil Procedure of the State of California, upon a showing of the occurrences of any one of the events therein provided. Additionally, partition may be had of the project, upon the showing that the conditions for such partition by sale set forth in Article X have been met. Nothing herein contained shall prevent the partition or division of interest between joint or common owners of one Condominium.

ARTICLE XII

PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTEREST IN CONDOMINIUMS

Section 1. Prohibition of Severance. No owner shall be entitled to sever his unit in any condominium from his undivided interest in the Common Area, for any purpose. Neither of said component interests may be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with and any violation or attempted violation of this provision shall be void and of no effect. It is intended hereby, to restrict severability in accordance with the provisions of subparagraph (g) of Section 1355 of the Civil Code.

Section 2. Conveyance of Entire Condominium. Subsequent to the initial sales of the condominiums, any conveyance of a unit or of the component interests in the Common Area, by the owner of any condominium, shall be presumed to convey the entire condominium, provided, however, that nothing contained herein shall be construed to preclude the owner of any condominium from creating a co-tenancy in the ownership of said condominium with any other person or persons.

ARTICLE XIII

TERM OF DECLARATION - COMPLIANCE WITH RULE AGAINST
PERPETUITIES AND RESTRAINTS OF ALIENATION

The covenants contained herein shall run with the land and shall be binding upon all parties and all persons claiming under them until January 1, 2026, after which time, the covenants shall be automatically extended for successive periods of twenty-one (21) year, unless an instrument executed by not less than a majority of owners of the condominiums shall be recorded, cancelling or terminating this Declaration.

ARTICLE XIV

PROTECTION OF LENDERS

Section 1. Written Notification to First Mortgagees. The Board shall notify, in writing, the holders of first mortgages of the unit of any default by the mortgagor of such unit, in the performance of such mortgagor's obligations under the condominium management documents (Declaration of Covenants, Conditions and Restrictions and By-Laws), which is not cured within sixty (60) days. It shall be the responsibility of each owner of a unit to notify the Association within sixty (60) days of the close of his escrow to purchase such unit of the name and address of the holder of the first mortgage on his particular condominium.

Section 2. Exemption from Right of First Refusal. Any holder of a first mortgage which comes into possession of the condominium, pursuant to the remedies provided in the mortgage, foreclosure of the mortgage or deed or assignment in lieu of foreclosure, shall be exempt from any "right of first refusal."

Section 3. Subordination of Assessment Lien to Mortgages.

Any holder of a first mortgage which comes into possession of the condominium pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, shall take the property free of any claim for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such holder comes into possession of the condominium (except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all residential units, including the mortgaged unit.) The lien assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or trustee's sale. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 4. Prior Approval of First Mortgage Holders. Un-

less at least seventy-five (75%) percent of holders of first mortgage liens on individual condominiums have given their prior written approval, the Association shall not:

- (a) By act or omission, seek to abandon or terminate the condominium regime;
- (b) Change the prorata interest or obligations of any condominium unit for: (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds

or condemnation awards; and for (ii) determining the prorata share of ownership of each unit in appurtenant real estate and any improvements thereon which are owned by unit owners in the project in undivided prorata interests ("Common Area;)

(c) Partition or subdivide any condominium unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area or Association Owned Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area or Association Owned Area, by the condominium project, shall not be deemed a transfer within the meaning of this clause;

(e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to the Common Area or Association Owned Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or Common Area or Association Owned Area, of the project.

Section 5. Examination of Books and Records. The holders of first mortgages shall have the right to examine the books and records of the Association.

Section 6. Reserves for Replacement. An adequate reserve fund for replacement of the Common Area facilities must be established by the Association and must be funded by regular monthly assessments rather than by special assessments.

Section 7. Taxes, Assessments and Charges. All taxes, assessments and charges which may become liens prior to the first mortgage under the local law shall relate only to the individual condominiums and not to the project as a whole.

Section 8. No Priority Over Rights of First Mortgagees. No provision herein shall give a unit owner or any other party priority over any rights of first mortgagees of units pursuant to their mortgages in the case of a distribution to unit owners of insurance proceeds or condemnation awards for losses to or a taking of units and/or the Common Area or Association Owned Area.

Section 9. Professional Management of Project. Any agreement for professional management of the project shall provide that the management contract may be terminated for cause on 30 days written notice and the term of any such contract shall not exceed one year.

Section 10. Notice to Lender. The Association shall give notice in writing to all first mortgagees of any loss to or taking of the Common Area or Association Owned Area, of the project, if such loss or taking exceeds \$10,000.00.

Section 11. Leasing Restrictions. With the exception of a lender in possession of a unit following default in a first trust deed, a foreclosure proceeding of any deed or other arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for a period of less than thirty (30) days and/or for transient or hotel purposes. As used herein "lease" shall include a month-to-month rental. No unit owner may lease less than his entire unit. All lease agreements shall be in writing and shall be required to provide that the terms of said lease shall be subject in all respects to the provisions of this Declaration as hereafter may be supplemented or amended, the By-Laws of the Association and all rules and regulations adopted by the Board, and that failure by the lessee to comply with the terms of said documents shall be a default under the lease. Other than the foregoing, there shall be no restriction on the right of any unit owner to lease his unit.

Section 12. Conflict. If there is any conflict between any provision of this Article and any other provision in this Declaration or the Articles of Incorporation or By-Laws of the Association, the language contained in this Article XIV, "Protection of Lenders," shall control.

ARTICLE XV

BREACH

Section 1. Right of Entry. Violation of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained shall give to Declarant or its successors or the Association, the right to enter upon the property upon or as to which such violation exists and to summarily abate and remove at the expense of the owner thereof, any erection, thing or condition that may be or exists thereon contrary to the intent and meaning of the provisions hereof; Declarant or its successors shall not thereby be deemed guilty of any manner of trespass by such entry, abatement or removal.

Section 2. Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation herein contained is violated, in whole or in part, is hereby declared to be and constitutes a nuisance and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result and may be exercised by Declarant or its successors of the Association. Such remedy shall be deemed cumulative and not exclusive.

Section 3. Right of Lien Holder. A breach of any of the provisions, conditions, restrictions, covenants, easements or reservations herein contained, shall not affect or impair the lien or

charge of any bona fide first mortgage or first deed of trust made in good faith and for value, on any of the units; provided, however, that any subsequent owner of the unit shall be bound by these provisions, conditions, restrictions, covenants, easements, and reservations whether such owner's title was acquired by foreclosure, trustee's sale or otherwise.

Section 4. Enforcement. In the event of a breach of any of the provisions, conditions, restrictions, easements, covenants or reservations hereby established, which is continued for thirty (30) days, the Board may enforce any and all of the terms and conditions of this Declaration. It is hereby declared that damages at law for such breach are inadequate. The restrictions provided for herein shall be enforceable equitable servitudes and shall inure to and bind all the owners of the residential units.

ARTICLE XVI

AMENDMENT

Section 1. Subsequent to Close of First Sales Escrow. Subsequent to the close of the first sales escrow, each and all of the covenants, conditions and restrictions contained herein may be modified, amended, augmented or deleted in the following manner and not otherwise: by the execution of either an amended Declaration or an amendment to this Declaration, duly executed and acknowledged by not less than 75% of the owners of the units and their beneficiaries of first trust deeds which may then be of record as valid encumbrances against said project, or any part or portion thereof; and further, only after approval by the State of California Department of Real Estate pursuant to Section 11018.7 of Business and Professions Code, if applicable. Said amended Declaration or amendment to Declarant shall not be effective for

any purpose unless and until recorded in the Office of the County Recorder of Ventura County, but shall thereafter be conclusive and presumed to be valid as to anyone relying thereon in good faith. The written approval, endorsed on any such amendment and acknowledged by a notary shall be sufficient compliance with the provisions of this paragraph.

Section 2. Prior to the Close of First Sales Escrow. Prior to the close of the first sales escrow, Declarant shall have the right to amend this Declaration by executing and recording with the consent of beneficiaries of all trust deeds then of record, the desired amendment hereto, after receiving prior written approval of the State of California Department of Real Estate, if required, and any other state administrative agency then having regulatory jurisdiction over said project and the recording of said amendment shall be presumed to be valid as to anyone relying thereon in good faith.

Section 3. Approval of the City. Any amendment which would defeat the obligation of the Association to maintain the Common and Recreation Area in a first class condition and in a good state of repair or which would defeat the assessment procedure to insure said maintenance, must first be approved in writing, by the City of Port Hueneme.

ARTICLE XVII

ANNEXATION OF ADDITIONAL PROPERTIES

Additional properties may be annexed to and become subject to this Declaration by either of the methods set forth in Section 1, or Section 2, hereinbelow.

Section 1. Annexation Pursuant to Approval. Upon written approval of the Association pursuant to a 3/4 majority of the voting power of its members or the written consent of such members,

excluding the voting power or written consent of Declarant, the owner 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 Supplementary Declaration as described in Section 3. hereof.

Section 2. Annexation Pursuant to General Plan. All or any part of the real property described in Exhibit "B" hereto may be annexed from time to time to the properties and added to the scheme of this Declaration and subject to the jurisdiction of the Association, without the consent of the Association, or its members, provided and on condition that:

(a) Any annexation pursuant to this section shall be made prior to five (5) years from the date of recordation of this Declaration;

(b) The development of the additional properties shall be developed in accordance with the plans and conditions as approved by the City of Port Hueneme Planning Commission on January 21, 1975 and August 12, 1975 by Resolutions No. PC 75-1 and PC 75-18; provided further, that this subsection (b) may only be amended by resolution of the City of Port Hueneme City Council upon written request by Declarant or its successor or successors;

(c) A Supplementary Declaration as described in Section 3. hereof shall be recorded covering the applicable portion of the real properties described in said Exhibit "B."

Section 3. Supplementary Declaration. The additions authorized under the foregoing sections shall be made by filing of record a Supplementary Declaration or similar instrument, with respect to the additional properties which shall extend the scheme of this Declaration to such properties. Such Supplementary Declaration, may contain such additions and modifications of the covenants

and restrictions contained herein as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the existing property, except as hereinabove otherwise provided.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written.

HOWARD T. LANE COMPANY,
a California corporation

By Howard T. Lane
Howard T. Lane, President

By Lane E. Shanks
Lane E. Shanks, Secretary

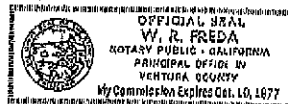
(SEAL)

STATE OF CALIFORNIA }
COUNTY OF VENTURA } SS

On this 22 day of December, 1975, before me, the undersigned, a Notary Public in and for said State, personally appeared Howard T. Lane and Lane E. Shanks; known to me to be the President and Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Signature W. R. Freda
W. R. FREDA



WHEN RECORDED MAIL TO:
FIRST AMERICAN TITLE INSURANCE COMPANY
300 SOUTH MAIN STREET
OXNARD, CALIFORNIA 93030

CONDOMINIUM PLAN

FOR TRACT NO. 2459-1 IN THE CITY OF PORT HUENEME, COUNTY OF VENTURA, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 66 PAGES 95, 96 & 97 OF MISCELLANEOUS RECORDS (MAPS) IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

OWNER'S CERTIFICATE

WE, THE UNDERSIGNED BEING THE RECORD OWNERS OF THE LAND INCLUDED WITHIN THIS PROJECT AND THE RECORD HOLDERS OF SECURITY INTERESTS THEREIN, HEREBY CONSENT TO THE RECORDATION OF THIS PLAN PURSUANT TO THE PROVISION OF CHAPTER 1, TITLE 6, PART 4, DIVISION SECOND, OF THE CIVIL CODE.

HOWARD T. LANE COMPANY, A CALIFORNIA CORPORATION, AS OWNER
SUCCESSOR TO
TAX ADVISORS FUND, A CALIFORNIA CORPORATION

BY Howard T. Lane
HOWARD T. LANE, PRESIDENT

BY Lane E. Shanks
LANE E. SHANKS, SECRETARY

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF SANTA MONICA, A CALIFORNIA CORPORATION, AS BENEFICIARY UNDER DEEDS OF TRUST RECORDED IN BOOK 4446, PAGE 682 AND BOOK 4446, PAGE 688 OF OFFICIAL RECORDS OF VENTURA COUNTY, CALIFORNIA.

BY George M. Anton
VICE PRESIDENT

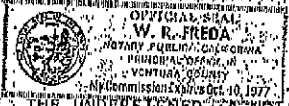
BY Kathleen Lewis
SECRETARY

RECORDED
FEB 11 1976
VENTURA COUNTY

STATE OF CALIFORNIA
COUNTY OF VENTURA



SS



ON FEBRUARY 6, 1976 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED HOWARD T. LANE, KNOWN TO ME TO BE THE PRESIDENT, AND LANE E. SHANKS, KNOWN TO ME TO BE THE SECRETARY OF THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT, KNOWN TO ME TO BE THE PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION THEREIN NAMED, AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE WITHIN INSTRUMENT PURSUANT TO ITS BY-LAWS OR A RESOLUTION OF ITS BOARD OF DIRECTORS, WITNESS MY HAND AND OFFICIAL SEAL.

EXHIBIT A W. R. Freda

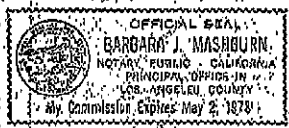
CONDOMINIUM PLAN

STATE OF CALIFORNIA
COUNTY OF _____

SS:

ON Feb. 4, 1976 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED Grace M. DeFave, KNOWN TO ME TO BE THE PRESIDENT, AND Robert E. Pagan, KNOWN TO ME TO BE THE SECRETARY OF THE CORPORATION THAT EXECUTED THE WITHIN INSTRUMENT, KNOWN TO ME TO BE THE PERSONS WHO EXECUTED THE WITHIN INSTRUMENT ON BEHALF OF THE CORPORATION THEREIN NAMED, AND ACKNOWLEDGED TO ME THAT SUCH CORPORATION EXECUTED THE WITHIN INSTRUMENT PURSUANT TO ITS BY-LAWS OR A RESOLUTION OF ITS BOARD OF DIRECTORS. WITNESS MY HAND AND OFFICIAL SEAL.

Barbara J. Mashburn



ENGINEER'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED CIVIL ENGINEER OF THE STATE OF CALIFORNIA, THAT THIS PLAN CONSISTING OF 24 SHEETS CORRECTLY REPRESENTS A TRUE AND COMPLETE SURVEY OF THIS CONDOMINIUM PROJECT BOUNDARY MADE UNDER MY SUPERVISION IN SEPTEMBER, 1975.

Larry G. Rohloff
LARRY G. ROHLOFF, R.E. 22429

2-10-76
DATE

UNIT 641 IS COMPOSED OF AIR SPACES	641A-1, 641B-1
UNIT 643 IS COMPOSED OF AIR SPACES	643A-1, 643P-1
UNIT 645 IS COMPOSED OF AIR SPACES	645A-1, 645B-1
UNIT 647 IS COMPOSED OF AIR SPACES	647A-1, 647B-1
UNIT 649 IS COMPOSED OF AIR SPACES	649A-1, 649P-1
UNIT 651 IS COMPOSED OF AIR SPACES	651A-1, 651B-1
UNIT 653 IS COMPOSED OF AIR SPACES	653A-1, 653B-1
UNIT 655 IS COMPOSED OF AIR SPACES	655A-1, 655P-1
UNIT 657 IS COMPOSED OF AIR SPACES	657A-1, 657B-1
UNIT 659 IS COMPOSED OF AIR SPACES	659A-1, 659B-1
UNIT 661 IS COMPOSED OF AIR SPACES	661A-1, 661P-1, 661P-2
UNIT 663 IS COMPOSED OF AIR SPACES	663A-1, 663B-1, 663B-2
UNIT 665 IS COMPOSED OF AIR SPACES	665A-1, 665B-1, 665B-2
UNIT 754 IS COMPOSED OF AIR SPACES	754A-1, 754A-2, 754G-1, 754Y-1
	754P-1, 754B-2, 754B-3
UNIT 756 IS COMPOSED OF AIR SPACES	756A-1, 756A-2, 756G-1
	756P-1, 756B-2, 756Y-1
UNIT 758 IS COMPOSED OF AIR SPACES	758A-1, 758A-2, 758G-1
	758P-1, 758B-2, 758Y-1
UNIT 760 IS COMPOSED OF AIR SPACES	760A-1, 760A-2, 760G-1
	760P-1, 760P-2, 760B-2
	760B-3, 760Y-1
UNIT 762 IS COMPOSED OF AIR SPACES	762A-1, 762A-2, 762P-1,
	762B-2, 762G-1, 762Y-1
UNIT 764 IS COMPOSED OF AIR SPACES	764A-1, 764A-2, 764G-1,
	764P-1, 764B-2, 764B-3, 764Y-1
UNIT 766 IS COMPOSED OF AIR SPACES	766A-1, 766A-2, 766G-1, 766Y-1
	766P-1, 766B-2, 766B-3

6. THE FOLLOWING ARE NOT A PART OF A UNIT:

BEARING WALLS, COLUMNS, VERTICAL SUPPORTS, HORIZONTAL SUPPORTS, FLOORS, ROOFS, FOUNDATIONS, BEAMS, BALCONY RAILS, STAIRWAY FRAMING, SOFFIT AREAS, PATIO FENCE SUPPORTS, ENTRY COURT, FENCES AND RAILINGS, CENTRAL SERVICES, PIPE DUCTS, FLUES, CHIMNEYS, WIRES AND OTHER UTILITY INSTALLATIONS, WHEREVER LOCATED, EXCEPT THE OUTLETS THEREOF WHEN LOCATED WITHIN A UNIT.

7. EACH OF THE AIR SPACES 502A-1 TO 766A-1, INCLUSIVE, IS THE LOWER LEVEL OF A DWELLING UNIT WITHIN AN EXISTING BUILDING AND LOCATED WITHIN THIS PROJECT. THE BOUNDARIES OF EACH SUCH LOWER LEVEL ARE THE INTERIOR UNFINISHED SURFACES OF THE PERIMETER WALLS, FLOORS, CEILINGS, WINDOWS AND DOORS THEREOF AND EACH SUCH LOWER LEVEL INCLUDES THE PORTIONS OF THE BUILDING AND IMPROVEMENTS LYING WITHIN SAID BOUNDARIES (EXCEPT AS STATED IN NOTE 6 ABOVE AND AS SHOWN ON SHEETS 22 AND 23) AND THE AIR SPACE SO ENCOMPASSED.

8. EACH OF THE AIR SPACES 754A-2 TO 766A-2, INCLUSIVE, IS THE SECOND LEVEL OF THE DWELLING UNIT WITHIN AN EXISTING BUILDING AND LOCATED WITHIN THIS PROJECT. THE BOUNDARIES OF EACH SUCH SECOND LEVEL ARE THE INTERIOR UNFINISHED SURFACES OF THE PERIMETER WALLS, FLOORS, CEILINGS, WINDOWS AND DOORS THEREOF AND EACH SECOND LEVEL INCLUDES THE PORTIONS OF THE BUILDING AND IMPROVEMENTS LYING WITHIN SAID BOUNDARIES (EXCEPT AS STATED IN NOTE 6 ABOVE AND AS SHOWN ON SHEET 24) AND THE AIR SPACE SO ENCOMPASSED.

9. EACH OF THE AIR SPACES LISTED BELOW IS A PATIO. THE BOUNDARIES OF EACH SUCH PATIO ARE AS FOLLOWS: (A) THE LOWER LIMIT IS THE SURFACE OF THE FINISHED FLOOR THEREOF; (B) THE UPPER LIMIT IS A HORIZONTAL PLANE, THE ELEVATION OF WHICH COINCIDES WITH THE ELEVATION OF THE UNFINISHED CEILING OF THE ADJOINING DWELLING UNIT; (C) THE LATERAL BOUNDARIES ARE THE EXTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS OF THE ADJACENT DWELLING UNIT, WHERE SUCH SURFACES ADJOIN THE PATIO, OTHERWISE THE LATERAL BOUNDARIES ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN FOR EACH SUCH PATIO INCLUDES ONLY THE AIR SPACE ENCOMPASSED BY SAID BOUNDARIES.

502P-1	572P-2	601P-1	651P-2
508P-1	602P-1	607P-1	754P-1
514P-1	608P-1	613P-1	756P-1
522P-1	614P-1	619P-1	758P-1
532P-1	620P-1	625P-1	760P-1
540P-1	626P-1	631P-1	762P-1
546P-1	632P-1	637P-1	764P-1
552P-1	640P-1	643P-1	766P-1
560P-1	646P-1	649P-1	660P-2
566P-1	652P-1	655P-1	760P-2
572P-1	660P-1	661P-1	

10. EACH OF THE AIR SPACES 754G-1, 756G-1, 758G-1, 760G-1, 762G-1, 764G-1 AND 766G-1, INCLUSIVE, IS A GARAGE. THE BOUNDARIES OF SAID GARAGE ARE AS FOLLOWS: (A) THE FINISHED FLOOR THEREOF; (B) THE UPPER VERTICAL BOUNDARY IS A HORIZONTAL PLANE, THE ELEVATION OF WHICH IS 8.08 FEET ABOVE THE ELEVATION OF THE SURFACE OF THE FINISHED FLOOR THEREOF; (C) THE LATERAL BOUNDARIES ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN ON SHEET 11 HEREIN. EACH SUCH GARAGE INCLUDES ONLY THE AIRSPACE ENCOMPASSED BY SAID BOUNDARIES.
11. EACH OF THE AIR SPACES LISTED BELOW IS A BALCONY. THE BOUNDARIES OF EACH SUCH BALCONY ARE AS FOLLOWS: (A) THE LOWER VERTICAL BOUNDARY AREA IS THE SURFACE OF THE FINISHED FLOOR THEREOF; (B) THE UPPER VERTICAL BOUNDARY IS A HORIZONTAL PLANE, THE ELEVATION OF WHICH IS 8.08 FEET ABOVE THE ELEVATION OF THE SURFACE OF THE FINISHED FLOOR; (C) THE LATERAL BOUNDARIES ARE THE EXTERIOR FINISHED SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS OF THE ADJOINING WHERE THEY EXIST, OTHERWISE THE LATERAL BOUNDARIES ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN. EACH SUCH BALCONY INCLUDES ONLY THE AIR SPACE SO ENCOMPASSED BY SAID BOUNDARIES.

504B-1	574B-1	654B-1	651B-1
508B-1	574B-2	656B-1	653B-1
510B-1	576B-1	662B-1	657B-1
512B-1	576B-2	664B-1	659B-1
516B-1	604B-1	603B-1	663B-1
518B-1	606B-1	605B-1	663B-2
526B-1	610B-1	609B-1	665B-1
530B-1	612B-1	611B-1	655B-2
534B-1	616B-1	615B-1	754B-2
536B-1	618B-1	617B-1	754B-3
542B-1	622B-1	621B-1	756B-2
544B-1	624B-1	623B-1	758B-2
548B-1	628B-1	627B-1	760B-2
550B-1	630B-1	629B-1	760B-3
554B-1	634B-1	633B-1	762B-2
556B-1	636B-1	635B-1	764B-2
562B-1	642B-1	639B-1	764B-3
564B-1	644B-1	641B-1	766B-2
568B-1	648B-1	645B-1	766B-3
570B-1	650B-1	647B-1	662B-2
			664B-2

12. ALL AIR SPACE BOUNDARY LINES INTERSECT AT RIGHT ANGLES UNLESS OTHERWISE INDICATED.
13. EACH OF THE AIR SPACES 754Y-1, 756Y-1, 758Y-1, 760Y-1, 762Y-1, 764Y-1 AND 766Y-1 IS A YARD. THE BOUNDARIES OF EACH SUCH YARD ARE AS FOLLOWS: (A) THE LOWER LIMIT IS THE SURFACE OF THE FINISHED FLOOR THEREOF; (B) THE UPPER LIMIT IS A HORIZONTAL PLANE, THE ELEVATION OF WHICH COINCIDES WITH THE ELEVATION OF THE UNFINISHED CEILING OF THE ADJOINING DWELLING UNIT; (C) THE LATERAL BOUNDARIES ARE THE EXTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS OF THE ADJACENT DWELLING UNIT, WHERE SUCH SURFACES ADJOIN THE PATIO, OTHERWISE THE LATERAL BOUNDARIES ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN FOR EACH SUCH YARD. EACH SUCH YARD INCLUDES ONLY THE AIR SPACE ENCOMPASSED BY SAID BOUNDARIES.

CONDOMINIUM PLANS

THE ELEVATIONS SHOWN BELOW ARE THE LOWER VERTICAL BOUNDARY FLOOR
ELEVATIONS L.S.,

<u>UNIT</u>	<u>FIRST FLOOR</u>	<u>PATIO</u>	<u>BALCONY</u>
502	8.60	8.39	
504	17.65		17.44
506	26.70		26.49
508	8.60	8.39	
510	17.65		17.44
512	26.70		26.49
514	8.60	8.39	
516	17.65		17.44
518	26.70		26.49
522	8.60	8.39	
526	17.65		17.44
530	26.70		26.49
532	8.60	8.39	
534	17.65		17.44
536	26.70		26.49
540	8.60	8.39	
542	17.65		17.44
544	26.70		26.49
546	8.60	8.39	
548	17.65		17.44
550	26.70		26.49
552	8.60	8.39	
554	17.65		17.44
556	26.70		26.49
560	8.60	8.39	
562	17.65		17.44
564	26.70		26.49
566	8.60	8.39	
568	17.65		17.44
570	26.70		26.49
572	8.60	8.39	
574	17.65		17.44
576	26.70		26.49
602	8.60	8.39	
604	17.65		17.44
606	26.70		26.49
608	8.60	8.39	
610	17.65		17.44
612	26.70		26.49
614	8.60	8.39	
616	17.65		17.44
618	26.70		26.49
620	8.60	8.39	
622	17.65		17.44
624	26.70		26.49
626	8.60	8.39	
628	17.65		17.44
630	26.70		26.49
632	8.60	8.39	
634	17.65		17.44
636	26.70		26.49
640	8.60	8.39	
642	17.65		17.44
644	26.70		26.49

<u>UNIT</u>	<u>FIRST FLOOR</u>	<u>PATIO</u>	<u>BALCONY</u>
546	8.60	8.39	
548	17.65		17.44
550	26.70		26.49
552	8.60	8.39	
554	17.65		17.44
556	26.70		26.49
560	8.60	8.39	
562	17.65		17.44
564	26.70		26.49
601	9.70	9.49	
603	18.75		18.54
605	27.80		27.59
607	9.70	9.49	
609	18.75		18.54
611	27.80		27.59
613	9.70	9.49	
615	18.75		18.54
617	27.80		27.59
619	9.70	9.49	
621	18.75		18.54
623	27.80		27.59
625	9.70	9.49	
627	18.75		18.54
629	27.80		27.59
631	9.70	9.49	
633	18.75		18.54
635	27.80		27.59
637	9.70	9.49	
639	18.75		18.54
641	27.80		27.59
643	9.70	9.49	
645	18.75		18.54
647	27.80		27.59
649	9.70	9.49	
651	18.75		18.54
653	27.80		27.59
655	9.70	9.49	
657	18.75		18.54
659	27.80		27.59
661	9.70	9.49	
663	18.75		18.54
665	27.80		27.59

<u>UNIT</u>	<u>FIRST FLOOR</u>	<u>PATIO</u>	<u>GARAGE</u>	<u>SECOND FLOOR</u>	<u>BALCONY</u>
754	10.10	9.94	9.85	19.19	19.08
756	10.10	9.94	9.85	19.19	19.08
758	10.10	9.94	9.85	19.19	19.08
760	10.10	9.94	9.85	19.19	19.08
762	10.10	9.94	9.85	19.19	19.08
764	10.10	9.94	9.85	19.19	19.08
766	10.10	9.94	9.85	19.19	19.08

THE UB FOR EACH OF THE ABOVE ELEVATIONS IS 8 FOOT 1 INCH ABOVE THE LOWER VERTICAL BOUNDARY EXCEPT THE GARAGES AS SHOWN IN NOTE 10; EXCEPT THE BALCONY AS SHOWN IN NOTE 11; EXCEPT THE PATIO AS SHOWN IN NOTE 9; AND EXCEPT AS SHOWN ON SHEETS 22, 23 AND 24.

EXHIBIT "B"

PROPERTIES THAT MAY BE ANNEXED TO SCHEME OF THIS DECLARATION
PURSUANT TO ARTICLE XVII

Lots Containing Units and Common Area

Association Owned Area

PHASE II

Lots 7, 8, 9, 11, 12, 13, 14, 15,
16 and 17 and a portion of Recreation
Area "A" of Tentative Tract 2459.

Lot 18 (open space
Recreation Area "B")
of Tentative Tract 2459.

PHASE III

Lots 3, 4, 5 and 6 and 7
of Tentative Tract 2459.

NONE

All as per Tentative Tract Map 2459, Case No. PH-362, Planned
Development Permit No. PH-365, City of Port Huename, County
of Ventura, State of California.

EXHIBIT "B"

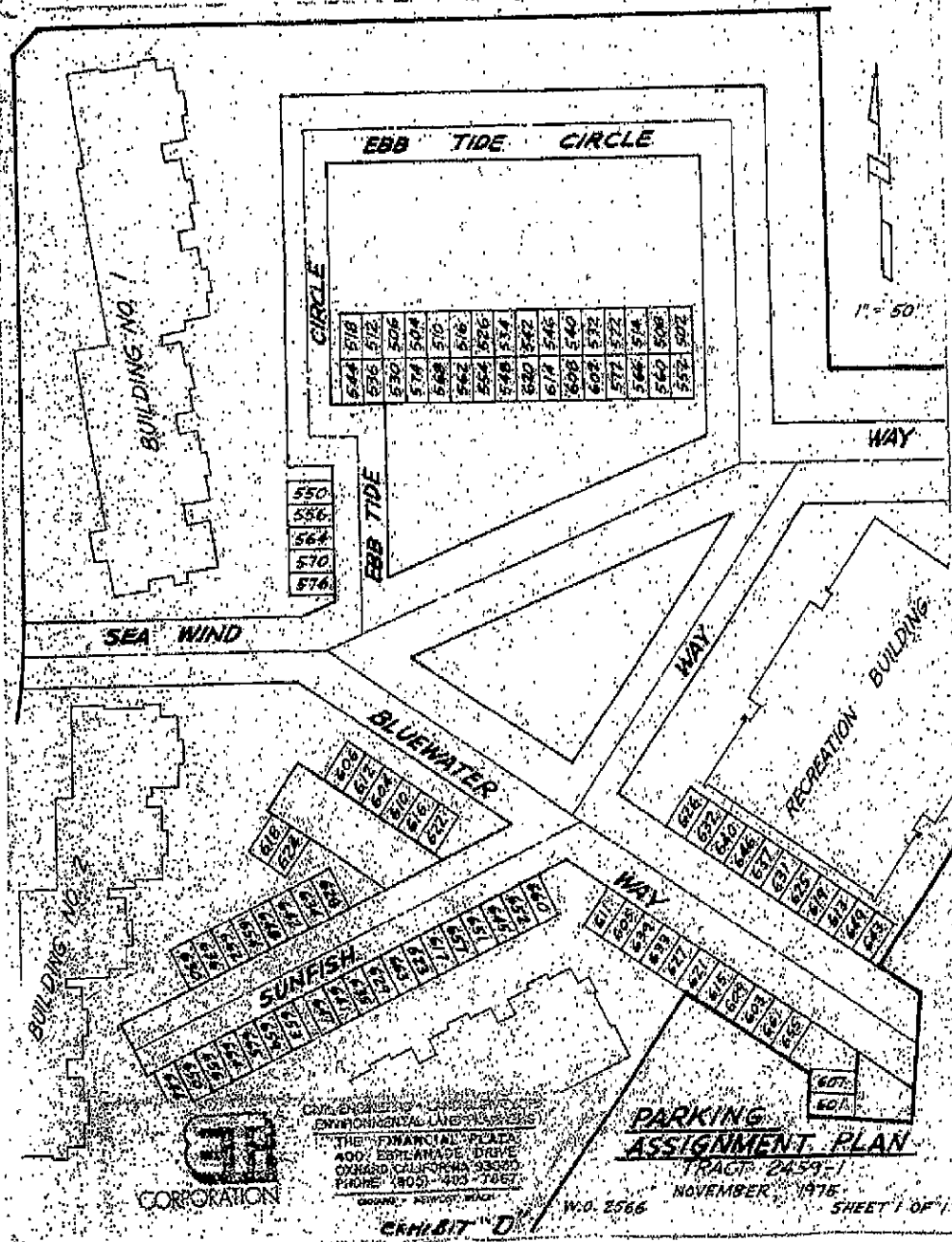
EXHIBIT "C"

PURSUANT TO ARTICLE II 4. AND ARTICLE VI 2. OF THIS DECLARATION
THIS EXHIBIT IS ATTACHED HERETO AND MADE A PART HEREOF

<u>UNIT</u>	<u>INTEREST IN COMMON AREA</u>	<u>PROJECTED INITIAL MONTHLY MAINTENANCE CHARGE</u>
1. 103 Units of Phase I	1/103rd	\$48.03
2. 107 Units of Phase II	1/107th	\$37.52 (includes combining with Phase I)
3. 99 Units of Phase II	1/99th	\$34.77 (includes combining with Phases I and II).

EXHIBIT "C"





544	518
546	512
530	506
574	504
548	510
542	516
554	526
548	534
540	542
514	546
508	540
512	532
546	514
540	508
552	502

550
556
564
570
576

618	612
606	600
614	608
622	616

600	604	608	612	616	620
624	628	632	636	640	644
648	652	656	660	664	668
672	676	680	684	688	692
696	700	704	708	712	716
720	724	728	732	736	740
744	748	752	756	760	764
768	772	776	780	784	788
792	796	800	804	808	812
816	820	824	828	832	836
840	844	848	852	856	860
864	868	872	876	880	884
888	892	896	900	904	908
912	916	920	924	928	932
936	940	944	948	952	956
960	964	968	972	976	980
984	988	992	996	1000	



THE FINANCIAL PLAZA
 400 EBRANADE DRIVE
 OXFORD CALIFORNIA 93320
 PHONE (909) 403-7067

PARKING ASSIGNMENT PLAN

TRACT 0459-1

NOVEMBER 1976

SHEET 1 OF 1

EXHIBIT 'D'

W.O. 2566

RECORDED AT REQUEST OF:
W. BOYD PATNER II
Recording Requested By And
Return To:
James P. Lingl & Associates
1601 Carmen Drive, Suite 210
Camarillo, CA. 93010

87-108921 | Rec Fee 11.00
| Check 11.00
Recorded
Official Records
County of
Ventura
Richard D. Dean
Recorder
12:43pm 12-Jul-89 | GV 4

AMENDMENT TO DECLARATION OF ESTABLISHMENT
OF COVENANTS, CONDITIONS AND RESTRICTIONS

SURSIDE III CONDOMINIUMS

The Declaration of Establishment of Covenants, Conditions and Restrictions for Tract 2459 at Port Hueneme, Ventura County, California recorded on February 27, 1976 as Instrument Number 15627, in Book 4547, beginning at Page 631, of the Official Records of Ventura County, California and thereafter rerecorded on June 3, 1976 as Instrument Number 46165, in Book 4602, Page 637, Official Records of Ventura County, is hereby amended by adding a new Article XVIII as follows:

ARTICLE XVIII

SUNDECKS

Notwithstanding any other or contrary provision contained in these CC&Rs or other Governing Documents of the Association, provisions of this Article XVIII shall govern approval, construction and maintenance of sundecks within the Project. All other provisions not to the contrary shall be applicable.

Section 1. Sundecks Permitted. Sundecks shall be permitted to be constructed atop the respective roofs of common area garages adjacent to the Townhouse Units contained in Building Numbers 10, 11, 12, 13, 14, 15, 16, and 17, commonly known as 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 780, 782, 784, 786, 791, 793, 795, 797, and 799 Sea Wind Way, as well as 607, 611, 619, 623, 625, 631, 633, 665, 669, 673, 677, 683,

689, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, and 994 Lighthouse Way.

Section 2. Approval Procedure. No sundeck shall be constructed, modified or altered except upon approval of the Board of Directors, in accordance with the Rules established by the Board pursuant to Article VIII, section 3 of these CC&Rs and this section.

A. All sundecks shall be built in accordance with the plans, specifications and conditions of Resolution No. PC-80-12, a Major Modification to Planned Development Permit No. PHPD-365, dated August 19, 1980, as it may be changed or amended from time to time.

B. All sundecks shall be constructed at the sole cost and expense of the Owner of the Unit affected thereby. The owner shall be required to post a performance bond to assure timely completion of the sundeck.

Section 3. Existing Sundecks. Those sundecks constructed prior to October 8, 1986, shall not be subject to further approval procedures. Other than being exempted from further approval procedures, all existing sundecks shall be subject to the other terms and provisions of this Article XVIII and the Governing documents of the Association.

Section 4. Status of Sundecks. The sundecks and all component parts thereof shall be deemed to be parts of the Common Area of the Project. Upon construction of a sundeck, the air space bounded by the surface of the sundeck, the top surface (as defined as the sealing material), the surrounding railings and the vertical wall through which access is provided shall be deemed to be Exclusive Use Common Area appurtenant to that Unit through which access is provided.

Section 5. Maintenance of Sundecks. The top surface of the sundecks

shall be constantly kept in good, weathertight, clean and attractive order and repair by and at the sole expense of the Owner of the Unit affected thereby. The Association shall maintain all common area portions of the sundecks other than the top surface. No person shall place or store any chair, bench, table, awning, patio cover, or other item on any sundeck except as permitted by reasonable Rules established by, or approval granted by, the Board of Directors.

Section 6. Disputes-Arbitration. In the event of any dispute among the owners, or between the Association and any owner or owners, concerning any provision of or duty arising from this Article X, Section 6 of these CC&Rs.

CERTIFICATION

I, CHARLES RICHLIN, being a Director and President of the SURFSIDE III PROPERTY OWNERS ASSOCIATION, hereby certify that the foregoing amendment to the Declaration of Covenants, Conditions and Restrictions relating to TRACT NO. 2459 at Port Hueneme, California, consisting of the addition of ARTICLE XVIII to the Declaration has been approved by the Owners of the separate interests in the Tract, pursuant to the provisions of Civil Code sections 1355 and 1356.

Dated: JUN 28 1989

SURFSIDE III PROPERTY OWNERS ASSN.

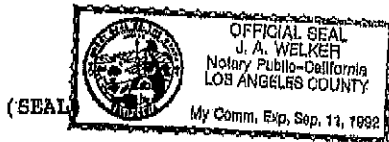

CHARLES RICHLIN, PRESIDENT

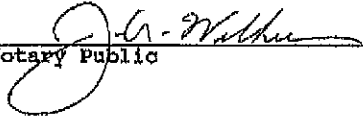
ACKNOWLEDGMENT

STATE OF CALIFORNIA }
COUNTY OF ~~SAN DIEGO~~ } SS
LOS ANGELES }

On this JUN 28 1989 day of 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared CHARLES RICHLIN, known to me to be the President of the corporation that executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within Instrument pursuant to a Resolution of its Board of Directors and Civil Code sections 1355 and 1356.

Witness my hand and official seal.




Notary Public

RECORDED AT REQUEST OF:
WHEN RECORDED MAIL TO:

Robert D. Hillshafer, Esq.
Loewenthal, Hillshafer & Rosen, LLP
15260 Ventura Blvd., Suite 1400
Sherman Oaks, CA 91403-3204



20081106-00163283-0 1/8
Ventura County Clerk and Recorder
Philip J. Schmit
11/06/2008 03:29:48 PM
256551 \$30.00 MC

Space Above This Line Reserved For Recorders Use

**CERTIFICATE OF AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS**

RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO:

Loewenthal, Hillshafer & Rosen, LLP
Robert D. Hillshafer, Esq.
15260 Ventura Boulevard Suite 1400
Sherman Oaks, CA 91403

Tel: (818)905-6283 Fax: (818)905-6372

CERTIFICATE OF
AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

I, William Betts, ^{III WAB} certify and declare that:

I am the duly elected President of the Surfside III Condominium Owners Association, Inc., a California non-profit, mutual benefit corporation.

Various individuals comprising the members of the association are the owners of certain property located in the County of Ventura, State of California, more particularly described as set as follows: All those portions of Lots 1 to 6 inclusive of Tract 2459-1, in the city of Port Hueneme, County of Ventura as per map recorded in Book 66, pages 95-91 in the office of the County Recorder of Ventura County (hereinafter referred to as the "Property").

Howard T. Lane Company ("Declarant") established a general plan for the protection, maintenance, improvements and development of the Property and has fixed covenants, conditions, restrictions, easements, reservations, liens and charges upon and subject to which all the Property and each portion thereof and for the benefit of the declarant and each present and future owner. Said covenants, conditions and restrictions are set forth in that certain Declaration of Establishment of Covenants, Conditions and Restrictions ("Declaration") recorded in the office of the County Recorder of Ventura County on or about February 27, 1976, in Book 4547 at pages 631-663 as amended from time to time.

Said Declaration provides that the Association has been created under the laws of the State of California for the purpose of enforcing the covenants, conditions and restrictions placed upon the Property and protecting the value, desirability and attractiveness of the Property.

The Association, submitted to each member a ballot requesting approval or rejection of the proposed Amendment to the Declaration to eliminate cumulative voting. However, the proposed Amendment did not receive the requisite 75% of the members approval. The proposed Amendment was approved by 191 out of 238 members who returned written ballots, or approximately 80% of the members who voted. The affirmative votes represent approximately 62% of the voting power of the Association.

The Board of Directors authorized the filing, pursuant to Civil Code Section 1356, a Petition in the Superior Court to lower the required percentage of member approval to that percentage actually obtained. On October 6, 2008 a hearing on the Association's Petition to Lower the Percentage of Approval of the Amendment to the Declaration was held before the

Honorable Ken W. Riley, Judge presiding. The Court granted the Association's Petition and deemed the proposed Amendment to the Declaration adopted based on the percentage of affirmative votes actually cast. Attached hereto as Exhibit "A" is a true and correct copy of the Order Granting Petition to Approve the Amendment to the Declaration (CC&Rs) of Common Interest Development filed by the Court on October 16, 2008. x

NOW, THEREFORE the Declaration is amended as follows:

Article IV, Section 4 of the Declaration shall be amended to state as follows:

"In the election of directors, each member shall not be entitled to cumulate his votes. Each member shall be entitled to cast one vote per each candidate, up to the number of directorships to be elected at a particular election. The candidates receiving the highest number of votes up to the number of board members to be elected shall be deemed elected.

Any director or the entire board of Directors may be removed from office by the affirmative vote of fifty one percent (51%) of the owners entitled to vote at any election of the Board. If any or all of the Directors are so removed, new Directors may be elected at the same meeting."

IN WITNESS WHEREOF, the undersigned, being the President and Secretary of the Surfside III Condominium Owners Association has executed this Declaration on behalf of the Association on the day and year first written above.

SURFSIDE III CONDOMINIUM OWNERS ASSOCIATION, INC.

By: [Signature]
Its: President

By: _____
Its: Secretary

STATE OF CALIFORNIA)
COUNTY OF VENTURA San Francisco

On October 27, 2008, before me, MARLYN ANO, a Notary Public in and for said State, personally appeared: William Botte III

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, of State of CA
I certify under penalty of perjury under the state of CA that the foregoing paragraph is true and correct

(SEAL)



Notary Public [Signature]

Honorable Ken W. Riley, Judge presiding. The Court granted the Association's Petition and deemed the proposed Amendment to the Declaration adopted based on the percentage of affirmative votes actually cast. Attached hereto as Exhibit "A" is a true and correct copy of the Order Granting Petition to Approve the Amendment to the Declaration (CC&Rs) of Common Interest Development filed by the Court on October 16, 2008.

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SURFSIDE III CONDOMINIUM OWNERS ASSOCIATION, INC.

By: _____
Its: President

By: *[Signature]*
Its: Secretary

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.

On _____, 2008, before me, the undersigned, a Notary Public in and for said State, 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.

(SEAL)

SEE ATTACHED ACKNOWLEDGMENT

Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On OCTOBER 27TH, 2008 before me, Jeff Alan Holmes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared MICHAEL MADRIGAL
Name(s) of Signer(s)

who 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.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Certificate of Amendments to Declaration of Covenants, Conditions and Restrictions

Document Date: 10/27/08 Number of Pages: 2

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

EXHIBIT "A"

1 Robert D. Hillshafer, Esq., SBN 100862
2 Matthew E. Lax, Esq., SBN 239785
3 LOEWENTHAL, HILLSHAFFER & ROSEN, LLP
4 15260 Ventura Boulevard, Suite 1400
5 Sherman Oaks, California 91403
6 Telephone: (818) 905-6283
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VENTURA SUPERIOR COURT

OCT 07 2008

VENTURA
SUPERIOR COURT
FILED

OCT 16 2008

5 Attorneys for Petitioner
6 Surfside III Condominium Owners' Association, Inc.

MICHAEL D. PLANET
Executive Officer and Clerk
BY: — AMANDA HOLTON

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF VENTURA

10
11 In the matter of) CASE NO. 56-2008-00323871-CU-PT-VTA
12 SURFSIDE III CONDOMINIUM)
13 OWNERS' ASSOCIATION, INC. a) PROPOSED ORDER GRANTING
14 California non-profit, Mutual Benefit) PETITION TO REDUCE REQUIRED
15 corporation) VOTING PERCENTAGE [Civil Code
16 Petitioner,) Section 1356]
17)
18) Petition filed: July 29, 2008

16 The Petition of the Surfside III Condominium Owners Association came on
17 regularly for hearing on October 6, 2008, in Department 43 of the Ventura Superior
18 Court, the Honorable Ken W. Riley, Judge presiding. Appearing for Petitioner was
19 Robert D. Hillshafer, Esq. of Loewenthal, Hillshafer & Rosen, LLP. Appearing as an
20 objecting party was Linda Kaplan. No appearance was made by objecting party Susan
21 Salehi.

22 After consideration of the Petition, the objections filed to the Petition, the briefs
23 filed in response to the objections, and GOOD CAUSE HAVING BEEN SHOWN
24 THEREFOR, IT IS ORDERED that the Petition To Reduce Required Voting Percentage
25 is granted and that the Amendment containing the following language is deemed
26 approved and shall amend the Association's existing Declaration:

27 **Article IV, Section 4 of the Declaration shall be amended to state as follows:**

28 "In the election of directors, each member shall not be entitled to cumulate

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his votes. Each member shall be entitled to cast one vote per each candidate, up to the number of directorships to be elected at a particular election. The candidates receiving the highest number of votes up to the number of board members to be elected shall be deemed elected.

Any director or the entire board of Directors may be removed from office by the affirmative vote of fifty one percent (51%) of the owners entitled to vote at any election of the Board. If any or all of the Directors are so removed, new Directors may be elected at the same meeting."

IT IS FURTHER ORDERED that the Amendment and this Court Order be recorded with the Ventura County Records office and;

IT IS FURTHER ORDERED that upon the recordation of the Amendment and this Court Order that the Amendment shall have the same force and effect as if the Amendment were adopted in compliance with every requirement imposed by the governing documents.

Dated: 10-8-08

KEN W. RILEY

JUDGE OF THE SUPERIOR COURT