

DECLARATION OF RESTRICTIONS

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Declaration made this fifth day of April, 1961, by Conejo Oaks Co., a Limited Partnership,

Witnesseth:

Whereas, Declarant is the owner of the real property referred to in Article I hereof ("said property" herein), and

Whereas, Declarant has established a general plan for the development of said property and the lots therein, and desires to secure the harmonious and uniform improvement of said property and said lots in accordance with said plan;

Now, therefore, Declarant hereby declares that said property, and each and every lot or parcel therein, is and shall be owned, occupied and conveyed subject to the following covenants and restrictions, as a part of and pursuant to a common plan for the development of said property. Said covenants and restrictions shall run with the land and shall bind and be a charge upon all of said property and each several lot or parcel therein, for the benefit of each such lot or parcel and for the mutual benefit of all such lots and parcels; and shall bind and inure to the benefit of Declarant and the owner or owners of any lot or parcel of said property, and their heirs, successors, administrators and assigns.

Article I

Property Subject to this Declaration

1.01 The real property subject hereto is situated in Ventura County, California and is more particularly described in Schedule A which is attached hereto and made a part hereof by this reference.

Article II

Definition of Terms

2.01 Wherever used in this Declaration, the following terms shall have the following meanings:

"The Association" means Lynn Ranch Property Owners Association, or such other association as may become the assignee of any Declarant's rights or powers pursuant to Section 11.02 or Section 11.01 hereof

“Declarant” means The Moreland Company and its successors or assigns, including the Association or any other assignee of any of Declarant’s rights or powers hereunder as provided for in Article XI hereof.

“Said Property” means all of the real property subject hereto, described in Schedule A.

“Restrictions” means the covenants and restrictions contained herein.

“Lot” means one of the parcels within said property designated by numbers on the map or maps referred to in Schedule A.

“Structure” means any thing or device (other than trees or shrubbery not planted in a hedge) whose placement upon any lot might affect the architectural appearance of such lot, including by way of illustration and not limitation, any building, garage, porch, shed, greenhouse or lath house, coop or cage, covered patio, swimming pool, fence, wall or hedge more than three (3) feet in height, signboard, or any temporary or permanent living quarters including any house trailer. “Structure” shall also mean any excavation or fill whose volume exceeds five cubic yards; or any excavation, fill, ditch, diversion dam or other thing or device which affects or alters the natural flow of surface waters upon or across any lot, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel upon or across any lot.

“Owner” means (as applied to the owner of any lot) any person having any estate therein.

“Person” means artificial persons as well as natural persons, and includes the plural.

“Street” means any street, highway or other thoroughfare shown on the map or maps referred to in Schedule A, whether designated thereon as a street, boulevard, place, drive, road, terrace, way, lane, circle or otherwise.

“Setback line” means a line upon a lot lying parallel to a boundary line of such lot or to a street which touches such lot.

“Setback area” means that portion of a lot which lies between a street, side line or rear line of such lot (as the case may be) and the setback line parallel thereto.

“Front setback” means the distance between the street on which a lot fronts and the setback line parallel thereto, such distance being set forth with respect to each lot in Schedule B attached hereto and made a part hereof by this reference. Front setback shall be measured from the boundary of the easement or right-of-way for such street, without regard to width of pavement or placement of sidewalks or curbs. In the event a lot is bounded by more than one street, the street on which the lot “fronts” shall be the street so designated in Schedule B.

“Side street setback” means the distance between a side street and the setback line parallel thereto, as set forth and designated in Schedule B.

“Side setback” means the distance between a boundary line of a lot which ends at a street and the setback line parallel thereto, as set forth in Schedule B.

“Rear setback” means the distance between a boundary line of a lot (not adjacent to a street) and the setback line parallel thereto, as set forth in Schedule B.

Article III

Duration and Modification of Restrictions

3.01 These restrictions shall remain in full force and effect until January 1, 1991, and thereafter shall, as then in force, be continued automatically and without further notice without limitation unless and until terminated by the recording in the Office of the County Recorder of Ventura County of a written agreement of termination executed by the then record owners (not including encumbrancers) of a majority of the lots subject thereto.

3.02 At any time after January 1, 1990 these restrictions may be modified in any particular by the recording in the office of the County Recorder of Ventura County of an agreement of modification executed by the then record owners (not including encumbrancers) of a majority of the lots subject thereto, and as so modified shall continue in force as above provided.

Article IV

Use of Property

4.01 No lot shall be used for any purpose other than residence purposes; nor shall any lot be used for residence purposes by more than one family at one time, provided, however, that the housing of guests or domestic servants upon a lot in conjunction with the use thereof by a single family shall not be deemed a violation of this provision.

4.02 No livestock, poultry, horses, or other animals other than domestic dogs and cats shall be kept on any lot and no stable, hutch, barn or coop shall be placed or maintained upon any lot. Domestic dogs and cats shall not be bred or raised for commercial purposes on any lot.

4.03 No lot shall be used for the purpose of boring, mining, quarrying, exploring for, or removing water, oil, or other hydrocarbons, minerals, gravel, or earth. No machinery shall be placed, operated or maintained upon any lot except such machinery as is usual and customary in connection with the maintenance of a private residence. The provisions of

this Section 4.03 shall not apply to the drilling or operation of water wells, with the written approval of Declarant, by a mutual water company serving a majority of the lots.

4.04 No lot shall be used for the conduct of any business or commercial activity of any kind or nature whatsoever or for the conduct of any real estate business, whether as a “model home” or as an office or otherwise; provided, that Declarant may, from time to time, erect and maintain upon said property such model homes or real estate offices as it deems necessary or desirable in connection with the conduct of its operations for the development, subdivision, and sale of said property. No noxious or offensive trade or activity shall be carried on upon any lot, nor shall any act be done or condition maintained thereon which may be or become an annoyance or nuisance to the neighborhood.

4.05 No sign or other advertising device of any nature whatsoever shall be placed on or maintained upon any lot or upon any other portion of said property, except that Declarant may erect and maintain upon said property such signs and other advertising devices as it deems necessary in connection with the conduct of its operations for the development, subdivision, and sale of said property.

4.06 No lumber, metals, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on any lot, except that lumber and other building materials may be kept thereon during the course of construction of an approved structure for immediate use in such work of construction.

4.07 No temporary building, trailer, garage, building in the course of construction or other structure (other than a completed building or buildings, the design and construction has been approved by Declarant in the manner hereafter provided) shall be used, temporarily or permanently, as a residence on any lot.

4.08 No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon any lot without the approval of the Health Department of Ventura County, California.

4.09 No water pipe, gas pipe, sewer pipe or drainage pipe shall be installed or maintained on any lot above the surface of the ground, or otherwise than buried at least six inches beneath the ground surface, except hoses and moveable pipes used for irrigation purposes.

4.10 No clothing or other household fabrics shall be hung out to dry upon any lot unless the same are enclosed by a fence or other enclosure at least six inches higher than such hanging articles.

Article V

Design and Construction of Buildings and Improvements

5.01 No structure may be erected or maintained on any lot except one single family dwelling house designed for occupancy by not more than one family, together with no more than three detached out-buildings for use as garages, servants' quarters or guest houses in conjunction with said single family dwelling house, and such other structures as may be appropriate to the improvement and landscaping of said lot for the purpose of its occupation as a residence for a single family. Each such out-building shall conform in appearance with said dwelling house, and no such out-building or other structure may be erected prior to the erection of such dwelling house. No such house or out-building shall exceed one story in height without express approval of Declarant given as provided in Section 5.03 of this Article V.

5.02 No such dwelling house shall be erected or maintained upon any lot if such dwelling house has an interior living floor area (exclusive of accessory buildings, easements, garages, and uncovered porches or patios) less than the minimum interior living floor area set forth after the number of such lot upon Schedule B hereto attached.

5.03 No structure shall be erected, placed, moved onto, or permitted to remain upon any lot, nor shall any existing structure upon any lot be altered in any way which materially changes the exterior appearance thereof, unless complete plans therefore, including the exterior color scheme and a plot plan of the location thereof with reference to said lot and with reference to structures upon adjoining lots, and a grading plan for said lot, shall have been submitted to and approved in writing by Declarant. Approval of said plans and specifications may be withheld because of failure to comply with any of these restrictions, or because said plans fail to include such information as may be reasonably requested by Declarant, or because of reasonable objection to the design and appearance of the proposed structure, or its failure to conform with existing structures upon other lots, or because of the location, grading plan, color scheme, finish, design, proportions, style of architecture, height, or appropriateness of the proposed structure is disapproved, or because of any other matter which, in the judgment of the Declarant, would render the proposed structure inharmonious with the general plan of improvement of said property or with other structures located on lots in the vicinity of the lot on which said building or structure is proposed to be placed or maintained. Upon approval by Declarant of plans for construction or alteration of any structure, a copy of such plans as so approved shall be deposited for permanent record with Declarant, and a copy of such plans bearing the written approval of the Declarant shall be returned to the owner of the lot upon which such structure is or will be placed.

5.04 Declarant may promulgate rules governing the form and content of plans to be submitted for its approval, and may issue statements of its policy with respect to approval or disapproval of architectural styles or details, or other matters, which may be presented to it for approval. Such rules and such statements of policy may be amended or revoked by Declarant at any time, and no inclusion in, omission from, or amendment of any such rule or statement shall be deemed to bind Declarant as to its approval or disapproval of any

feature or matter subject to its approval, or to waive the exercise of Declarant's discretion as to any such matter. Approval for use on any lot of any plans or specifications shall not be deemed a waiver of Declarant's right, in its discretion, to disapprove such plans or specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for approval for use on any other lot or lots.

5.05 If any structure shall be altered, erected, placed or maintained upon any lot otherwise than in accordance with plans and specifications approved by the Declarant pursuant to the provisions of this Article V, such alteration, erected and maintenance shall be deemed to have been undertaken in violation of this Article V and without the approval required herein. Any approved work of construction or alteration shall be prosecuted diligently to completion in accordance with the plans so approved, and completed within twelve months after the date of such approval. Failure to so complete such work shall cause such approval to be automatically withdrawn, unless Declarant extends such approval for a period not to exceed six additional months. After such automatic withdrawal of approval, the structure being constructed or altered shall not then or thereafter be occupied, or permitted to remain on any lot for a period longer than three months.

5.06 Upon completion of the construction or alteration of any structure in accordance with plans approved by Declarant, Declarant shall, upon written request of the owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such structure and the lot on which such structure is placed, and stating that the plans and location of such structure have been approved and that such structure complies therewith. Recording of such certificate shall be at the expense of such owner. Any certificate of compliance issued in accordance with the provisions of this Section shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such certificate shall be conclusive evidence that all structures on the lot described therein comply with all the requirements of this Article, and with all other requirements of this Declaration as to which Declarant exercises any discretionary or interpretive powers.

5.07 Declarant may charge and collect a fee of not more than \$25.00 for the examination of any plans and specifications submitted for approval pursuant to this Article V, payable at the time such plans and specifications are so submitted. The amount of such fee shall not exceed the cost to Declarant of making such examination, including the cost of any architect's or engineer's fees incurred by Declarant in connection therewith.

5.08 Any agent of Declarant may, at any reasonable time or times, enter upon and inspect any lot for the purpose of ascertaining whether the maintenance of such lot and the maintenance, construction or alteration of structures thereon are in compliance with the provisions hereof; and neither Declarant nor such agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Article VI

Setbacks

6.01 No structure shall be located within any setback area, nor shall any portion of a structure, except the eaves thereof to the extent of not more than 36 inches, be located over any setback area; provided, however, that with the approval of Declarant given as in Article V above provided, structures other than the principal dwelling house upon a lot may be located within setback areas upon such lot at such locations as may be specified by such approval. Such approval shall, upon the written request of the owner of such lot, be evidenced by a certificate of compliance as provided for in Section 5.06 hereof.

Article VII

Grading and Weed Removal

7.01 Declarant may at any time make such final cuts and fills upon any lot or other part of said property and do such grading and moving of earth as, in its judgment, may be necessary to improve or maintain the streets in or adjacent to said property and to drain surface waters therefrom; and may assign such rights to the County of Ventura or to any municipal authority; provided, however, that after the principal dwelling house upon a lot shall have been completed in accordance with plans approved by Declarant as provided in Section 5.03 hereof, the rights of Declarant under this Section 7.01 shall terminate with respect to such lot, except that Declarant shall thereafter have the right to maintain existing streets and drainage structures.

7.02 Declarant may enter upon any lot that is vacant and unplanted for the purpose of cutting, plowing under, burning, or otherwise removing weeds or disposing of rubbish or litter. No such entry shall be deemed a trespass and Declarant shall not be subject to any liability therefore. The cost of such work shall be added to the annual assessment with respect to such lot provided for in Section 8.02 hereof and shall be collectible and enforceable in like manner as such assessment as provided in Article VIII hereof.

Article VIII

Assessments for Upkeep and Other Purposes

8.01 Each lot shall be subject to an annual assessment to be fixed by and paid to Declarant, for the purpose of constructing and maintaining roads, streets, and other improvements for the benefit of all lots in said property, as more particularly set forth below.

8.02 Such annual assessments shall be fixed as to the respective lots in proportion to their respective areas set forth in Exhibit B hereto. The amount of such annual

assessments shall not exceed \$2.50 per one thousand square feet of area, and shall be fixed at a uniform rate as to all the lots in said property.

8.03 Such annual assessments shall be fixed by Declarant (subject to foregoing limitations) on or prior to April 1 in each calendar for the then current calendar year, and shall be due and payable on May 1 of such calendar year, the first such assessments being payable May 1, 1961. Each such assessment shall become delinquent on June 1 of the year in which it was fixed, and if not theretofore paid shall thereafter bear interest at the rate of 6% per annum, and the aggregate amount of such assessment with interest as aforesaid shall constitute a lien on the lot with respect to which it was fixed from and after the date that a notice of delinquency (as provided for in Section 8.04 hereof) is filed for record. Said lien may be enforced by Declarant in the manner provided by law with respect to a mortgage or other lien on real property; and the owner of said lot shall pay all costs and expenses of foreclosure or other enforcement, including reasonable attorney's fees, all of which costs, expenses and fees shall likewise be secured by said lien.

8.04 Declarant may file for record with the County Recorder of Ventura County at any time within 120 days after delinquency a notice of delinquency with respect to any lot, setting forth the amount of any assessments, together with interest as aforesaid, which have become delinquent and remain unpaid with respect to such lot. Upon payment in full of such assessments, interest, and costs of collection thereof (if any) and costs incident to the filing of said notice of delinquency, including reasonable attorney's fees, Declarant shall execute and file for record a release of the lien securing payment of the same.

8.05 The owner or owners of each lot shall be personally obligated to pay the assessments with respect to such lot which become payable during the time that such owner or owners retain the ownership of such lot, and, by acceptance of a deed or other conveyance of such lot, such owner or owners shall covenant for themselves, their heirs, successors and assigns to personally pay such assessments when due. The obligation to pay such assessments shall run with the land and bind successive owners of each lot so that such owners shall in turn become personally obligated to pay such assessments as may be payable with respect thereto during ownership thereof.

8.06 The proceeds received by Declarant from such assessments, after deducting the costs of collection thereof, if any, shall be applied by Declarant to defray the cost of any or all of the following:

- (a) Improving or maintaining streets, roads and public ways within or giving access to said property, for the common use and benefit of each and every lot and parcel therein and the owners thereof, insofar as such improvement or maintenance is not adequately provided for by municipal authority; and
- (b) Acquiring land for parks, playgrounds, tennis courts, swimming pools, and a site for a community clubhouse, and constructing, improving and maintaining

on said property or on adjacent property such parks, playgrounds, tennis courts, swimming pools and community clubhouses; and erecting, improving or maintaining other structures, planted areas and community facilities (including planted areas within the lines of streets), all for the general use of the owners of lots within said property and for the benefit of each such lot; and

(c) Cleaning and lighting and otherwise maintaining streets within said property, collecting rubbish, garbage and the like from said property, providing community police protection and fire protection for said property (until such time as such protection is adequately provided by municipal authority), and removing grass, weeds and rubbish from any vacant lot on said property, and doing such other things as may be necessary or desirable to keep said property and the streets and lots therein neat and in good order, all for the benefit of each of the lots within said property and the owners thereof; and

(d) Paying taxes, assessments and other governmental charges, if any levied or imposed upon any of the improvements described in the preceding subparagraphs of this section or upon any land or other property held or acquired for the general use or common benefit of all such lots and owners thereof, including any special assessments levied against such lands improvements, or streets within said property; and

(e) The expenses, if any, incident to the enforcement of the provisions of this Declaration or the doing of any act contemplated hereunder by Declarant, for the benefit of all such lots and the owners thereof, including costs and expenses of inspecting and approving plans as provided in Article V hereof; and

(f) Office expenses, franchise taxes, licenses, salaries and wages, and all other expenses and costs of carrying out the rights and powers of the Association (as such rights and powers may be specified in this Declaration or in the Articles of Incorporation or By-Laws of the Association), when and after the rights or powers of Declarant hereunder (or all of them) shall have been assigned to the association as herein provided; subject, however, to the limitation contained in Section 8.07 hereof.

8.07 Nothing in the foregoing Section 8.06 shall be construed to authorize or permit the expenditure of any funds obtained from the assessments provided for in this Article VIII other than for such purposes as are mutually beneficial to all the lots in said property and the owners thereof; and Declarant covenants for itself, its successors and assigns that such funds shall be applied to such mutually beneficial purposes and to no other purpose. In the event that any one or more of the purposes for which the expenditure of such funds is contemplated by the provisions of Section 8.06 hereof shall be declared or held to be an improper purpose for the expenditure of such funds, the assessment, collection and expenditure of such funds for any of the other purposes herein contemplated shall not

thereby be affected or rendered invalid.

Article IX

Construction of These Restrictions

9.01 If any discrepancy, conflict or ambiguity is found to exist concerning the designation in Schedule B hereof of certain setback areas or concerning the application of such designations to the provisions of Articles II and IV hereof, such ambiguity, conflict or discrepancy shall be resolved and determined by Declarant in its sole discretion. Such determination shall be made upon on consideration of the appearance and placement of structures upon lots adjacent to the lot or lots with respect to which such determination is to be made, and such determination shall be made for the purpose of securing the uniform and harmonious appearance and placement of buildings and other improvements upon the lots.

9.02 In construing this Declaration, or any part thereof, stipulations which are or may be necessary to make this Declaration reasonable in any respect are to be implied.

9.03 The determination by any court that any provision of this Declaration is unlawful, void, or unenforceable in whole or in part shall not affect the validity of any other provision hereof; and no such determination that any provision hereof is inapplicable or unenforceable or enforceability of said provision or any other provision hereof to any other lot or lots.

9.04 Damages shall not be deemed adequate compensation for any breach or violation of any provision hereof. Declarant and such persons as from time to time may be the owners of the lots contemplate the specific enforcement of these restrictions as part of a general plan for the improvement and use of said property, and do not contemplate recovery of damages in lieu of such enforcement for any breach or violation of any of these restrictions.

9.05 These restrictions shall not be construed as conditions subsequent, and no provision hereof nor any provision in any deed referring hereto shall be deemed to vest in Declarant or any other person any reversionary right or right of entry with respect to any lot. Any such reversion or right of entry is hereby expressly waived by Declarant

9.06 The headings of the articles herein are for convenience only and shall not affect the meaning or interpretation of the contents thereof.

Article X

Violation of Restrictions: Enforcement

10.01 Upon any violation or breach of any of these restrictions, Declarant may enter any lot upon or as to which such violation exists, and may summarily abate and remove, at the expense of the owner of such lot, any thing or condition that may be or exist thereon contrary to the provisions hereof. Declarant shall not thereby be deemed to have trespassed upon such lot and shall be subject to no liability to the owner or occupant of such lot for such entry, abatement or removal.

10.02 Violation of any of these restrictions may be enjoined, abated, restrained or otherwise remedied by appropriate legal or equitable proceedings. Proceedings to restrain violation of these restrictions may be brought at any time that such violation appears reasonably likely to occur in the future. In the event of proceedings brought by any party or parties to enforce or restrain violation of any of these restrictions, or to determine the rights or duties of any person hereunder, the prevailing party in such proceedings may recover a reasonable attorney's fee to be fixed by the court in such proceedings.

10.03 The covenants and restrictions contained in this Declaration shall bind and inure to the benefit of and be enforceable by Declarant and the owner or owners of any lot or parcel of said property, and the respective heirs, successors and assigns of each. The failure of Declarant, or of any lot owner, or of any other person entitled to enforce any of these restrictions, to enforce the same shall in no event be deemed a waiver of the right of such person or of any other person entitled to enforce these restrictions to enforce the same thereafter.

10.04 Waiver or attempted waiver of any of these restrictions with respect to any lot shall not be deemed a waiver thereof as to any other lot, nor shall the violation of any of these restrictions upon any lot or lots affect the applicability or enforceability of these restrictions with respect to any other lot.

Article XI

Transfer of Declarant's Right and Powers Hereunder

11.01 Declarant's rights hereunder and its powers of approval and enforcement together with any other rights or powers of Declarant with respect to said property arising out of or in connection with this Declaration may be exercised by Declarant, so long as its corporate existence continues, by its Board of Directors or by any committee or representative duly authorized to exercise such rights and powers by resolution of Declarant's Board of Directors. Upon termination of Declarant's corporate existence, in the event such rights and powers have not theretofore been assigned by Declarant as hereinafter provided, said rights and powers shall then and thereafter vest in and be exercisable by Victor H. Palmieri, Ronald C. Anderson, and Don C. Odell, or the survivor or survivors of them. Such rights and powers may be exercised by or upon the written consent of any two said individuals, or if only one of them be living, by such surviving individual, or by any committee or

representative authorized to exercise such rights and powers by the written consent of any two of said individuals, or if only one shall then be living, by such surviving individual. If any of said individuals shall lack the capacity to act or be absent from the State of California for more than 60 days, the remaining individuals shall be deemed "survivors" for the purpose of this section 11.01 so long as such incapacity or absence continues. In the event of the death, incapacity or absence of all said individuals, such rights and powers shall automatically pass to and vest irrevocably in the Association (if it then exists) or otherwise in such other community association to which such rights and powers might have been assigned pursuant to Section 11.02 hereof, if such community association then exists, otherwise such rights and powers shall cease and determine.

11.02 Declarant may assign any one or more, or all, of such rights and powers to the Association (if it then exists) or otherwise to any non-profit community association or property owners association whose members include (at the time of such assignment) the owners of more than one half of the lots in said property. Upon such assignment, such community association shall exercise such rights and powers on behalf of such of its members as are owners of lots in said property, for the benefit of all lots in said property.

11.03 Such rights and powers may be assigned by Declarant to any corporation owning all of the outstanding stock of Declarant, and may again be assigned by such corporation to any corporation wholly owned by or wholly owning such corporation.

11.04 Any such assignment shall be evidenced by an amendment to this Declaration setting forth the fact of such assignment, which shall be filed for record in the Office of the County Recorder of Ventura County, California.

11.05 In the event that such rights and powers shall become exercisable by the three individuals named 11.01 above said individuals may assign such rights and powers to any corporation or community association to which Declarant might have assigned such rights and powers had its corporate existence continued until the date of such assignment. Said three individuals may make such assignment in the same manner as set forth in Section 11.01 for the exercise of other powers by said individuals.

11.06 Nothing in this Article XI shall be deemed to affect or limit the rights of the several owners, from time to time, of the lots in said property to enforce these restrictions.

Article XII

Resubdivision or Combination of Lots

12.01 In the event two or more contiguous lots are held in common ownership, such lots may for the purposes of these restrictions be treated as one entire lot, provided that the owner thereof shall file with Declarant a written statement declaring his intention to treat such contiguous lots as one lot; and any severance of the provisions of Section 12.02

hereof.

12.02 In the event that a portion of a lot or of two or more contiguous lots is severed in ownership from the remainder of such lot or contiguous lots, such portion so severed, and the remaining portion of such lot or contiguous lots, shall each thereafter be treated for all purposes hereunder as lots, for the express purpose of imposing upon and subjecting each of such newly-formed lots to all of these restrictions applicable to original lots, including the restrictions respecting setback lines and setback areas. No structure may be placed or altered on any such newly-formed lot unless and until the size and street frontage of each such newly-formed lot (in addition to the plans for such structure) shall have been approved in writing by Declarant, setbacks for such newly-formed lots have been designated by Declarant, and a certificate of compliance approving the severance of such newly-formed lots and designating such setbacks shall have been executed by Declarant in the manner provided in Section 5.06 hereof. Declarant may withhold such approval if, in its sole discretion, it determines that the area, shape or street frontage of any such newly-formed lot is not in keeping with the character of the improvements upon, and the areas and frontages of, other lots in said property, or if either or any of such newly-formed lots is smaller in area than 22,000 square feet or has a street frontage of less than 100 feet.

Article XIII

Good Faith Lenders Clause

13.01 No violation of any of these restrictions shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value upon any portion of said property; provided, however, that any purchaser at any trustee', mortgagees' or foreclosure sale shall be bound by and subject to these restrictions as fully as any other owner of any portion of said property.

Article XIV

Grantee's Covenant

14.01 Each grantee accepting a deed or other conveyance which incorporates or refers to these restrictions covenants for himself, his heirs, successors and assigns to observe, perform and be bound by these restrictions and to incorporate these restrictions by reference in any deed or other conveyance of all or any portion of his interest in any real property subject hereto.

Witness the due execution hereof as of the date first above written.

CONEJO OAKS CO.

By Victor H. Palmieri, General Partner

Monday, 14 August 2000