

**DECLARATION
of
COVENANTS, CONDITIONS, and RESTRICTIONS
for
TRACT 3463**

This Declaration is made by REEDER DEVELOPMENT CORPORATION, a Minnesota Corporation, and IDS MORTGAGE DEVELOPMENT CORPORATION, a Nevada Corporation, hereinafter referred to as the "Declarant", concerning that certain real property described as Tract No. 3463 as per map recorded in Book 25 Page 155-162, inclusive, of maps in the office of the County Recorder of Kern County, California, in contemplation of the following facts:

FIRST: Declarant is the owner of the above described real property and intends to impose thereon certain beneficial restrictions upon a general plan of improvement for the benefit of said property and the future owners thereof.

SECOND: It is the Declarants intention that all said property be held, conveyed, encumbered, used and improved as a real estate development project encompassing non-dedicated and dedicated but not accepted streets, and drainage easements, subject to the covenants, conditions, and restrictions contained in this declaration, all of which are in furtherance of a plan for the use, improvement, and sale of said property.

THIRD: All of the covenants, conditions, and restrictions contained in this Declaration shall run with the land and shall be binding on all parties having or claiming in any manner whatever any right, title, or interest in said property or any part thereof.

NOW, THEREFORE, in consideration of the foregoing, Declarant does hereby declare that such covenants, conditions, and restrictions are as follows:

1. **DEFINITIONS**, as used in this Declaration:

a. The term "non-dedicated street" shall refer to a parcel of land or non-exclusive easement not owned by the County, Cities, or State or Federal Governments, which is non-dedicated and dedicated, but not accepted for dedication for public use and which is used or intended to be used for access to the lots within the subdivision itself, or parcels adjacent thereto.

b. Project shall be defined to mean the entire parcel of real property (Tract No 3463).

c. "Lot" shall mean each parcel of land in the Tract described by a number on the recorded subdivision map of Tract 3463 in Kern County, California.

d. "Tract" shall mean Tract 3463 in Kern County, California.

e. "Board" shall mean the Board of governors of the association.

f. "Association" Shall mean Los Padres Estates Property Owners Association.

g. The common area is the land and real property, non-dedicated streets, dedicated but not accepted streets and drainage easements and public utility easements included within the boundaries of Tract No. 3463 and Lot Nos. 13, 26, 38, 51, 159, 160, and 171.

h. Owner shall be defined to be the person or other legal entity owning a parcel or owner of record. Owner shall include person or other legal entity owning title in fee to one or more parcels or buying one or more parcels by means of a real property installment contract.

i. **CORPORATION** shall be Reeder Development Corporation, 1830 Brundage Lane, Bakersfield, California.

2. **ORGANIZATION OF OWNERS OF THE PROJECT**

a. **Type Of Organization** The owners of parcels within the project shall comprise an unincorporated association to be known as LOS PADRES ESTATES PROPERTY OWNERS ASSOCIATION.

Annual and special meetings of owners shall be held in accordance with the provisions of this Declaration. In any such meeting the presence in person or by proxy of owners owning the majority of the parcels in the project shall constitute a quorum. Each owner shall be entitled to one (1) vote for each parcel owned. No member of this association or his transferees or his successors shall be personally liable for any of the debts, liabilities and/or obligations of the association.

b. **Organization Meeting** An organizational meeting of the owners shall be held no later than thirty (30) days following the consummation of the sales of at least fifty (50) parcels, and in no event later than November 1, 1972. Notice of the time and place of such organizational meeting shall be given by the Declarant, or its authorized agent to the owners in writing by mailing such notice to the address of each respective owner as shown in the records of the Declarant. Such notice shall be mailed at least 30 days prior to meeting date.

c. **Annual Meetings** There shall be a meeting of the owners on the first Tuesday Of November of each year at 7:30 P.M. at such location as may be designated by written notice of the Board of Governors mailed to each owner at the address shown on the records of the Board of Governors. Such meeting place will be held within the County of Kern.

At the organizational meeting and each Annual meeting, the owners shall elect a Board of Governors for the forth coming year consisting of five (5) owners. Each owner entitled to vote at any election of members of the Board may accumulate his votes and give one candidate a number of votes equal to the number of members of the board to be elected multiplied by the number of votes to which each owner is entitled, or to distribute his vote on the same principle among as many candidates as he sees fit. The candidates receiving the highest number of votes after the number of the members of the board to be elected shall be deemed elected.

d. **SPECIAL MEETINGS** Special meetings of owners may be called either by the Board of Governors or by the owners of not less than ten per cent (10%) of the lots in the project. Notice of special meetings shall be in writing, mailed to each owner at the address on the records of the Board of Governors, and shall state the time and place of the meeting, and the general nature of the business to be transacted, and shall be given at least (10) days prior to the date of the meeting as specified in such notice.

e. **MAJORITY VOTE** At any annual meeting or special meeting of owners at which a quorum is present, the majority of the voting power shall prevail, except in those cases otherwise expressly provided for in the Declaration.

3. **BOARD OF GOVERNORS**

a. **MEMBERSHIP OF THE BOARD - TERM - REMOVAL** The management of the project shall be vested in a Board of Governors consisting of five (5) owners elected by the owners at each annual meeting or at any special meeting called for that purpose. Members of the board shall serve for a term of one (1) year and until their respective successors are elected, or until their death, resignation or removal; provided, however, that if any member ceases to be an owner, his membership on the board shall thereupon terminate. Any member may resign at any time by giving a written notice to the manager or to the other members of the board, and any member may be removed, from membership on the board by vote of the owners; provided, however, that unless the entire board is removed, an individual board member shall not be removed if more than twenty-five (25) owners cast votes against his removal.

b. **QUORUM - CHAIRMAN** Four (4) members of the board shall constitute a quorum and, if a quorum is present, the decision of the majority of those present, shall be the act of the board. The board shall elect a chairman who shall preside over both its meetings and those of those of the owners. Meetings of the board may be called, held and conducted in accordance with such regulations as the board may, from time to time, adopt. The board may also act without a meeting by unanimous consent of its members.

c. The board shall meet regularly on the first Tuesday of July each year or such other times as the board majority vote shall deem necessary, provided that if such date be a holiday, the regular meeting shall be held on the following day.

d. **INTERIM POWERS OF DECLARANT** Until the first election of the board, the rights, duties and functions of the board shall be exercised by Declarant without compensation. Provided that if the Declarant in its exercise of powers of the board shall enter into any arrangement or contract with any person or firm for the management of the project, such contract may be voided by the board at its first regular meeting.

e. **CERTIFICATE OF MEMBERSHIP** After the first election of the board, Declarant shall execute, acknowledge and record an affidavit stating the names of all the persons elected to membership on the board.

Thereafter, any two (2) persons who are designated of record as being members of the most recent board (regardless of whether or not they shall still be members) may execute, acknowledge and record an affidavit stating the names of all members of the then current board. The most recently recorded of such affidavits shall be prima facie evidence that the persons named herein are all of the incumbent members of the board and shall be conclusive evidence thereof in faith of all persons who rely thereon in good faith.

f. **POWERS OF THE BOARD** The Board of Governors shall maintain the non-dedicated streets and dedicated but not accepted streets, access roads, and drainage easements, and public utility easements, and shall have the power and authority to: (1) Pay for all labor, services, maintenance, repairs, structural alterations, taxes or assessments which the board is required to secure of pay for pursuant to the terms of these restrictions or By-Laws, or which in its opinion may be necessary or proper in maintaining the non-dedicated roads, and dedicated but not accepted streets, and drainage easements, the operation of the project for the enforcement of these restrictions; (2) Obtain public liability and property damage insurance insuring the board, owners and managers, if any, against any liability to the public or to the owners and their invitees, licensees, or tenants incident to the ownership and/or use the common area, the liability under which insurance shall be set by the board. Such limits may be increased by the board from time to time in its discretion. (3) Pay for the reconstruction of any portion or portions of the non-dedicated roads and dedicated but not accepted streets, and drainage easements damaged or destroyed which are to be rebuilt pursuant to the provisions of this Declaration. (4) To do all things necessary or reasonable to carry out the provisions of this Declaration and the duties of the board in the, operation and management of the project. (5) To do all things with respect to any public road contained within or which serves as access to said subdivision, which it is empowered to do herein above with respect to non-dedicated roads.

6. To do all things with respect to any public non-dedicated road or public road located in another subdivision which serves as access to said subdivision, which it is empowered to do herein above with respect to non-dedicated streets. (7) To enter into contracts with associations or cooperation's of property owners of neighboring subdivisions for joint maintenance of all roads aforementioned. (8) Provide for posting of signs in accordance with section 5838 (b) of ordinance No. G-1120, Kern County, California. (9) The board's power to pay for reconstruction of the roads should be limited to \$ 1, 000.00 for capital improvements without approval by majority vote.

4. ASSESSMENTS AND MAINTENANCE FUND

All assessments levied by the Board of Governors pursuant to this Declaration, whether designated a basic assessment or a further assessment, shall be paid equally by the owners of parcels in the project, and no parcel may be assessed an amount per month or per annum greater or less than any other parcel.

a. **BASIC ASSESSMENT** On the first day of November of each year, beginning on the first day of the month following the recording of the sale of the one-hundredth (100) parcel of this tract, the owners of each of the parcels in the project shall pay to the board to be held and dispersed as a fund to meet the authorized expenditures as provided herein and to provide adequate reserves for replacement the sum of Ten Dollars (10) per year. Each such annual payment shall be a separate debit of the owner against whom it is assessed. The initial basic assessment herein provided may be increased by the board, but may not be decreased without the approval of the majority of the owners and of all beneficial interests under first mortgage of trust deeds covering all of the parcels in the project. Annual assessments may not be raised in excess of 3% without a majority vote.

b. **FURTHER ASSESSMENTS** If the fund provided by the Basic Assessment for any reason, including non-payment by any of the owners, proves inadequate to maintain the project, and to provide adequate reserves for replacement, and to enable the board to carry out its duties and responsibility, the board may at any time levy a further assessment which shall be assessed equally to each of the owners of the parcels in the project. The board shall give each owner written notice of the total amount of said further assessment, the amount thereof assessed to each owner and the date or dates upon which said amount or portion thereof shall be due and payable. Each such payment so indicated in the written notice shall be a debit of the owner against whom it is assessed and shall be due and payable on the indicated date.

c. **UNSOLD PARCELS** Declarant shall pay a prorated share of all maintenance costs in the project applicable to unsold parcels, whether completed or not, and both before and after the board of governors provided for in this Declaration is elected and assumes office.

5. **DEFAULT IN PAYMENT OF ASSESSMENTS** In the event of a default or defaults in in the payment of any of the assessments as provided for in Section 4 of this Declaration, the board of governors may enforce such obligation as follows:

a. **ACTION AT LAW** The board may maintain an action at law in the name of LOS PADRES ESTATES PROPERTY OWNERS ASSOCIATION or in the name of one or more of the board members to enforce each assessment obligation. Each such action must be authorized by a majority of a quorum of the board at a regular or special meeting thereof. Any judgment rendered in any such action shall include a sum for reasonable attorney's fees in such amount as the court may adjudge against the defaulting owner. Upon full satisfaction of any such judgment, it shall be the duty of the board to authorize delivery of any appropriate satisfaction thereof

b. **LIEN**

(1) **Notice in Claim of Lien** At any time within ninety (90) days after default of payment of any assessment or installment thereof, the board acting upon the authorization of the majority of a quorum at any regular or special meeting, may give a notice to the defaulting owner which shall state the date of delinquency the amount thereof, and make demand for payment. If such delinquency is not paid within ten (10) days after delivery of such notice, the board may elect to record a Claim of Lien against the parcel of the delinquent owner. Any such claim of lien shall state; (a) The name of the delinquent or reputed owner; (b) A description of the property against which the claim of Lien is made; (c) The amount claimed to be due and owing from any proper offset allowed; (d) That the claim of Lien is made by the Board of Governors or the association pursuant to the terms of this Declaration; and (e) That a lien is claimed against such described property in an amount equal to the amount of the stated delinquency. Any such Claim of Lien shall be signed and acknowledged by two (2) or more members of the board and shall be dated as of the date that last such board member executes such claim of Lien. Upon recordation of a duly executed original or duplicate original of such Claim of Lien in the office of the Kern County Recorder, the lien claim thereof shall immediately attach and become effective subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis for a claim of Lien or a lien.

(2) **Enforcement of Lien** Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a mortgage or trust deed under power of sale, or in any manner permitted by law, reasonable attorney's fees shall be allowed to the extent permitted by law. In the event foreclosure is as in the case of a mortgage or trust deed under power of sale, the board or any person designated by it in writing shall be deemed to be acting as the agent of the lienor and shall be entitled to actual expenses and such fees as may be allowed by law.

(3) **Release of Lien** In the event of any Claims of Lien have been recorded as herein above provided and thereafter the board receives payment in full of the amount claimed to be due and owing; then upon demand of the owner or successor and the payment of a reasonable fee not to exceed Ten Dollars (\$10.00), the board acting by any two (2) members shall execute and acknowledge and record in the office of County Recorder of Kern County a Release of Lien stating the date of the original claim of such lien, the amount claimed, the date and page wherein the lien was recorded, the fact that the lien has been fully satisfied and that particular lien is released and discharged. Such Release of Lien shall be delivered to the owner or his successor upon payment of the above stated fee.

c. **OTHER MEANS OF ENFORCEMENT** The Board of Governors may enforce the payment of any delinquent assessment or installment thereof in any other manner permitted by law.

d. **AMENDMENT** No amendment of this Section 5 shall be effective without the unanimous written consent of all of the owners and the holders of the beneficial interest in any mortgage or deed of trust then of record as a valid lien against said property or any part thereof.

6. **AUDIT** Any owner may at any time and at his own expense cause an audit or inspection to be made of the books and records of the manager of the board. The board shall furnish all owners of the project with an independent annual report showing assets, liabilities, income and expenses within thirty (30) days from the completion thereof, or one hundred twenty (120) days from the close of each fiscal year adopted by the board, whichever shall first occur.

7. **AMENDMENT** Except as otherwise provided herein, the provisions of these restrictions may be amended by instrument in writing signed and acknowledged by record owners holding seventy-five percent (75) of the total vote hereunder and the holders of all the beneficial interests in any mortgage or deed of trust and of record as valid lien against the project or any part thereof, which amendment shall be effective upon recordation in the offices of the County Recorder of Kern County, California.

In no case shall there be an amendment to these restrictions after any lot has been sold, unless such amendment has been approved by at least fifty -one percent (51%) of the lot owners without counting any unsold lots owned by Declarant.

So long as no lots have been, Declarant will not amend these Covenants, Conditions, and Restrictions without first having had and obtained the consent of the Board of Supervisors of the County of Kern, California.

8. **SUBDIVIDERS GUARANTEE** The Subdividers guarantees as follows:

a. Should any lot owner be in default in the payment of any assessment as herein provided, prior to the sale of the majority of the lots within the subdivision, then, in such event, the Declarant shall pay to the association any such delinquencies.

b. In addition thereto, the Declarant shall pay all assessments which might be levied on the lots remaining unsold until sold.

9. **CONVEYANCES OF STREETS TO ASSOCIATION** The non-dedicated and dedicated but not accepted streets and drainage easements and Lots 13, 26, 38, 51, 159, 160, and 171, within the subdivision shall be conveyed to the Association by the Declarant, in fee simple, prior to the sale of any other lot within the subdivision to any purchaser. The Association is hereby granted the power and authority to dedicate or transfer all or any part of the non-dedicated and dedicated but not accepted streets and drainage easements to any public agency or authority for such purposes and subject to such conditions as may be agreed upon by the members of the association, provided that no such dedication or transfer of determination as to the purposes or conditions thereof, shall be effective unless (a) there is recorded therewith an instrument signed by the members of the association, agreeing to such dedication, transfer purposes or conditions, and (b) written notice of the purposes action is sent to every member at least seven (7) but not more than sixty (60) days prior to such action. Such transfers shall have approval of majority vote.

10. **COMMITTEE OF ARCHITECTURE**

The Committee of Architecture, hereinafter called "Committee", is composed of the members of the Board of Governors of the LOS PADRES ESTATES PROPERTY OWNERS ASSOCIATION, c/o Hilltop Developers, Inc., 1830 Brundage Lane, Bakersfield, California, 93304, which Committee is appointed pursuant to the provisions of paragraph 3 herein.

No Mobile home, fence, patio, well, tank, or other structure of any nature whatsoever shall be erected, placed, altered, used, or permitted to remain on any lot or portion of lots within the property until building plans, specifications and plot plans showing the location and intended use of such building or structure, shall have first been submitted to and approved by

first been submitted to and approved by the said committee as to conformity and harmony of external design with the existing buildings or structures within the property, as to location of the building or structure with respect to the topography and finished ground elevation, and to quality of workmanship and materials, by a majority of the Committee.

Decorative front yard fences between the setback line and the front property line shall not be greater than 2 feet in height and shall blend with appearance of the permanent structure in color, design and material.

No mobile home unit shall be older than seven years and shall comply with all requirements of state law and all regulations issued pursuant thereto, and shall be otherwise at all times maintained in good condition and repair, and shall comply with all the requirements of the "T" (Trailer) zone of the Kern County Zoning Ordinance.

The Committee's approval or disapproval as required in these covenants shall be in writing. In the event said committee fails to approve or disapprove within fifteen days after acknowledgment in writing by the committee of receipt of such plans, specifications and plot plan, such approval shall not be required and the related covenants shall be deemed to have been fully complied with. The Committee shall not check structural adequacy or compliance with any building code, nor will approval by the Committee imply such a check has been made.

11. **LAND USE**

No mobile home will be approved which does not have a minimum of 100 square feet of liveable area mounted at the front setback line and the foundation of which is not less than one foot above the existing grade of the lot on which said structure is to be constructed with fascia added to obstruct the view of the undercarriage.

There shall be no removal of trees or shrubs without the Committees approval as herein provided.

12. **DERRICKS**

No oil drilling, oil development operations, oil-refining, quarrying or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon or in any lot. No derricks or other structures designed for use in boring for oil or natural gas, mining or quarrying for oil or natural gas or precious minerals, shall ever be erected, maintained, or permitted upon any lot in said tract.

13. **NOXIOUS TRADE**

No noxious or offensive trade, activity or noise shall be carried on upon any lot, nor shall anything be done thereon which may be or become any annoyance or nuisance to the neighborhood.

14. **BUILDING SETBACKS**

No building shall be located nearer than 25 feet to the front lot line, nor nearer than 10 feet to any side lot line or rear lot line. The front yard is defined as the yard abutting a street.

15. **LIVESTOCK, POULTRY OR PETS**

No animals, livestock or poultry of any kind shall be kept, raised or bred, on any property for commercial purposes, or in such number or manner as to be considered offensive or a nuisance as deemed by the Committee of Architecture.

16. **RESERVATION OF EASEMENT**

Easements for installation and maintenance of utilities and drainage facilities, both present and future, are reserved as shown on the recorded plat, and shall be granted by the owners of any lot within the property provided they are not within the building setback. Within these easements no structures, planting or other material shall be placed or permitted to remain which may damage or interfere with the installations and maintenance of utilities and drainage facilities.

17. **VIOLATION OF CONDITIONS**

If the parties hereto or any of them, or their heirs or assigns shall violate or attempt to violate any of the covenants, conditions, or restrictions herein it shall be lawful for any other person or persons owning any real property situated in said property to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate such covenants and either to prevent or enjoin him or them from doing so or to recover damages or other dues for such violation. Breach of any said covenants, conditions and restrictions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said lots or property or any part thereof, but such provisions, covenants, conditions and restrictions shall be binding against any owner of property whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

18. **DURATION**

The covenants, conditions and restrictions shall run with the land and shall be binding on all parties and all persons claiming under them for a period of 20 years from the date of recordation hereof,

and shall be automatically renewed for successive periods of 10 years unless a majority of the property owners shall act to alter, revise or terminate them at the end of any of such period.

19. EXCEPTION TO CONDITIONS

The Committee retains the right and have full power, to grant exceptions or modifications to any of the provisions, covenants, conditions or restrictions set forth in this declaration.

20. INVALIDATION OF CONDITIONS

If any provisions of these covenants, conditions, or restrictions be declared invalid or unenforceable all other provisions, covenants, conditions, or restrictions set fourth herein shall remain in full force and effect.

STATE OF CALIFORNIA

COUNTY OF KERN } ss.

On AUGUST 20, 1971, before me, the undersigned, a Notary Public in and for said State, personally appeared WAYNE REEDER

known to me to be the _____ President, and

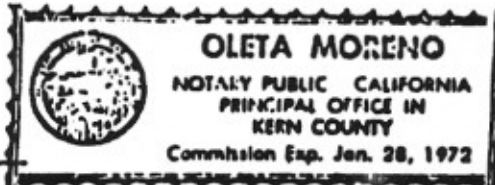
known to me to be the _____ Secretary of the corporation that executed the within instrument,

and 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 Oleta Moreno

Oleta Moreno
Name (Typed or Printed)



(This area for official notarial seal)

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ANT CORPORATION

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corporation)

ATE OF CALIFORNIA

COUNTY OF Los Angeles } ss.

On August 27, 1971, before me, the undersigned, a Notary Public in and for said State, personally appeared Harold F. Gingrich
known to me to be the Assistant Vice President, and Lawrence A. Tourtillotte Jr.

known to me to be Assistant Secretary of the corporation that executed the within instrument, and 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 Donna L. Neville

Donna L. Neville

Name (Typed or Printed)



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