

WESTLAKE LAKE MANAGEMENT ASSOCIATION

Westlake Village, California

LEGAL DOCUMENTS

**Articles of Incorporation
By-Laws
CC&Rs**

Ventura County

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

WESTLAKE LAKE MANAGEMENT ASSOCIATION

32353 West Triunfo Canyon Road
Westlake Village, California 91361
(818) 889-5377



November 20, 2000

Dear Westlake Lake Management Association Member,

Enclosed please find the following current documents for your records:

- I. Articles of Incorporation
- II. By Laws
- III. The 10th Certificate of Amendment of the Westlake Lake Recreational Area Restrictions (CC&Rs)
- IV. Provision letter of interpretation of the CC&Rs

The Articles of Incorporation and By Laws have not been changed from the previous copies furnished you. The CC&Rs have been fully restated and recorded in Ventura and Los Angeles County. The interpretation letter had been previously sent to you.

We decided to send you a complete set of these legal documents for your permanent records. Please keep these in a safe place.

Sincerely yours,

A handwritten signature in cursive script that reads "Leniy Targon".

Leniy Targon
President

I. ARTICLES OF INCORPORATION

ARTICLES OF INCORPORATION
OF
WESTLAKE LAKE
MANAGEMENT ASSOCIATION

I

The name of this Corporation is:
WESTLAKE LAKE MANAGEMENT ASSOCIATION (hereinafter
called the "ASSOCIATION").

II

This corporation is organized pursuant to the General
Nonprofit Corporation Law of the State of California.

III

The terms defined herein shall, for all purposes of
these ARTICLES OF INCORPORATION, have the meanings herein
specified.

A. The term "WESTLAKE LAKE RECREATIONAL AREA" shall
mean the real property so designated in the WESTLAKE LAKE
RESTRICTIONS including all annexations or other additions to
said real property.

B. The term "WESTLAKE LAKE RESTRICTIONS" shall mean
the Declaration of Covenants, Conditions and Restrictions
recorded on _____, 196__, in Book _____ at
Page _____, Official Records, in the office of the
County Recorder of Los Angeles County, State of California.

C. The term "OWNER" shall have the meaning pre-
scribed by ARTICLE I of the WESTLAKE LAKE RESTRICTIONS.

IV

A. The specific and primary purpose for which the ASSOCIATION is organized and operated is to provide for the management, maintenance, protection, preservation and development of the WESTLAKE LAKE RECREATIONAL AREA and to promote the health, safety and welfare of its members all in accordance with the provisions of the WESTLAKE LAKE RESTRICTIONS.

B. The general purposes for which the ASSOCIATION is formed are to have and to exercise any and all powers, rights and privileges which a corporation organized under the General Nonprofit Corporation Law of the State of California by law may now or hereafter exercise which are incidental to but necessary for carrying out the primary and specific purposes of the ASSOCIATION.

C. The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and the purposes and powers stated in each clause shall, except where otherwise expressed, be in nowise limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be regarded as independent purposes and powers.

V

The ASSOCIATION is organized and operated exclusively for the purpose of managing, maintaining, protecting, preserving and developing the WESTLAKE LAKE RECREATIONAL AREA, and the improvements thereon, for the benefit of its members, for their pleasure, recreation and other nonprofit purposes. No part of the net earnings or assets of the ASSOCIATION on dissolution or otherwise shall inure to the benefit of any member of the ASSOCIATION or member of the BOARD. In the event of dissolution

or winding up of the ASSOCIATION, its assets, other than real property, shall vest in and be distributed to a nonprofit unincorporated association consisting of the members of the ASSOCIATION, which unincorporated association shall succeed to all of the rights and obligations of the ASSOCIATION. Immediately prior to dissolution, real property held by the ASSOCIATION shall be conveyed to Title Insurance and Trust Company or to its successor, or to any other independent corporation trustee, to hold such property in trust for the benefit of said unincorporated association and its members.

VI

The county in the State of California where the principal office for the transaction of the affairs of the ASSOCIATION is to be located is the County of Los Angeles.

VII

The powers of the ASSOCIATION shall be exercised, its properties controlled and its affairs conducted by a board of directors which shall be called the Board of Representatives. The number of members on the Board shall be no less than five nor more than thirty-three; provided, however, that the number of board members may be changed by a By-Law duly adopted by the members of the ASSOCIATION. The names and addresses of the persons who are appointed to act as the first members of the board are:

<u>Name</u>	<u>Address</u>
John L. Notter	Post Office Box 540, Westlake Village, California 91360
Jimmy D. Johnson	Post Office Box 540, Westlake Village, California 91360
A. J. Dietsch	Post Office Box 540, Westlake Village, California 91360
G. J. Frampton	Post Office Box 540, Westlake Village, California 91360
James M. Parker	Post Office Box 540, Westlake Village, California 91360

VIII

No person other than an OWNER shall be a member of the ASSOCIATION. Proof of status as an OWNER for purposes of establishing membership shall be furnished in accordance with the provisions of the BY-LAWS.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, the undersigned have executed these Articles of Incorporation this _____ day of _____, 196__.

John L. Notter

Jimmy D. Johnson

A. J. Dietsch

G. J. Frampton

James M. Parker

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On _____, 196_, before me a Notary Public in and for said County and State, personally appeared JOHN L. NOTTER, JIMMY D. JOHNSON, A. J. DIETSCH, G. J. FRAMPTON and JAMES M. PARKER known to me to be the persons whose names are subscribed to the foregoing Articles of Incorporation, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

Notary Public in and for said
County and State

State of California

SECRETARY OF STATE

CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

AUG 02 1996



Secretary of State

STATE OF CALIFORNIA



DEPARTMENT OF STATE

To all whom these presents shall come, Greetings:

I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.

In testimony whereof, I, FRANK M. JORDAN, Secretary of State, have hereunto caused the Great Seal of the State of California to be affixed and my name subscribed, at the City of Sacramento, in the State of California,

JUL 3 1968

this

Frank M. Jordan
Secretary of State

By *W. P. Sullivan*
Assistant Secretary of State



CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

JUL 30 1996

Sal Scarpato and Ken Diddie certify that:

1. They are the president and the secretary, respectively, of WESTLAKE LAKE MANAGEMENT ASSOCIATION, a California Corporation.

2. Article V of the articles of incorporation of this corporation is amended to read in full as follows:

The ASSOCIATION is organized and operated exclusively for the purpose of managing, maintaining, protecting, preserving and developing the Westlake Lake Recreational Area including the lake and the improvements thereon, for the benefit of ASSOCIATION members, and for their pleasure, recreation and other non-profit purposes, and to enhance the scenic beauty of the Westlake Lake Recreational Area and the community of Westlake [as defined in the Westlake Lake Recreational Area Restrictions] and to provide recreational opportunities for the residents of Westlake.

The property of the ASSOCIATION is irrevocably dedicated to charitable or social welfare purposes and no part of the net income or assets of the ASSOCIATION shall ever inure to the benefit of any director, officer, or member thereof or the benefit of any private persons.

Upon the dissolution or winding up of the ASSOCIATION, its assets remaining after payment or provision for payment of all debts and liabilities of this ASSOCIATION, shall be distributed to a non-profit fund, foundation, or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax exempt status under Section 501(c) (3) or (4) of the Internal Revenue Code, which shall be determined by a special meeting held by the Board of Directors. Should a majority of the voting member fail to agree upon such distribution, then application shall be made to any judge of the Superior Court of Los Angeles County, California, whose name shall be chosen by lot, who shall then decide how the assets should be distributed in accordance with the Articles and such decision shall be binding upon the directors, members, and the ASSOCIATION.

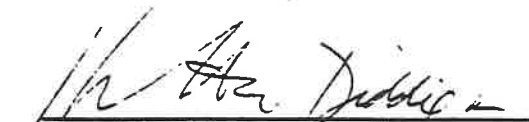
3. The foregoing amendment of articles of incorporation has been duly approved by the Board of Directors (representatives).

4. The foregoing amendment of articles of incorporation has been duly approved by the required vote of members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: June 24, 1996


Sal Scarpato, President


Ken Diddie, Secretary

II. BY LAWS

BY-LAWS (Third Amended) of WESTLAKE LAKE MANAGEMENT ASSOCIATION

ARTICLE I - DEFINITIONS

SECTION 1.1 WESTLAKE LAKE RESTRICTIONS. The term "WESTLAKE LAKE RESTRICTIONS" shall mean the covenants, conditions and restrictions set forth in that certain declaration entitled "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE WESTLAKE LAKE RECREATIONAL AREA" dated April 25, 1968 recorded in Book M2842 of Official Records at Page 197 and following in the office of the County Recorder of Los Angeles County, California, and also recorded on April 25, 1968 in Book 3295 of Official Records at Page 220 and following in the office of the County Recorder of Ventura County, California, as said DECLARATION may be amended from time to time, or supplemented or modified in connection with the annexation of property to the WESTLAKE LAKE RECREATIONAL AREA.

SECTION 1.2 OTHER TERMS. The other terms used herein shall have the definitions and meanings given them in Article 1 of the WESTLAKE LAKE RESTRICTIONS.

SECTION 1.3 COMMUNICATION. Among other forms of communication within the ASSOCIATION - to and from members, and among and between the BOARD, its Representatives, the Executive Committee, and the corporate Officers - to the extent possible, communication may be made by electronic transmission as defined in, and in accord with, California Corporations Code §20 and §21 including consent provisions, as may be amended.

ARTICLE II - MEMBERS

SECTION 2.1 QUALIFICATION.

A. Each OWNER, by virtue of being an OWNER and until no longer an OWNER, shall be a member of WESTLAKE LAKE MANAGEMENT ASSOCIATION ("ASSOCIATION"). No person other than an OWNER may be a member of the ASSOCIATION.

B. As used herein the term "OWNER" has the meaning set forth in Article 1 of the WESTLAKE LAKE RESTRICTIONS and includes, among others, GRANTOR and MASTER DEVELOPER for so long as any of them own, within the WESTLAKE LAKE RECREATIONAL AREA, one or more lots or parcels, and/or are the purchaser of a lot or parcel under an executory contract for the sale of real property only if it is a real property sales contract as defined in California Civil Code §2985, as may be amended.

C. No person shall exercise the rights of membership until satisfactory proof has been furnished to the Board of Representatives that he is an OWNER. Such proof may consist of a copy of a duly executed and acknowledged grant deed, or a title insurance policy showing said person to be the OWNER of a lot or parcel within the WESTLAKE LAKE RECREATIONAL AREA, or such documentary or other proof as the BOARD in its discretion shall deem to be satisfactory. The decision of the BOARD as to eligibility for membership shall be final and conclusive for all purposes.

D. The BOARD may provide for the issuance of certificates, in a form which it shall determine, evidencing membership in the ASSOCIATION. Such certificates shall be consecutively numbered and contain the name and address of the member. The date of issuance of the certificate shall be entered in the records of the ASSOCIATION by the Secretary. If any certificate is lost, mutilated or destroyed, a new certificate may be issued upon such terms and conditions as the BOARD may direct.

SECTION 2.2 VOTING.

A. At any meeting of the members or election, each member shall be entitled to cast the number of votes to which he is entitled under the WESTLAKE LAKE RESTRICTIONS. Election of BOARD Representatives is conducted by members who are OWNERS within each particular DISTRICT voting for Representatives allocated from that same DISTRICT under the WESTLAKE LAKE RESTRICTIONS, which election regional voting procedure is allowed under California Corporations Code §5153.

B. Any member may attend and vote at meetings or at elections in person or by a proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. Any proxy shall be for a term not to exceed eleven months unless otherwise expressly provided therein and may be revoked at any time by written notice to the Secretary. A proxy shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetence of such member, or upon termination of such member's status as an OWNER. Where two or more persons have ownership interests in a lot, any proxy with respect to the vote of such members shall be signed by all such persons.

SECTION 2.3 MEETINGS; QUORUM.

A. There shall be no annual meetings of the members.

B. Special meetings of the members may be called at any time to consider matters which, by the terms of the ARTICLES OF INCORPORATION ("ARTICLES"), these BY-LAWS, or the WESTLAKE LAKE RESTRICTIONS, require the approval of all or some of the members, or for any other reasonable purpose. Said meetings shall be held at a reasonable place within the counties of Los Angeles or Ventura and shall be called by written notice, signed either by a majority of the BOARD, or by members having one-third of the total votes in the ASSOCIATION, and delivered not less than ten days nor more than sixty days prior to the date fixed for said meeting. Said notice shall specify the date, time, and place of the meeting and the matters which will be considered.

C. The presence at any meeting of members having a majority of the total votes in the ASSOCIATION shall constitute a quorum.

D. If any meeting cannot be held because a quorum is not present, the members present may adjourn the meeting to a time not less than forty-eight hours nor more than thirty days from the time the original meeting was called. At the subsequent meeting the presence of members having a one-third of the total votes in the ASSOCIATION shall constitute a quorum.

E. Unless otherwise expressly provided herein, or in the ARTICLES or WESTLAKE LAKE RESTRICTIONS, any action may be taken at any meeting of the members or election conducted pursuant to Section 2.4 upon the affirmative vote of a majority of the total votes cast or present.

SECTION 2.4 VOTING BY BALLOT.

A. Any matter or issue requiring the vote of the members of the ASSOCIATION, including the election of DISTRICT Representatives, may be submitted for vote by written ballot without a meeting. The determination to submit an issue for determination by written ballot without a meeting shall be made by the BOARD by resolution which shall specify the date for voting, providing a reasonable time under California Corporations Code §5513 as may be amended for sending and receiving response ballots, the form of the question to be submitted to the members, and other content required by such section as to the form of the ballot. Within fifteen days after adoption of the resolution, a full and complete copy of the resolution shall be sent to every member of the ASSOCIATION at the address of such member on the ASSOCIATION books or at the address of any lot or parcel owned by such member in the WESTLAKE LAKE RECREATIONAL AREA. In the matter of annual election of DISTRICT Representatives to the BOARD, the resolution to conduct the vote by written ballot shall hereby

be considered annually made until changed, requiring no notice of resolution until changed by the BOARD, and among other procedures the BOARD shall establish the Representatives nominating procedures including date for close of nominations prior to creation and distribution of written ballots.

B. Balloting at such election may be conducted by mail, by electronic transmission, or by the deposit of ballots at fixed polling places. In the latter case the Board of Representatives shall designate one or more such polling places within the boundaries of the WESTLAKE LAKE RECREATIONAL AREA where members may cast their votes. The BOARD shall notify the members of the locations of such polling places at least fifteen days prior to the election.

C. Conduct of the election shall be in accordance with procedures established by the BOARD. The BOARD is authorized to retain such services as it deems necessary to assist in establishing election procedures and supervising and controlling elections and to make reasonable expenditures in connection therewith. Such expenditures may include, without limiting the generality of the foregoing, the rental of computing and tabulation machines, the payment of fees for poll watchers, the renting of voting machines and similar expenses.

D. At any such election, voting by proxy will be allowed; provided, however, that each proxy shall be filed with the Secretary of the ASSOCIATION at least ten days prior to the date of the election. The BOARD may make such provisions as it may consider necessary or desirable for absentee ballots.

E. A quorum shall be deemed to have been present for purposes of an election held pursuant to this Section 2.4 if the majority of the total number of eligible votes is cast in any such election. The reduced quorum provisions of Section 2.3D shall not apply to elections held under this Section.

F. After tabulation of the ballots, the BOARD shall notify the members of the outcome of the election. If insufficient votes to constitute a quorum were cast, the BOARD shall so certify, and the election shall be of no effect.

ARTICLE III - BOARD OF REPRESENTATIVES

SECTION 3.1 CORPORATE POWERS.

A. The corporate powers of the ASSOCIATION shall be vested in, exercised by, and under the authority of, and the affairs of the ASSOCIATION shall be controlled by, a BOARD of Representatives consisting of thirty-three (33) persons who are members from the respective DISTRICTS described in the WESTLAKE LAKE RESTRICTIONS.

B. The BOARD shall have the exclusive right and responsibility to perform the duties and obligations and to exercise the powers and authority of the ASSOCIATION as set forth in the WESTLAKE LAKE RESTRICTIONS.

C. The BOARD shall exercise the powers and authority of the ASSOCIATION only as set forth in the WESTLAKE LAKE RESTRICTIONS, the ARTICLES and these BY-LAWS as any of them any be amended.

SECTION 3.2 QUALIFICATIONS AND ELECTIONS.

A. No person shall serve as a member of the BOARD who is not a member of the ASSOCIATION. In the event that a corporation or other impersonal entity is a member of the ASSOCIATION, it may designate one or more persons to stand for election to the BOARD on its behalf.

B. Representatives from each DISTRICT shall be OWNERS within that DISTRICT and shall be elected to serve on the BOARD each year. OWNERS in a DISTRICT shall only vote for Representatives from that DISTRICT. The number of Representatives from each DISTRICT shall be the number specified in the WESTLAKE LAKE RESTRICTIONS and any declarations annexing additional land to the WESTLAKE LAKE RECREATIONAL AREA. With the transfer of WESTLAKE LAKE to the ASSOCIATION pursuant to the WESTLAKE LAKE RESTRICTIONS, annual elections of Representatives shall be held on the first Tuesday of October. If voting is conducted by written ballot by mail or by electronic transmission, the ballots shall be opened and counted on the first Tuesday of October and the Representatives-elect shall be deemed to have been elected on that day, to serve for a term of one year, commencing on January first of the ensuing year.

C. Any person who is a member of the ASSOCIATION may nominate for election to the BOARD either himself or herself, or another member, by giving written notice to the ASSOCIATION any time prior to fifty (50) days before the date of the election. Such notice shall give the name, address and telephone number of the nominee, the DISTRICT in which he is an OWNER, that the nominee accepts the nomination, and date of the election. The Secretary shall place any person so nominated, unless he is not a member, on the ballot for the DISTRICT the nominee, if elected, will represent. If, after the close of nominations, the number of people nominated for the BOARD from any given DISTRICT is not more than the number of directors to be elected from that DISTRICT, the ASSOCIATION may, without further action, declare that those nominated and qualified are elected for that DISTRICT. If the number of nominees exceeds the number of vacancies to be filled from that DISTRICT, a written ballot will be conducted for that DISTRICT for the election as provided by these BY-LAWS.

D. 1) For the purpose of electing Representatives only, and provided the election is not conducted by mail (or by electronic transmission), but rather in person at a members meeting each OWNER may cumulate his votes and give one candidate or divide among the candidates from the OWNER'S DISTRICT for election to the BOARD a number of votes equal to the number of Representatives to be elected from the OWNER'S DISTRICT. At the election, the candidates receiving the highest number of votes, up to the number of Representatives to be elected shall be deemed elected.

2) Directors may be elected by mail (written) ballot, including by electronic transmission, at the direction of the BOARD. However, California law prohibits cumulative voting when the election is conducted by mail (written) ballot under California Corporations Code §5513(e) as may be amended. OWNER may cast no more than one vote for a candidate and the total number of votes permitted to be cast by an OWNER shall not exceed the number of Representatives to be elected from the OWNER'S DISTRICT.

E. Representatives shall serve for a term of one year commencing on January first of the year following their election and continuing during their term until their death, resignation or removal, whichever is the earlier. Any Representative may resign at any time by giving written notice to the President or Secretary, and any person may be removed as a Representative at a DISTRICT Election held for that purpose; provided, however, that an individual Representative shall not be removed if the number of votes cast against his or her removal exceeds thirty percent of the total votes cast.

F. Vacancies on the BOARD shall be filled by a majority of the remaining Representatives though less than a quorum, and each Representative so elected shall hold office until his successor is elected for the next ensuing year by the members, and during the time holding office shall be an OWNER in the DISTRICT which he or she is to represent.

SECTION 3.3 MEETINGS OF THE BOARD.

A. The organization meetings of the BOARD shall be held on the third Tuesday of November by the Representatives elected to serve for the ensuing year.

B. At each annual organization meeting, the BOARD shall adopt a schedule of other

regular meetings of the BOARD to be held during the forthcoming year. No notice shall be required for regular meetings of the BOARD scheduled as aforesaid.

C. Special meetings of the BOARD may be called at any time by the President or by any five Representatives. Written notice of the time and place of special meetings shall be given at least four (4) days if by first-class mail, or forty-eight (48) hours by personal delivery or telephone including voice-messaging system, or electronic transmission, prior to the holding of the meeting, and otherwise act in accord with California Corporations Code §5211 as amended.

D. A majority of the Representatives shall constitute a quorum of the BOARD, and if a quorum is present, the decision of a majority of those present shall be the act of the BOARD, except as voting requirements are otherwise provided in the WESTLAKE LAKE RESTRICTIONS or these BY-LAWS. The BOARD may also act without a meeting if all of the BOARD members consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the BOARD.

SECTION 3.4 BOOKS AND RECORDS. The BOARD shall cause to be maintained, in a manner consistent with generally accepted accounting principles, a full set of books and records showing the financial condition of the ASSOCIATION. After the first election of Representatives, at least once a year an independent certified audit of such books and records shall be conducted. A copy of each such audit shall be made available, within thirty days following completion of the audit, for inspection by the ASSOCIATION members.

ARTICLE IV - OFFICERS

SECTION 4.1 OFFICERS. The officers of the ASSOCIATION shall be a President, a Vice-President, a [Corporate] Secretary and a Treasurer. The ASSOCIATION may also have, at the discretion of the BOARD, one or more Assistant Secretaries or Assistant Treasurers and such other officers as may be appointed in accordance with the provisions of Section 4.3. The President and Vice-President must be members of the ASSOCIATION; but other officers need not be. One person may hold two or more offices, except that the offices of President and Secretary shall not be held by the same person. In the event that a corporation or other impersonal entity is a member of the ASSOCIATION, it may designate one or more persons who, if elected, shall hold office on its behalf.

SECTION 4.2 ELECTION. The officers of the ASSOCIATION, except such officers as may be appointed in accordance with the provisions of Sections 4.3 or 4.5, shall be chosen [appointed] annually by the BOARD at the organization meeting, and each shall hold office beginning January first of the ensuing year until his or her resignation, removal or disqualification to serve, or until his or her successor is appointed and qualified.

SECTION 4.3 SUBORDINATE OFFICERS. The BOARD may appoint, or may empower the President to appoint, such other officers as the affairs of the ASSOCIATION may require (including the Assistant Secretaries and Assistant Treasurers mentioned in Section 4.1), each of whom shall hold office for such period, have such authority and perform such duties as are provided in the BY-LAWS or as the BOARD may from time to time determine.

SECTION 4.4 REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by the BOARD or by any officer upon whom such power of removal may be conferred by the BOARD; provided, however, that only the BOARD shall remove an officer chosen by the BOARD. Any officer may resign at any time by giving written notice to the BOARD, the President or Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.5 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the BY-LAWS for

regular appointments to such office, except any BOARD procedures then in effect calling for officer nominees and information to be submitted at one BOARD meeting for action at the next BOARD meeting become an alternative to earlier appointment, and in the case of replacing the President or the Treasurer shall be condensed to enable BOARD appointment within one month of a vacancy.

SECTION 4.6 DUTIES OF OFFICERS.

A. The President shall be appointed by the BOARD from among the Representatives. He or she shall be the Chief Executive Officer of the ASSOCIATION and of the Executive Committee and shall, subject to the control of the BOARD, have general supervision, direction and control of the affairs and officers of the ASSOCIATION. He or she shall preside at all meetings of the members and at all meetings of the BOARD and the Executive Committee and shall have the general powers and duties of management usually vested in the office of President of a corporation along with such other powers and duties as may be prescribed by the BOARD or the BY-LAWS.

B. The Vice-President shall be appointed by the BOARD from among the Representatives. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions applicable to the President. He or she shall have such other powers and perform such other duties as from time to time may be prescribed by the BOARD or the BY-LAWS.

C. The [Corporate] Secretary shall be appointed by the BOARD but need not be a Representative or member of the ASSOCIATION. The Secretary shall keep or cause to be kept, at the principal office of the ASSOCIATION or such other place as the BOARD may order, a book of minutes of all meetings of Representatives, members and the Executive Committee including, among other, the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at meetings of the Representatives and the Executive Committee, the number of members and votes present in person or by proxy at members' meetings, and the proceedings thereof. The Secretary shall keep appropriate current records showing the members of the ASSOCIATION and their addresses. He or she shall give notice of all the meetings of the members and of the BOARD as required by the BY-LAWS or by law. He or she shall keep the Seal of the ASSOCIATION in safe custody and shall have such other powers and perform such other duties as may be prescribed by the BOARD or the BY-LAWS.

D. The Treasurer shall be appointed by the BOARD but need not be a Representative or a member of the ASSOCIATION. The Treasurer shall keep and maintain adequate and correct accounts of the properties and business transactions of the ASSOCIATION, including accounts of its assets, liabilities, receipts and disbursements. The book of account shall at all reasonable times be open to inspection by any Representative. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the ASSOCIATION with such depositories as may be designated by the BOARD or the Executive Committee. He or she shall disburse funds of the ASSOCIATION as may be ordered by the BOARD or the Executive Committee and shall render to the President, the Representatives and the Executive Committee, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the ASSOCIATION. He or she shall have such other powers and perform such other duties as may be prescribed by the BOARD or the BY-LAWS.

ARTICLE V - EXECUTIVE COMMITTEE

SECTION 5.1 ORGANIZATION AND ELECTION.

A. There shall be an Executive Committee composed of nine members, elected [appointed] by the BOARD, who shall be Representatives of the ASSOCIATION while serving.

B. The President and Vice-President appointed by the Board shall automatically be Committee members, who shall be the Chairman and Vice-Chairman respectively. There may be up to two additional automatic members: 1) the past President - during his or her first year only following presidency, contingent upon being a Representative and with such person's consent, and 2) the appointed Treasurer, so long as a Representative.

C. The members of the Executive Committee, other than automatic position members from time to time existing, shall be elected by the Representatives at the annual organization meeting of the BOARD. For the purpose of electing Committee members only, each Representative may cumulate his or her votes - ranging from seven to five depending on the number of automatic position members, and give one candidate or divide among the candidates for election to the Committee a number of votes equal to the number of Committee members to be elected. The candidates receiving the highest number of votes, up to the number of Committee members to be elected, shall be deemed elected to serve for a term of one year, commencing on January first of the ensuing year.

D. In no event may a majority of Executive Committee members be elected from any one DISTRICT as DISTRICTS are described in Exhibit B to, and as provided in §5.4 of, the WESTLAKE LAKE RESTRICTIONS.

SECTION 5.2 DUTIES. The Executive Committee shall be responsible for the general operation and administration of the ASSOCIATION. The Committee shall be responsible to and controlled by the BOARD and report to it regularly regarding the affairs of the ASSOCIATION. The Committee shall have the power to do any and all things in the management and affairs of the ASSOCIATION with the same force and effect as though a full quorum of the BOARD were acting, except the Committee shall not have authority to act as to any matters described under California Corporations Code §5212(a) as may be amended including, among others:

1. filling of vacancies on the Board or in any committee which has authority of the Board,
2. amending or repealing bylaws or adopting new bylaws,
3. appointing committees of the Board or the members thereof, and/or
4. approving any self-dealing transaction except as provided in §5233(d)(3) as may be amended, for the benefit of, and the transaction fair and reasonable at the time to, the ASSOCIATION, with good faith investigation and approval or ratification by non-interested directors.

SECTION 5.3 MEETINGS; QUORUM.

A. Immediately following the election of its members, the Executive Committee shall adopt a schedule of regular meetings of the Committee to be held during the forthcoming year. No notice shall be required for regular meetings of the Committee scheduled as aforesaid.

B. Special meetings of the Executive Committee may be called at any time by the Chairman or by any two Committee members. Two (2) days written notice by first-class mail, or twenty-four (24) hours notice by personal delivery, telephone including voice-messaging system, or electronic transmission, shall be given of such special meetings.

C. Five members (which may include the Chairman and Vice-Chairman) shall constitute a quorum. If a quorum is present, the decision of a majority of those present shall be the act of the Committee. The Executive Committee may also act without a meeting if all of the Committee members consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Committee.

ARTICLE VI - MISCELLANEOUS

SECTION 6.1 MANAGER. The BOARD or the Executive Committee may employ the services of a Manager to manage the affairs of the ASSOCIATION, and, to the extent not inconsistent with the laws of the State of California, the BOARD may delegate to the Manager any of its powers and duties under the WESTLAKE LAKE RESTRICTIONS.

SECTION 6.2 CORPORATE SEAL. The ASSOCIATION shall have a Seal in circular form having within its circumference the words: WESTLAKE LAKE MANAGEMENT ASSOCIATION, Incorporated July 1, 1968, State of California.

SECTION 6.3 AMENDMENT OF BY-LAWS. BY-LAWS may be adopted, amended or repealed by the members by the affirmative vote of two-thirds of the total votes cast in person or by proxy at a meeting or election of the members or by two-thirds vote of all of the Representatives (the quorum provisions of Section 3.3D being inapplicable for this purpose); provided, however, that Paragraphs A and B of Section 2.1 and all of Sections 3.1 and 3.2 shall not be amended or repealed without the affirmative vote or written consent of members holding not less than three-fourths of the total voting power of the ASSOCIATION or by the affirmative vote or written consent of three-fourths of all of the Representatives.

SECTION 6.4 NOTICES. The notice address for the ASSOCIATION is: 32353 Triunfo Canyon Road, Westlake Village, CA 91361 (818) 889-5377. Notices or other documents relating to the ASSOCIATION or required by the BY-LAWS:

A. To or from ASSOCIATION members, may be delivered either by mail, first or third class postage, personally, or by electronic mail. If sent by mail, it shall be deemed to have been delivered two days if first class, and five days if third class, after the day the notice or other document has been deposited during pick-up hours for that day in the United States mail, postage prepaid, addressed as follows: if to the ASSOCIATION, the BOARD or the Executive Committee, to the ASSOCIATION address above; if to a member, at the address from time to time given by such member to the Secretary for the purpose of service of such notice, or, if no such address has been so given, to the address of any lot or parcel within the WESTLAKE LAKE RECREATIONAL AREA owned by such member; and

B. To or from a Representative, BOARD or Committee, or corporate officer, may be delivered as provided in these BY-LAWS, considered notice given in time frames described, or where not specifically described, as otherwise provided in paragraph A above.

SECTION 6.5 CONSENT TO WAIVER OF NOTICE. The transactions at any meeting of the members or of the BOARD or Executive Committee, however called or noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present and if (either before or after the meeting) each member not present in person or by proxy at a meeting of the members, each Representative not present at a meeting of the BOARD, or each Committee member not present at a meeting of the Executive Committee, signs a written waiver of notice, a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the ASSOCIATION and made a part of the minutes of meeting.

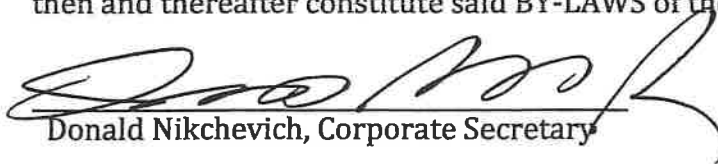
These Third Amended BY-LAWS are certified as of November 15, 2016, by signature of the Corporate Secretary on, and with affixing the ASSOCIATION's corporate Seal to, the copy filed at the office of the ASSOCIATION.

CERTIFICATE OF SECRETARY

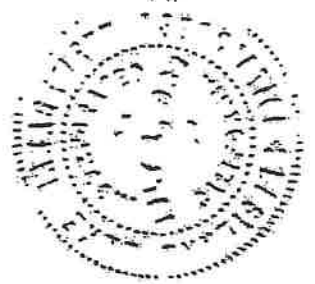
**Third Amended Bylaws of
Westlake Lake Management Association**

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned, Corporate Secretary of the corporation known as the WESTLAKE LAKE MANAGEMENT ASSOCIATION, does hereby certify that the foregoing Third Amended BY-LAWS, consisting of eight (8) pages, were duly adopted by the Board of Representatives of said ASSOCIATION on the 15th day of November, 2016, and that they then and thereafter constitute said BY-LAWS of the corporation.


Donald Nikchevich, Corporate Secretary

< SEAL >



**III. THE 10TH CERTIFICATE OF AMENDMENT OF THE
WESTLAKE LAKE RECREATIONAL AREA RESTRICTIONS
(CC&Rs)**

THE UNIVERSITY OF CHICAGO
LIBRARY

RECORDING REQUESTED BY
Christopher W. Patterson, Esq.

WHEN RECORDED MAIL TO:

LAW OFFICES OF CHRISTOPHER W. PATTERSON
2659 TOWNSGATE ROAD, SUITE 226
WESTLAKE VILLAGE, CALIFORNIA 91361-2710



Ventura, County Recorder
RICHARD D. DEAN

DOC- 2000-0148344-00

Check Number 477

REQD BY LAKE MANAGMENT

Wednesday, SEP 20, 2000 11:56:25

Ttl Pd - \$224.00

Nbr-0000241255

FOC/C3/1-73

TENTH CERTIFICATE OF AMENDMENT OF THE WESTLAKE LAKE RECREATIONAL AREA RESTRICTIONS

Executed August 1, 2000

[Fully Restating Restrictions (CC&Rs) as Amended]

AMENDED BY THE

WESTLAKE LAKE MANAGEMENT ASSOCIATION

A California nonprofit, public-benefit, membership corporation

AND ITS MEMBERS

Document reference:

Original declaration of covenants, conditions, and restrictions, called the Westlake Lake Recreational Area Restrictions, for the Westlake Lake Recreational Area was recorded on April 25, 1968, in Book M 2842 beginning at Page 197 in the Office of the County Recorder of Los Angeles County, California, and also recorded on April 25, 1968, in Book 3295 beginning at Page 220 in the Office of the County Recorder of Ventura County, California.

Ninth Amendment to the original declaration of covenants, conditions, and restrictions, called the Westlake Lake Recreational Area Restrictions, for the Westlake Lake Recreational Area was recorded on December 14, 1973, in Book M 4542 beginning at Page 712 in the Office of the County Recorder of Los Angeles County, California, and also recorded on December 14, 1973, in Book 4196 beginning at Page 856 in the Office of the County Recorder of Ventura County, California, **which recorded document references the original declaration and the eight subsequent amendments prior to the Ninth Amendment.**

This Tenth Amendment amends and otherwise wholly restates the Westlake Lake Recreational Area Restrictions ("CC&Rs") and identifies such instrument as the declaration of the Westlake Lake Management Association ("Association" or "WLMA").



LEAD SHEET

00-1493276

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA

8:04 AM SEP 22 2000

SPACE ABOVE THIS LINE FOR RECORDERS USE

TITLE(S)

FEE

D.T.T.

FEE \$225 FF

73

CODE
20

D.A. FEE Code 20

\$ 2.00

CODE
19

CODE
9

Assessor's Identification Number (AIN)

To Be Completed By Examiner OR Title Company In Black Ink

Number of Parcels Shown

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY
Christopher W. Patterson, Esq.

00 1493276

WHEN RECORDED MAIL TO:

LAW OFFICES OF CHRISTOPHER W. PATTERSON
2659 TOWNSGATE ROAD, SUITE 226
WESTLAKE VILLAGE, CALIFORNIA 91361-2710

TENTH CERTIFICATE OF AMENDMENT OF THE WESTLAKE LAKE RECREATIONAL AREA RESTRICTIONS

Executed August 1, 2000

[Fully Restating Restrictions (CC&Rs) as Amended]

AMENDED BY THE

WESTLAKE LAKE MANAGEMENT ASSOCIATION

A California nonprofit, public-benefit, membership corporation

AND ITS MEMBERS

Document reference:

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This Tenth Amendment amends and otherwise wholly restates the Westlake Lake Recreational Area Restrictions ("CC&Rs") and identifies such instrument as the declaration of the Westlake Lake Management Association ("Association" or "WLMA").

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**WESTLAKE LAKE
MANAGEMENT ASSOCIATION**

a California nonprofit, public-benefit, membership corporation

**TENTH AMENDMENT TO
WESTLAKE LAKE RECREATIONAL
AREA RESTRICTIONS [CC&Rs]**

PREAMBLE

Pursuant to the authority contained in Section 6.01B of that certain declaration of covenants, conditions, and restrictions, called the Westlake Lake Recreational Area Restrictions, for the Westlake Lake Recreational Area recorded on April 25, 1968, in Book M 2842 beginning at Page 197 in the Office of the County Recorder of Los Angeles County, California, and also recorded on April 25, 1968, in Book 3295 beginning at Page 220 in the Office of the County Recorder of Ventura County, California, this Tenth Amendment amends and otherwise wholly restates such Restrictions and identifies such Restrictions as the Westlake Lake Recreational Area Restrictions ("CC&Rs") of the Westlake Lake Management Association ("Association" or "WLMA").

The Declaration of Covenants, Conditions and Restrictions is declared by the Association as executed by its authorized officers of the Board of Directors also called representatives ("Board"), and is made pursuant to appropriate approval of its Board and consent of Association Members who are Persons owning real property in Districts adjacent to Westlake Lake within the Westlake Lake Recreational Area that encompasses and includes the Lake. The certificate of Board approval and Member consent is contained in Exhibit "G".

The jurisdiction of the Association extends to the whole of the Westlake Lake Recreational Area which is described in Exhibit "A", including the land Districts described in Exhibit "B" that are adjacent to Westlake Lake. Such jurisdiction exists to the extent necessary to carry out the Association's purposes, including safety, scenic beauty and recreation, incident to its ownership of Westlake Lake which is described in Exhibit "C", the subject of these CC&Rs.

These CC&Rs shall run with the land and be binding upon and inure to the benefit of the Association and all parties having or acquiring any real property, contractual or other right, title or interest within the Westlake Lake Recreational Area or related thereto whether as owners of a freehold interest, lessees, other tenants, occupants, licensees or otherwise, and shall apply to all their respective heirs, personal representatives, successors, and assigns. All previous declarations of covenants, conditions and restrictions as well as all amendments thereto for the Westlake Lake Recreational Area are hereby wholly included, revoked, substituted, superceded and/or otherwise generally amended by this instrument.

NOW, THEREFORE, every Lot and common area in the Westlake Lake Recreational Area, and any related sale, conveyance, assignment, lease, sublease, or other transfer or disposition, shall be deemed to incorporate the provisions of these CC&Rs, and the Association shall continue to govern the Westlake Lake Recreational Area, including its Lake and the Association Members, under these CC&Rs, unbroken in time or otherwise.

ARTICLE 1 DEFINITIONS

1.1 "Articles" shall mean the Articles of Incorporation of the Association as currently amended and filed in the office of the Secretary of State, State of California, which Articles are incorporated herein by this reference, and as subsequently amended.

1.2 "Assessment" shall mean any assessment levied, charged or assessed against a Member in accordance with the provisions of these CC&Rs.

1.3 "Association" or "WLMA" shall mean Westlake Lake Management Association, a California nonprofit, public-benefit, membership corporation, including when the context requires: its Board, officers, and other duly authorized representatives and agents.

1.4 "Board" shall mean the Board of Directors (representatives) of the Association from time to time constituted without counting vacancies on the Board.

1.5 "Boat" shall include water craft of any kind.

1.6 "Boat Dock" shall mean any platform, including "boat floats", wherever located on the Lake used or designated for loading, unloading, storing, berthing or mooring of Boats.

1.7 "Budget" shall mean a pro forma, projected or estimated operating budget of WLMA's income and expenses for a twelve-month period.

1.8 "By-Laws" shall mean the duly adopted By-Laws of WLMA as concurrently amended and restated with these CC&Rs, and as subsequently amended.

1.9 "CC&Rs" shall mean this Tenth Amended and restated Westlake Lake Recreational Area Restrictions which are a declaration of covenants, conditions and restrictions, as amended.

1.10 "Delinquent Assessment" shall mean any assessment which remains unpaid thirty (30) days after it is due.

1.11 "District" shall mean one of the several land areas adjacent to the Lake into which the Westlake Lake Recreational Area is divided for purposes of administration and operation. Districts are described in Exhibit "B" and identified as follows:

<u>District #</u>	<u>Name of District</u>
1	Westlake Island
2	Southshore
3	Lakeshore
4	The Landing
5	Windward Shores
6	Northshore
7	Westshore [legal description shared with # 8]
8	Westlake Bay [legal description shared with # 7]

1.12 "District Assessment" shall mean that portion of total Association assessments which are allocated to those Members of a particular District.

1.13 "District Representative" (representative) shall mean a person elected by Members owning Lots in a particular District to serve on the Board.

1.14 "District Valuation" shall mean the aggregate assessed valuation of all the land included within a particular District as calculated by procedures established in these CC&R's.

1.15 "Good Standing" shall apply as the membership status of those Members from time-to-time whose membership privileges are not then suspended.

1.16 "Governing Documents" shall mean these CC&Rs, the Articles, By-Laws, Rules and such other documents, reports, maps, schedules and exhibits which are filed, recorded or otherwise issued and in effect in connection with the Westlake Lake Recreational Area.

1.17 "Lake" shall mean the Westlake Lake as described in Exhibit "C" and all appurtenances and improvements to Westlake Lake lying within the boundaries in Exhibit "C" including but not limited to: (i) the Westlake Dam and its appurtenant structures, (ii) wells, pumps, meters and piping, (iii) buildings and outbuildings, (iv) roads, driveways and parking areas, (v) fences, screening walls and retaining walls, (vi) stairs, decks and docks, (vii) hedges, windbreaks, plantings, planted trees and shrubs, and (viii) poles, signs and all other structures or landscaping improvements of every type and kind, as well as easements and other related interests in real property. The term Lake is interchangeable with the term Recreational Area.

1.18 "Lake User" shall mean any Person who uses the Lake or its facilities.

1.19 "Lot" shall mean any part or portion of real property - a subdivided lot, a parcel, and/or an undivided interest - designated for residential or other use and shown on any recorded subdivision map within any District or otherwise located within the Westlake Lake Recreational Area.

1.20 "Manager" shall mean any person or company appointed or employed by WLMA as an agent to carry out any of the affairs of WLMA including the operation and maintenance of the Lake.

1.21 "Marina" shall refer to the docks owned and operated by WLMA for Lake Users.

1.22 "Member" shall be interchangeable with Owner and shall mean any Person who holds a valid ownership interest in a Lot subject to these CC&Rs.

1.23 "Operating Accounts" shall mean those accounts into which WLMA's Assessments are deposited and out of which WLMA's operational expenses are paid.

1.24 "Owner" shall be interchangeable with Member and shall mean any Person or group of Persons who validly own a freehold interest of any Lot subject to these CC&Rs.

1.25 "Perimeter Area" shall mean the area between the Lake boundary line adjoining any Lot and the Lake water's edge.

1.26 "Person" shall mean a natural person, corporation, partnership, association or other similar entity as defined by law.

1.27 "Quorum of the Voting Power" shall mean more than fifty percent (50%) of the Members entitled to vote at the time the vote is taken.

1.28 "Recreational Area" shall mean all real property described in Exhibit "C" consisting of Westlake Lake together with Westlake Dam and appurtenant structures. The term Recreational Area is interchangeable with Lake and is part of the larger area Westlake Lake Recreational Area which includes the Lake plus the residential developments and commercial property immediately adjacent to the Lake.

1.29 "Reserves" or "Reserve Accounts" shall mean those monies set aside in a separate account for the purpose of repairing, replacing, restoring, and maintaining the major components of the Lake.

1.30 "Residence" shall mean a building used for residential purposes.

1.31 "Rules" shall mean the Westlake Lake Rules and Regulations including dock construction guidelines as from time-to-time adopted by the Board.

1.32 "Voting Power" shall mean the total number of Members entitled to vote.

1.33 "Westlake Dam" shall mean the Westlake Dam structure with all appurtenant works and facilities constructed at the mouth of Triunfo Canyon to impound the waters of Westlake Lake.

1.34 "Westlake" and "Westlake Village" shall mean all land included in the total community development of approximately 11,780 acres, essentially including the Westlake district of the City of Thousand Oaks, Ventura County, and the City of Westlake Village, Los Angeles County, and adjacent unincorporated areas as more particular depicted in Exhibit "E."

1.35 "Westlake Lake Recreational Area" shall mean all of the real property described in Exhibit "A" which includes the Lake or Recreational Area, and the eight (8) Districts consisting of seven (7) residential developments and one (1) commercial property (The Landing) adjacent to the Lake, all subject to WLMA's jurisdiction and subject of these CC&Rs.

1.36 "WLMA" shall be interchangeable with Association and mean the Westlake Lake Management Association.

1.37 "Westlake Lake Recreational Area Restrictions" or "Westlake Lake Restrictions" or "Restrictions" is the term variously used to describe the original covenants, conditions, and restrictions as amended found therein and used in other governing documents. The term CC&Rs is used throughout this instrument as an abbreviated term for these amended, fully restated covenants, conditions, and restrictions.

ARTICLE 2 MEMBER RIGHTS

2.1 Membership. Each Owner, by virtue of being an Owner and for so long as an Owner, shall be a Member of the Association, or, in the event of its dissolution, a member of the unincorporated association succeeding to the Association.

a. Membership Appurtenant to Lots. The membership of each Member in the Association is for the benefit of, and appurtenant to, the Lot to which it relates and may not be separated from the ownership of such Lot. The membership of an Owner shall not be transferred, pledged or alienated in any way except upon transfer of title to the Owner's freehold interest in a Lot or portion thereof and then only to the transferee of such interest. No Member may transfer for value a membership or any right arising therefrom.

b. Lot Ownership. Ownership of a Lot includes holding a beneficial freehold interest in any of the following manner: (i) the title and equitable interest, (ii) the title, as trustee of a trust for the benefit of trust beneficiaries, or (iii) as the purchaser under an executory real property sales contract as defined in Civil Code Section 2985 et seq. or successor, but excluding those having an interest merely as security for the performance of an obligation. Freehold interest includes any category of fee simple and life, or conditional life, estates.

c. Partial transfers of Real Property. If an Owner transfers only part of a Lot, the Owner shall continue to be a Member of the Association, and the transferee shall become a Member immediately upon the completion of said transfer.

d. Not in Conflict with Laws. No transfer of any less than all of any Lot shall entitle the transferee to membership in the Association unless such transfer is lawful and not in violation of any ordinance, rule, regulation or other law or of any covenant, condition or restriction affecting the transferred property. Any attempt to make a prohibited transfer of membership is void. Nothing in this section shall be construed as authorizing the conveyance of less than all of one Lot if such transfer would violate any other covenant, condition, restriction, law or regulation affecting the real property which is subject to these CC&Rs.

e. No Membership for Non Owners, HOAs, Security Interests. No Person other than an Owner shall be a Member of the Association. District homeowners associations are not Members. Membership does not include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation.

f. Proof of Membership. No Person shall exercise Association membership rights until satisfactory proof has been furnished to the Board that such Person is an Owner.

2.2 Rights and Duties. The rights, duties, privileges and obligations of an Owner as a Member of the Association, or its succeeding unincorporated association, shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of these CC&Rs, the Articles and the By-Laws.

2.3. Voting Rights. The following applies to voting on Association matters:

a. Right to Vote. Owners as Members shall have the right, whether or not in good standing, to vote for District Representatives in the manner provided in the By-Laws and on such other matters as required by law or as the Board, in its absolute discretion, otherwise may from time-to-time present for determination by the Owners;

b. Number of Votes. In Association voting, there shall be one vote for each Lot (lot or parcel) regardless of the number of Owners having an interest therein;

c. Joint Owner Disputes. The vote for each Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that 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 Lot, it will thereafter be conclusively presumed for all purposes that such Person or Persons were acting with the authority and consent of any other Owners of the same Lot;

d. Transfer of Voting Right. The right to vote may not be severed or separated from the Lot ownership to which it is appurtenant, and any sale, conveyance, or other transfer or disposition of freehold interest in such Lot to a new Owner or Owners shall operate to transfer the appurtenant vote without the requirement of any express reference thereto;

e. Qualification of Directors. Only Members in Good Standing may be elected and act as a director. A Member may be elected a director only from that District wherein the Member's Lot is situated or, if owning multiple Lots, where the primary Residence is situated, and if none then one Lot selected by the Member, and shall represent the Members of that District and the whole Association. In addition, directors shall have such other qualifications required by law, expressed in these CC&Rs or as contained in the By-Laws. A director may concurrently be a representative on a District homeowners association board and may vote on any matter before either board despite the matter being an adversary one between the two organizations; such right to vote does not stand for authority for a board Member to participate in any vote when the Board member has a personal conflict of interest; and

f. District Representation. The Board shall consist of thirty-three (33) directors or representatives who shall be elected from the Districts as follows:

<u>District #</u>	<u>Name of District</u>	<u># of Directors</u>
1	Westlake Island	15
2	Southshore	6
3	Lakeshore	2
4	The Landing	2
5	Windward Shores	4
6	Northshore	2
7	Westshore	1
8	Westlake Bay	1

2.4 Inspection of Records. Members shall have the reasonable right to inspect records of WLMA as provided by law under procedures set forth in the By-Laws.

2.5 Notice to Members. So long as a Person is a Member, whether in Good Standing or in suspended status, such Member is entitled to all notices as a Member and remains responsible for all obligations as a Member.

2.6 Article 2 Amendment Requirements. Sections 2.1 including subsections "a" through "e" inclusive, 2.2, 2.3, and this section 2.6 may only be amended or repealed by the approving vote of seventy-five percent (75%) majority of the Board, and eighty percent (80%) majority of the Voting Power of the Members.

ARTICLE 3 MEMBER OBLIGATIONS

3.1 Obligation to Follow Governing Documents. Each Member shall be obligated to follow the Governing Documents of WLMA and to ensure that the Member's family, tenants, guests, employees, and invitees shall abide by the Governing Documents. Such obligations include each Member being bound by these validly approved and executed CC&Rs though a Member may not have individually voted for approval.

3.2 Approval for Improvements. Members shall comply with the approval requirements for construction of Improvements in or affecting the Lake as provided in Article 6.

3.3 Recreation Area Improvements, Damage or Injury. The following shall apply to Member Improvements located within the Recreational Area:

a. Maintenance of Improvements. The Owner of any Lot with improvements installed in or on the Lake waters or the Perimeter Area, whether installed by such Member or by a predecessor in interest, shall at all times maintain such improvements so that such improved areas will present a pleasing and attractive appearance, and so as to not detract from safety and access within the Lake. WLMA has the right to have such improvements thus maintained, and if not maintained by the Member, may act to maintain such Lake waters and Perimeter Area. WLMA shall first give notice to the responsible Member of the maintenance issue and afford a reasonable opportunity to cure, at least thirty (30) days' notice absent an emergency. Where WLMA managerial or operational representatives determine an emergency exists, meaning a dangerous condition or hazardous activity, WLMA may act though giving little or no notice and shall not be liable for trespass on improvements or other entry-related wrongful act by reason of such entry, nor shall such lack of notice affect the aforementioned right to act within the Recreational Area. Any such Member shall reimburse WLMA upon demand for the reasonable cost of such maintenance incurred by WLMA; and

b. Member Liability for Damage or Injury Caused. Subject to limits generally provided under these CC&Rs including section 11.8, a Member shall be liable for and shall hold harmless and indemnify WLMA and its directors, officers, committee members, employees and other representatives from any loss or damage to property of WLMA and others, as well as any personal injury to the Member and others, related to a Member's improvements within the Recreational Area, which damage or injury is caused by such Member and/or the Member's family, tenants, guests,

employees, or invitees. The Board shall immediately cause damage to property within the Recreational Area to be repaired or replaced, allowing Member participation in corrective action at WLMA's discretion; all reasonable correction costs and expenses incurred by WLMA for which a Member is liable shall be assessed against the Member as a Reimbursement Assessment.

3.4 Maintenance of Lots. Each Member is obligated to maintain the Member's Lot including improvements so as to not detract from safety, the scenic beauty of, or access within the Lake.

a. Concurrent Jurisdiction. Nothing in this section is meant to replace or encroach on the jurisdiction of a homeowners association or other governing entity over any District, rather to recognize existing concurrent jurisdiction of the Association for Association purposes with regard to addressing issues of minimum maintenance of improvements on Lots fronting on or otherwise visible from the Lake for purposes of safety, physical condition appearance, and having landscape improvements that do not encroach on access within the Lake.

b. Lake Waters Encroachment. If any part of the Lake waters encroach upon a Lot, a valid easement exists in favor of the Association for the encroachment and for the maintenance of same on the Lot by the Association, so long as the encroachment exists. Such right to maintain the Lake's extended shoreline on a Lot does not obligate WLMA to repair flood and other damages generally to such Lot.

3.5 Obligation to Carry Insurance. Members shall, at their sole expense, purchase insurance as described in these CC&Rs.

3.6 Delivery of Documents to Prospective Buyers. It shall be the responsibility of the Member and not WLMA to provide to purchasers of the Member's Lot, before the close of escrow, those documents and other information as required by Section 1368 of the Civil Code or successor. Such information generally includes the Articles, CC&Rs, By-Laws, Rules, the current operating budget, a summary of the Reserves, a statement on assessments and WLMA's Assessment enforcement procedures, the most recent annual financial statement, a summary of WLMA's insurance, and such other financial documents as may be provided for in Section 1365 of the Civil Code or successor. The Association may charge the reasonable costs as limited by law for providing any records requested of it to satisfy such disclosure and shall cooperate to provide information requested.

3.7 Notice of Transfer of Ownership. At least five (5) days prior to the assignment, sale, quitclaim, or other transfer or disposition of a Lot, the transferring Member shall notify WLMA of the name and address of the prospective transferee and the nature of the transfer, and shall also confirm the transfer promptly after it occurs.

ARTICLE 4

GENERAL PURPOSES, RIGHTS AND OBLIGATIONS

4.1 Association Property Irrevocably Dedicated. The property of the Association is irrevocably dedicated to charitable or social welfare purposes and no part of the net income or assets of the Association shall ever inure to the benefit of any director, officer or other Member thereof or to the benefit of any private persons.

a. WLMA Continuity. Neither WLMA nor any Member may take or cause to be taken any action which would dissolve the corporate status of WLMA except in furtherance of the purposes of the corporation.

b. Successor Association. In the event that the Association as a corporate entity is dissolved, a nonprofit unincorporated association shall forthwith and without further action or notice be formed and succeed to all the rights and duties of the Association hereunder. The affairs of said unincorporated association shall be governed by the laws of the State of California, and, to the extent not inconsistent therewith, by the Articles and By-Laws as if they were created for the purpose of governing the affairs of an unincorporated association.

c. Distribution of Assets. Upon the dissolution or winding up of the Association, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Association, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable or social welfare purposes and which has established its tax exempt status under Section 501(c)(3) or (4) of the Internal Revenue Code, which shall be determined by a special meeting held by the Board of Directors. Should a majority of the voting Members fail to agree upon such distribution, then application shall be made to any judge of the Superior Court of Los Angeles County, California, whose name shall be chosen by lot [to the extent such may be permitted under the court's own random system], who shall then decide how the assets should be distributed in accordance with the Articles and such decision shall be binding upon the directors, Members, and the Association.

d. Member Responsibility Re Distribution. Neither WLMA nor any Member may take or cause to be taken any action which would cause asset distributions upon dissolution of WLMA, whether through multiple transfers or otherwise, to violate the above requirements of transfer to an organization operating for charitable or social welfare purpose.

4.2 Scenic and Recreational Community Purposes. Except as to other incidental purposes provided for in these CC&Rs, all of the Association property described in Exhibit "C", together with any other real and personal property rights of WLMA related to the Lake, whether within or outside the Westlake Lake Recreational Area, that now exist, are subsequently acquired, or otherwise come under the Association's jurisdiction, are dedicated, held and used for the exclusive purposes of providing a Lake to enhance the scenic beauty of the Westlake Lake Recreational Area and the community of Westlake, and to provide recreational opportunities for owners, residents and the general public therein, whether or not located within the Westlake Lake Recreational Area. The aesthetic beauty of the Lake and its recreational use capability shall not be impaired by any Person. To carry out these objectives and not impair the beauty or use of the Lake, certain priorities, limits, rights and restrictions are provided for in these CC&Rs, as amplified by Rules adopted by the Board from time-to-time in consonance with these CC&Rs to meet present and future circumstances.

4.3 Recreational Use. Provision shall be made for Lake Users to have reasonable recreational use of the Lake which currently includes boating, with related public and private docks, and fishing among other things. These CC&R's shall govern the Association in its determination of use as amplified by Rules adopted from time-to-time by the Board.

4.4 The Boardwalk. The continued presence of a pedestrian Boardwalk on and adjacent to The Landing [District 4] fronting the Lake has been established as follows:

a. Easement and License. The Owners of Lots comprising District 4 are hereby granted a permanent easement appurtenant by the Association to certain Association property being that portion of the Boardwalk fronting along and within the Lake adjacent to District 4, as more particularly described in Exhibit "F", for purposes of safety and pedestrian access for walking and scenic enjoyment of the Lake. The Association also hereby grants a revocable license, not coupled with any interest in land, to Members, other residents of Westlake, and the general public for walking and scenic viewing on the entirety of such Boardwalk;

b. Extent of Easement. Such easement shall include in addition to use: access to maintain, repair and replace or modify the existing Boardwalk provided that no use or modification thereof interferes with the Lake as an aesthetic and recreational asset to the community; and

c. Boardwalk Maintenance. The Owners of the Lots comprising District 4 shall be obligated to continue the existence of such Boardwalk, solely at such Owners expense, including for maintenance, repairs and replacement or modification of the Boardwalk. Such Owners shall pay for all valid related Boardwalk expense as incurred. The Association shall have the right of access to perform or cause to be performed work to such Boardwalk in an emergency, or for routine work it reasonably requests which is rejected by such Owners, and in either event the Association shall be entitled to reimbursement for work so performed. In the event any such expense incurred is the result of damage due to the negligent or intentional misconduct of Association representatives or third parties, then such District 4 Owners, and/or the Association as applicable, shall have the right to all related legal and equitable remedies.

4.5 Landscaping Easements. The continued presence of Lake supportive landscaping in areas owned by the Association in and adjacent to the Lake have been established through grant of easements as follows:

a. Grant of Landscape Easements. The respective Owners of Lots on the Island [District 1] and Southshore [District 2] are hereby granted permanent easements appurtenant by the Association to certain Association property fronting along the Lake, as such easements are more particularly described in Exhibit "F", and the Association may [and has as to islands within the Lake] grant similar easements, for purposes of landscaping supporting the scenic enjoyment and safe use of the Lake;

b. Extent of Easements. Landscape easements shall include in addition to use: access to maintain, repair and replace or modify the existing landscaping provided that no use or modification thereof interferes with the Lake as an aesthetic and recreational asset to the community; and

c. Landscape Maintenance. The Owners of the Lots in the respective Districts containing a landscape easement, and Owners of Lots individually granted a landscape easement, shall be obligated to continue the existence of landscaping in such easement, solely at such Owners expense, including its maintenance, repairs and replacement or modification. Such Owners shall pay for all valid related expense for such landscaping as occurring. The Association shall have the right of access to perform or cause to be performed work to such landscaping in an emergency, or for routine work it reasonably requests which is rejected by such Owners, and in either event the Association shall be entitled to reimbursement for work so performed. In the event any such expense incurred is the result of damage due to the negligent or intentional misconduct of Association representatives or third parties, then such Owners related to the easement, and/or the Association as applicable, shall have the right to all related legal and equitable remedies.

4.6 Access to Lake Waters. Lake Users may cross the Perimeter Area including with boats as necessary to gain access to the waters of the Lake to the extent they are entitled to use the Lake, but such access does not include the right to cross over, or upon any Perimeter Area improvements of, any Lot owned by an Owner where the Lake User has no easement or other right obtained from the owner of such Lot to do so.

4.7 Allocation of Boat Slips. For the general benefit of providing boating recreational opportunities on the Lake, the Marina dock spaces existing at any given time shall be allocated and available on a first-applied-for basis as follows:

a. Thirty percent (30%) of available spaces shall be allocated with first priority to property owners whose property in Westlake Village is located outside the Westlake Lake Recreational Area, and with second priority inclusively available to: (i) members of the Westlake Yacht Club in good standing and (ii) the general public of residents whose Residence is within Westlake Village but located outside the Westlake Lake Recreational Area;

b. The balance of seventy percent (70%) of available spaces shall be allocated to Westlake Village property owners and residents without regard to whether their property or Residence as the case may be is located in the Westlake Lake Recreational Area; and

c. The Board shall provide for periodic review of allocation of spaces and, at minimum, upon events of change in the number of available Marina slip spaces other than temporarily for repairs. However, no Lake User validly issued a slip space shall be required to vacate that space during the period issued absent a casualty loss of the space, and then only to the extent necessary for repairs as practical with appropriate adjustment of slip fees.

4.8 Administration of Use. The Association shall give due regard to the intensity of use being made of the Lake, establish reasonable rules so that the aesthetic and recreational enjoyment shall not be impaired, and may set reasonable fees to be charged for recreational use. The Board shall adopt Rules sufficient in scope under these CC&Rs to adequately govern all Lake Users.

4.9 Services to the Lake. Any Person who provides services on the Lake related to its recreational use shall also be considered a Lake User. WLMA shall only enter into contract with such a service provider, if at all, in writing and the contract shall obligate the service provider to follow the Governing Documents of WLMA.

4.10 Westlake Yacht Club Relationship. Although not a Member of WLMA, the Yacht Club has had a long-term relationship of cooperation with the Association as envisioned by the developer of the community and, as such, members of the Westlake Yacht Club in good standing have boating use rights as provided in these CC&Rs and as otherwise from time to time determined by the Board.

4.11 Westlake Village Golf Course Relationship. Although not a Member of WLMA, the Westlake Village Golf Course land located at Agoura Road and Lakeview Canyon was included by the master developer of the Westlake community, as common grantor in the community, when considering water use. WLMA understands such intent to include was in no way meant to interfere with the Lake and its maintenance as a safe, aesthetic and recreational asset to the community and the property owners adjacent to the Lake, nor interfere with WLMA's State of California water license for the Lake and requirements thereunder. Accordingly, the Board is authorized as a matter of good relations to provide, by agreement and other instruments, for irrigation of such golf course, while recognizing the matter as one resolving Association's dispute as to such water use and shall be guided by its primary function to protect the safety, scenic beauty, and recreational use of the Lake with the understanding the developer's intended responsibility to homeowners adjacent to the Lake, transferred to WLMA, included providing a Lake maintained at full water level.

4.12 Limitation on Third Party Rights. The Association attaining public benefit, nonprofit corporation status, and the passage of time since the master developer ceased development as it relates to the Lake, rendered inoperative any continued developer/successor initiation of reserving or granting property rights as to the Lake and other property of the Association under Section 6.03 of the original CC&Rs as previously amended. The authority and power to grant rights in such property of the Association rests, and for a period of time has rested, in the Association alone, which authority is described in Article 5 and elsewhere in these CC&Rs. As to such property rights heretofore reserved or granted by persons other than the Association, nothing herein is meant to validate or otherwise ratify such actions which actions are subject to all applicable law. Under this Tenth Amendment and prospectively, the following shall apply to guide the Association:

a. Purpose. Granting easement and other rights in Association property shall be limited to and in furtherance of the purposes of the Association. No one shall be granted rights solely on the basis the Association is adequately compensated, rather the rights must at minimum be granted, if at all, in furtherance of Association objectives as a nonprofit, public-benefit corporation operating for its described social welfare purposes.

b. Water Issues Sensitive. Preserving and conserving the Lake under the State of California granted license shall be the primary, essential duty of the Association. Water and water rights issues with third parties as well as otherwise shall be addressed preventively and correctively in the best interests of the Lake.

4.13 Inherent Flood Control and Lake Protection Function. Inherent in the development of the community of Westlake and the building of Westlake Dam is the equivalent of a flood control function - imposed on WLMA by the existence of the Westlake Dam and Lake. No private Persons are given any rights to compel WLMA to act with regard to flood control related matters. As is more particularly described in other provisions of these CC&R's, WLMA is encouraged to enlist

informational input, and physical and financial contribution from any and all relevant public agencies to best act preventively and restoratively as to Westlake Dam and the Lake, and to lessen the quasi-public function of flood control burden placed on WLMA. Nothing in these CC&R's is meant to elevate the Association to the level of government responsibility as to flood control, nor occasion the Association to be liable for any damage resulting from storms or the maintenance of Westlake Dam and Lake while following the guidelines, supervision and recommendations of appropriate governmental agencies. Neither shall these CC&Rs act as authorization to any public entity to require WLMA to act as if it were a public entity regarding flood and debris control matters.

4.14 Article 4 Amendment Requirements. This Article 4 shall not be repealed, altered or amended directly, or indirectly by amendment to the WLMA Articles of Incorporation or By-Laws or changes to its Rules, so as to restrict or abridge the scenic and recreational purpose expressed, nor to change the priorities, rights, limits and restrictions established in these CC&Rs except as necessary: (1) to maintain the Association's public benefit organization status, or (2) if approved by the vote of a seventy-five percent (75%) majority of the Board, and an eighty percent (80%) majority of the Voting Power of the Members, to adjust for changes to the Lake declared to be significant by the Board which changes were not the result of any Member or Board efforts seeking to alter the balance of use expressed in these CC&Rs as to scenic and recreational enjoyment of the Lake.

ARTICLE 5

POWERS AND DUTIES OF THE ASSOCIATION

5.1 Association Status. The Association is a nonprofit, public-benefit membership corporation organized and operating under the laws of the State of California and charged with the duties and invested with the powers set forth herein. It was created by the Articles, and its affairs shall be governed by the Articles and By-Laws which shall not for any reason be amended or otherwise changed or interpreted so as to be inconsistent with these CC&Rs. The Articles shall not be amended in any manner that would result in the Association losing nonprofit, public benefit corporation status.

5.2 Jurisdiction. The Association's jurisdiction extends, for the purposes expressed in the Articles and these CC&Rs, to the entire Westlake Lake Recreational Area and to all of the Association real and personal property interests, including the Lake and any other real property and to personal property rights of WLMA related to the Lake whether within or outside the Westlake Lake Recreational Area, that now exist, are subsequently acquired, or otherwise transferred under the Association's control.

5.3 Power and Authority of the Association. The Association shall have all the powers of a nonprofit, public-benefit corporation organized under the laws of the State of California in operating for the benefit of its Members and the community of Westlake, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, CC&Rs, and By-Laws. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under the Articles and CC&R's, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the

Members and the community of Westlake regarding the environment of the Lake. Without in any way limiting the generality of the foregoing, the Association's power and authority is set forth in further detail below.

5.4 Management of WLMA. The management and control of WLMA shall rest with its Board, which shall act through its officers and other duly authorized representatives. The Board may delegate duties to committees and may delegate its power to act up to the fullest extent allowed under law to an executive committee except as otherwise limited by these CC&Rs. Any executive committee created shall be composed only of Board members and be diversified such that a majority number of executive committee members are not from a single District. The Board shall consider and may obtain outside advice on the appropriateness of application of various bodies of law to the Association.

5.5 Adopt Rules. The Board alone shall from time to time adopt, amend or repeal, and publish rules and regulations in connection with the use and maintenance of the Lake. Such rules and regulations shall take effect when published, known as the "Westlake Lake Rules and Regulations" (the "Rules") and shall be binding upon every Lake User including, without limitation, each Member and the Member's family, tenants, guests, employees and invitees, and such Rules shall be in consonance with these CC&Rs. Among other distribution of publishing, WLMA shall post its Rules at WLMA's office at the Lake for inspection by Lake Users and make copies available at said office.

5.6 Borrow Money. WLMA shall have the authority to borrow and repay monies as may be needed in connection with the discharge of WLMA's duties, and to assign Special Assessment rights as security for the repayment of such borrowed money. The Board alone shall have the authority to enter into such loans, at equal or better terms, duration and conditions as available from primary money center institutions, from: government, financial institutions or private parties as the Board determines.

5.7 Acquire and Dispose of Property. WLMA may acquire and hold title to, lease, grant easements and other interests in, and transfer or otherwise dispose of real property, and tangible and intangible personal property, but only in furtherance of WLMA's purposes. Notwithstanding any other restrictions, WLMA may transfer any or all real property interests in Association property to an appropriate governmental agency to the extent the agency agrees to provide the same function or functions as the Association has provided while possessing such property interests, but the transfer shall be only for so long as such agency or other governmental agency continues such function so as to enable the Association to prospectively protect the right to again provide such function in the event government does not continue such function.

5.8 Authority to Act Re Association Property Interests. Acting to acquire and hold title to, lease, grant easements and other interests, and transfer or otherwise dispose of interests in Association real property shall require approval by a seventy-five (75%) majority of the Board members and, additionally, as to any fee granting or other transfer or disposition of fee interest in the Lake or Westlake Dam, or as to any granting or other transfer or disposition of less-than-fee interests in the Lake or Westlake Dam that would in effect remove WLMA from responsibility for maintaining the safety, scenic beauty and/or recreational use of any portion or all of the Lake or of Westlake Dam shall, in addition to such Board approval, require written approval by a two thirds (2/3rds) majority of the Voting Power of the Members. However, granting an easement within the Lake to a

governmental agency or private entity for utilities including water, or for flood control purposes, shall not require such Member approval where WLMA retains rights to function in the easement area other than responsibility for such utilities or flood control purpose/improvements. All documents to be executed for sale, transfer or other disposition of assets under this section shall require a minimum of two WLMA officers having no interest in the transaction and only pursuant to authority of a specific written Board resolution and, where applicable, written Member approval.

5.9 No Power to Encumber Real Property. The real property assets of WLMA may not be encumbered as a security for debt. The real property assets include, without limitation, the Lake and all appurtenant structures as well as all related real property interests and water rights.

5.10 Representation in Litigation. The Board shall have the authority to institute, defend, settle or intervene on behalf of WLMA in litigation, arbitration, mediation or administrative proceedings in any capacity necessary to represent the interests of WLMA.

5.11 Right of Entry and Enforcement. WLMA's employees and other representatives shall have the right, upon reasonable notice and in an emergency without prior notice, to enter onto Lots to inspect, prevent harm to person or property, exercise other rights in connection with WLMA's purposes and real property interests, and/or cure violations under the Governing Documents without being subject to liability for trespass.

5.12 Maintenance Easement. Within the Westlake Lake Recreational Area, WLMA shall hereby have nonexclusive easements appurtenant to and for the benefit of the Lake to carry out Association purposes under the Articles and these CC&Rs. Such easements shall include, without limitation, Lake ingress and egress, inspection of Boat Docks and Member improvements in the Perimeter Area and Lake waters, and maintenance of and improvements to the Lake and all appurtenances including, without limitation, Westlake Dam, the Marina, Perimeter Area and shoreline wherever existing and extending minimum two feet beyond the shoreline though extending into Lots.

5.13 Easements and Rights of Way. WLMA shall have the right, and the Board shall have the power, to grant and convey to any third party, private or public: rights-of-way, other easements, parcels or strips of land, in, on, over or under any real property conveyed, leased or otherwise transferred to the Association or under its jurisdiction, to the extent of the Association's real property interest therein, subject to the limitations of sections 5.7 and 5.8, and provided that no such grant or conveyance shall create in any third party the right to do any act or construct any improvement that in any way interferes with the maintenance of Westlake Lake as an aesthetic and recreational community asset. All such grants and conveyance of interests shall be for the furtherance of the purposes of the Association.

5.14 Lake Maintenance Operations. In addition to the powers and duties found elsewhere in these CC&Rs, the By-Laws and Rules, WLMA, through its Directors, officers, and other management, shall provide for the services and supplies necessary or proper to manage, operate and maintain the Lake daily in reasonable condition without impairment including, without limitation, the Lake, Westlake Dam, Marina and all appurtenances. Fundamental to reasonably maintaining the Lake are pursuit of the safety of the Westlake Dam and maintenance of water quality and water level at the level of the Westlake Dam spillway. The Board may consider all factors and take action as to any adverse water condition. It shall not consider the original CC&Rs provision allowing the Lake water

level to drop down to twenty-four inches (24") below the top of the Westlake Dam to be an appropriate Lake level, nor the intent of the master developer as a first-actions trigger point for halting release of water to third parties from the Lake in light of the historical legal and physical experience with the Lake. Nothing in these CC&Rs is meant to enlarge the rights of third parties with respect to withdrawing water from the Lake, rather to emphasize that twenty-four inches (24") below the top of the Westlake Dam spillway is considered extremely low and unsafe, and the Board is authorized and expected to take actions toward halting release of water from the Lake at a much more moderate drop in the level of Lake water, acting forehandedly as warranted by circumstances to maintain and protect the Lake.

5.15 Services for Lake. WLMA may enter into agreements with private and governmental agencies as needed for the use, enjoyment and protection of the Lake, and to otherwise carry out Association duties.

5.16 Commercial and Non Commercial Presence. WLMA shall have the authority to negotiate contracts and allow commercial and noncommercial presence (including use of the Lake by the nonprofit corporation Westlake Yacht Club) at the Lake to further the purposes of WLMA. Any such contract or license shall not exceed a term of five (5) years, and shall convey no interest in the assets of WLMA other than incidental to Marina or other dock space rental or use and maintenance. WLMA shall collect no fees that would be considered a sharing of profits with any contractee.

5.17 Contract Limitations. No contract for services to WLMA shall be made and entered into which binds WLMA for a period in excess of one (1) year, without the vote or written consent of a majority of the authorized number of members of the Board, or its executive committee if authorized to act by the Board.

5.18 Charge Fees. WLMA shall have the authority to charge reasonable deposits and fees for use of the Lake and its appurtenant facilities and such other reasonable deposits and fees related to Association purposes, all as the Board may deem appropriate.

5.19 Delegation to Manager. The Board may delegate any of its operational duties, powers or functions to any qualified person or management company to act as Manager but reserving to the Board: (i) all policy decisions including, but not limited to, establishing and approving budgets, (ii) long term, third party contractual decisions exceeding one year, (iii) actions regarding easements and all other interests in WLMA real property assets, (iv) interaction with government in discretionary matters, (v) loans, and (vi) all litigation beyond notice and Assessment lien stages except in Small Claims Court actions.

5.20 Article 5 Amendment Requirements. Sections 5.1, 5.2, 5.3, 5.4, 5.7, 5.8, 5.13, 5.14 and this section 5.20 may only be amended or repealed by the approving vote of seventy-five percent (75%) majority of the Board, and two thirds (2/3rds) majority of the Voting Power of the Members.

ARTICLE 6

GENERAL PROVISIONS

6.1 Use Restriction. No Person shall have any right to enter upon or into or use the Lake in any way except as provided for in these CC&Rs, or the Rules or with the prior written approval of the Board.

6.2 Activity. WLMA governs all activity on the Lake.

a. Boating. Types of Boats and Boat operations allowed on the Lake are regulated as provided in these CC&Rs, including Article 7, and as promulgated by the Rules.

b. Fireworks. Other than by authorized professionals at events sponsored by WLMA, igniting fireworks in or around the Lake is prohibited.

c. Fishing. WLMA regulates fishing on the Lake in accordance with the Rules and only WLMA has the authority to stock the Lake with fish.

d. Special Events. Any special event whether or not sponsored by WLMA shall be pre-approved in writing by WLMA, and shall be coordinated through WLMA to foster safety, security, and enjoyment, with consideration for non participants.

e. Supervision of Children. Each Member shall be liable for the conduct and behavior of children under the Member's care, custody or control while such children are in or around Boats, Boat Docks, the Perimeter Area and the Lake waters and its appurtenant areas including the Westlake Dam and its appurtenant areas, and as an Owner shall provide insurance coverage for such activity as provided in these CC&Rs. The Rules shall provide the same responsibilities as to other Lake Users who are required to maintain insurance in connection with recreational activities such as boating at the Lake.

f. Supervision of Pets. Each Member shall be liable for the conduct of any animal given access to the Lake by such Member or by the Member's family, including any damage to person or property caused by such animal. The Owner shall similarly provide insurance coverage for such activity the same as described in "e" above. The Rules shall provide the same responsibilities as to other Lake Users who are required to maintain insurance in connection with recreational activity such as boating at the Lake.

6.3 Environment. Maintaining a positive physical environment for the Lake supports the purposes of the Association and is the overall responsibility of the Association.

a. Debris and Weeds. No rubbish, debris, weeds or other organic or inorganic materials shall be permitted to accumulate or remain in the Perimeter Area or Lake Waters. Each Member is primarily responsible for preventing such matter from entering the Perimeter Area from the Member's Lot, including as to District common areas of which the Member has an ownership interest or other right to control.

b. Environmental Pollutants. No Member may cause or permit to be caused any hazardous substances, as from time-to-time defined or otherwise declared by government, to enter the Perimeter Area or Lake waters originating from the Member's Lot to the extent of the Member's right to control. The same requirements apply to District common areas of which the Member has an ownership interest or other right to control. The responsibility under this subsection is that of a landowner and all environmental laws governing such status and scope of responsibility from time-to-time existing apply.

c. Erosion. Each Member whose Lot abuts the Lake is required to avoid creating erosion, take emergency action to limit damage to the shoreline area adjacent to or within the Member's Lot, and repair the Member's Lot under prior written Board approval of repair plans, all in accordance with these CC&Rs, the Rules, and as otherwise directed by the Board. The same requirement applies to common areas within each District abutting the shoreline of the Lake.

d. Lake Bottom. Excavation of the Lake bottom of any kind is prohibited except as may be required by WLMA for Lake maintenance.

e. Signs. No signs of any kind shall be erected or maintained on or in the Lake, Boats, Boat Docks, or facing the Lake from adjacent areas fronting on the Lake without the prior written approval of the Board, except for one "for sale" sign on Owner's Lot [or Owner's common area facing Lake if Lot/parcel/unit does not adjoin Lake] of a reasonable, customary size in the industry. Such ban includes ban on political signs in that the Association is a nonprofit, public benefit corporation operating for purposes of safety, scenic beauty and recreational use of the Lake.

6.4 Improvements. Improvements within and adjacent to the Lake affect the scenic beauty and recreational use of the Lake and the Association shall act to regulate them.

a. Scope of Authority. WLMA has the authority to insure that landscaping on WLMA owned areas fronting the Lake, on Lot yard areas fronting the Lake, and District common areas fronting the Lake, and all improvements in the Perimeter Area and in the Lake waters, shall afford reasonable visual access within the Lake and otherwise comply with safety and general scenic beauty standards of the Lake, and further to insure that all Member improvements visible to or from within the Lake, created directly or through District homeowners associations, be in consonance with safety and scenic beauty goals for the Lake.

b. Pre-Approval of Lake Improvements. No construction, alterations, excavations, fences, landscaping, or other improvements shall be physically initiated in the Lake waters or Perimeter Area without the prior written approval of the Board. Plans for installation of improvements must first be submitted to and approved in writing by the Board. Once such improvements have been confirmed in writing as installed in accordance with approved plans, they shall not be materially altered or changed without the prior written approval of the Board.

c. Boat Docks. Each Boat Dock Owner is responsible to ensure that the Owner's Boat Dock meets all applicable laws and regulations, and is free of defects. Boat Docks are to be maintained in good repair and appearance at all times at the Member's expense and in accordance with the Rules to promote safety and the scenic beauty of the Lake.

d. Existing Improvements. Existing Lake improvements are grandfathered as of the date of recordation of these CC&Rs and may be required to be changed at Owner expense only if the improvement subsequently: (i) becomes or is discovered to be a safety hazard to the proper maintenance of the Lake including facilities, or (ii) deteriorates to an unsightly condition visible to or within the Lake. Such existing improvements shall be considered in such grandfather status only if: (i) not in violation of any laws, ordinances, or regulations, (ii) installed in accordance with submitted approved plans, either of a District or WLMA, if submitted, as applicable, and (iii) not the subject of an unresolved complaint against such improvements presented in writing to a District or WLMA prior to recordation of this instrument. Such grandfathering also does not include subsequent new construction apart from replacement which must comply with current codes, nor such variance from existing improvements as determined significant by the Board.

e. No Liability Re Approvals, Inspections. The consent of the Association to construction of a Boat Dock or other improvement within the Lake, and inspection approval thereof, shall not give rise to any liability on the part of the Association, its directors, officers, committee members, other volunteers, employees or other representatives. The Association shall have the right to enter onto Boat Docks and other improvements within the Lake to inspect during construction and thereafter, upon giving notice sufficient to the involved Member to afford the opportunity for the Member or representative to be present at the inspection. The Association and its representatives conducting such noticed inspection shall not be subject to liability for trespass or otherwise. Nothing in this provision is meant to limit the Association's right to act in an emergency, including without notice, and to act without notice to conduct shoreline and other Lake maintenance and affix Boat stickers, which activities can occasion employees going upon Boat Docks and having access to Boats.

f. Indemnity. Subject to limits generally provided under these CC&Rs including section 11.8, each Owner of a Boat Dock, or other improvements installed by the Owner or the Owner's predecessor within the Perimeter Area or the waters of the Lake, shall indemnify, defend, and hold harmless the Association and its directors, officers, committee members, other volunteers, employees, and other representatives from all claims for damage or loss to persons or property which may arise from such improvements.

6.5 Nuisance. The Board may enforce as a nuisance under the CC&Rs any of the following circumstances, but is not obligated to seek such remedy:

a. Violation of CC&Rs: Adverse Activity. Any violation of these CC&Rs that includes an adverse activity or condition which may become or cause Members or other Lake Users to suffer a loss of safety, or of scenic or recreational use of the Lake; and

b. Violation of Law. Any Violation of federal, state, or local law, ordinance or regulation that relates to the operation of boats or other operational use of the Lake.

ARTICLE 7 BOAT PROVISIONS

7.1 Coast Guard and WLMA Approved. Only Boats that meet Coast Guard safety standards which have also been approved by the Board as an allowed Boat type [model] may be placed and used on the Lake. Except for Boats used by the Association, or individually approved by the Board, all power Boats must be electrically propelled.

7.2 Registration of Boats. All Boats using the Lake must be registered with WLMA. As security for the payment of registration, dock fees, fines, penalties and other charges accumulated by Lake Users of Boats, and to ensure WLMA has control to remove Boats from the Lake for operational reasons, WLMA has authority to promulgate Rules to the extent permitted by law from time-to-time existing which vest rights in WLMA in such Boats enabling WLMA to take possession of Boats and, as applicable, sell such Boats for default in payment of such charges under procedures affording less burden on WLMA.

7.3 Insurance. All Boats on or in Lake waters or the Perimeter Area must be reasonably insured by their owners for damage and personal injury with proof of insurance provided to WLMA, and if WLMA requests, include WLMA as additional insured or additional named insured.

7.4 Indemnity. WLMA has authority to require each Lake User who places or causes to be placed a Boat of any kind on the Lake to indemnify, defend, and hold harmless WLMA and its directors, officers, committee members, other volunteers, employees, and other representatives from all claims which may arise from the Boat's presence on the Lake, and each Member placing, or causing to be placed, a Boat on the Lake hereby so indemnifies, defends and holds WLMA harmless, subject to limits generally provided under these CC&Rs including section 11.8.

7.5 Safety. All Boats must be stored, moored, and operated on the Lake in a safe manner, complying with governmental boating operation safety laws and in accordance with the Rules.

7.6 Maintenance. All Boats on or in Lake waters or the Perimeter Area are to be maintained in good repair and kept in good appearance at all times.

7.7 Storage. Boats not operating or moored in the water must be stored on a Boat Dock, or in a garage or other storage area not visible from the Lake. No Boat shall be stored, placed, kept or maintained on any part of the Perimeter Area except moored to or stored on a Boat Dock. All Boats stored on or in Lake waters or Boat Docks must comply with the Rules.

7.8 Operational Inspection. WLMA's employees and other representatives shall have the right to enter onto Boats in the Lake for safety inspection upon giving notice sufficient to the involved Member to afford the opportunity for the Member or representative to be present at the inspection, and the right to cure violations under the Governing Documents in the event the Member does not so cure after reasonable notice and opportunity for the matter involved. The Association and its representatives conducting such noticed inspection and/or cure shall not be subject to liability for trespass or otherwise. Nothing in this provision is meant to limit the Association's right to act in an emergency, including without notice, and to act without notice to conduct shoreline and other Lake maintenance and affix Boat stickers, which activities can occasion employees going upon Boat Docks and having access to Boats.

ARTICLE 8

ENFORCEMENT OF GOVERNING DOCUMENTS

8.1 Who May Enforce the Governing Documents. The following shall have standing to enforce the provisions of the Governing Documents:

- a. For WLMA. The Board or any Person duly authorized by the Board.
- b. Members. Any Member or group of Members.

8.2 Enforcement Rights. In addition to any other rights described in these CC&Rs and without waiving its right to institute other enforcement measures, the Governing Documents may be enforced as follows:

a. Injunctive Relief. Every act or omission whereby the Governing Documents are violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person authorized to enforce these CC&Rs.

b. Penalties and Liens. The Board may assess reasonable monetary penalties for violations by Member or Member's family, tenants, guests, employees, or invitees, as provided in these CC&Rs and Rules, or against any other Lake User or such User's family, tenants, guests, employees, or invitees under provisions provided in the Rules under the foundation of these CC&Rs.

i. Member. Such penalties as to a Member shall be enforceable by any means available under these CC&Rs or as prescribed by law. Such Member shall be liable for all costs of collection, including attorneys' fees as provided in section 8.4 (regardless of whether legal proceedings are instituted), court costs and related expenses. Such costs and fees incurred shall become a Reimbursement Assessment against the Member to the extent allowed by law, and if so, enforceable by lien and foreclosure, among other procedures.

ii. Other Lake User. Such penalties as to a Lake User other than a Member shall be enforceable by any means available under the Rules, including a lien against any Boat used on the Lake by the Lake User, or as prescribed by law.

iii. Boat Lien. To the extent the Association incurs any expense related to possessing and providing necessities to a Lake User's Boat, the Association shall be considered to have a "necessaries" secret lien on the boat from the date such expense was incurred.

c. Suspension of Lake Privileges. The Board may upon appropriate notice and hearing suspend the Lake privileges of a Member or Lake User and their respective family, tenants, guests, employees and invitees for failure by any of the above to comply with the provisions of these CC&Rs, the By-Laws, or Rules.

d. No Suspension of Member Voting Rights. A Member's voting rights may not be suspended for any reason while a Member, even though a Member is not in Good Standing or for failure by the Member or the Member's family, tenants, guests, employees, or invitees to comply with the provisions of these CC&Rs, the By-Laws, or Rules.

e. Publication of Member Names. The Board may publish internally to Association Members the names of all Members who are in violation of the Governing Documents and fail to promptly correct the violation upon request of WLMA.

f. Self-Help. Any designated employee or other representative of WLMA shall have the right to enter a Lot and may, at the expense of the Member, take such action as may be necessary to cure a violation of these CC&Rs if: (i) WLMA gives the Member not less than thirty (30) days prior written notice of the violation to the Member owning the Lot, and (ii) within the thirty (30) day period no action has been taken by Member to correct the violation. In case of emergency, the right of entry to cure shall be immediate. Any WLMA representative entering upon a Lot to cure a violation having complied with this section shall not be subject to liability for trespass or other entry-related wrongful act by reason of such entry. Notwithstanding anything to the contrary, only the Board or its authorized agents may enforce the Governing Documents by "self-help."

g. Right of Entry for Emergencies. In the event of an emergency, WLMA employees or other representatives shall have the immediate right of entry on a Lot, Dock or Boat whether or not the Member, tenant or representatives are present. Such WLMA representatives shall not be subject to liability for trespass or other entry-related wrongful act by reason of such entry.

h. Emergency Restriction of Lake Use. The Board has the authority to generally enforce the Rules pertaining to the use of the Lake, and may restrict or prohibit the use of the Lake and all related facilities to any Person or Persons, acting through its operational agents, when: (i) such Person is considered to possess insufficient skill or knowledge to operate a Boat, (ii) there are too many Boats operating on the Lake, (iii) the Lake facilities are overburdened, (iv) foul weather conditions exist, (v) a direct operational provision under the Rules is being violated, or (vi) there is any other reason related to safety and/or security.

i. Judicial Enforcement. A lawsuit for damages and/or injunctive relief may be filed for enforcement, complying with any pre-filing requirements associated with a particular matter.

8.3 Alternative Dispute Resolution. Except for injunctive relief and the collection of assessments, and unless the parties agree to alternative dispute resolution, any dispute between WLMA and its Members in connection with the management or operation of WLMA or to enforce or interpret the terms of the Governing Documents shall be heard in any lawsuit by a judicial reference ("Referee") without a jury pursuant to the provisions of Section 638 of the Code of Civil Procedure.

a. Selection of Referee. If the parties cannot agree on a Referee, one shall be appointed by the Court in accordance with Section 640 of the Code of Civil Procedure.

b. Procedure. All issues shall be determined in compliance with the judicial rules, statutory and decisional law, and rules of evidence of the State of California. Discovery shall be limited to depositions and requests for the inspection, production and copying of documents. Depositions may be taken of parties by either party upon seven (7) days written notice. Request for production or inspection of documents shall be responded to within ten (10) days after service.

c. Decision. The Referee's decision shall be final, shall include findings of fact

and conclusions of law, and judgment may be entered pursuant to Section 644 of the Code of Civil Procedure. The cost of the Referee shall be shared equally between the sides to the issues. The judgment shall be subject to all post-trial procedures and appeals.

8.4 Attorneys' Fees. In any proceeding to enforce or interpret the Articles, these CC&Rs, the By-Laws, or Rules, the prevailing party shall be awarded its reasonable attorneys' fees and costs.

8.5 Cumulative Remedies. The respective rights and remedies, provided by these CC&Rs or by law or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or for the same or different failures of the Members or others to perform or observe any provision of these CC&Rs.

8.6 Right of Action Against Buyer. Failure by the Member to correct violations under the Governing Documents prior to sale of a Lot by a Member shall give WLMA the right to take any actions authorized to enforce compliance with these CC&Rs against a Member's buyer after transfer of the Lot whereby such buyer becomes a Member to correct such violations.

8.7 Failure to Enforce Not a Waiver. Failure to enforce the Governing Documents by the Board, any Member or any other Person so entitled shall not be deemed a waiver of the right of enforcement, regardless of the number of times enforcement action is not taken. Waiver or attempted waiver of any provision of these CC&Rs with respect to any matter as to one Lot shall not be deemed a waiver thereof as to any other Lot, nor shall the violation of any provision hereof in respect to any Lot or Lots affect the applicability or enforcement ability of any provision of these CC&Rs in respect to any other Lot.

8.8 Remedy at Law Inadequate. Except for the nonpayment of assessments and fines, remedies at law for violation of these CC&Rs is deemed inadequate.

ARTICLE 9 ASSOCIATION ASSESSMENTS AND REVENUES

9.1 Regular Assessment. Regular Assessments levied by the Board shall be used for the purpose of improving, protecting, operating and maintaining the Lake and the facilities, improvements, landscaping and structures located thereon, and providing for the acquisition and maintenance of property, services and facilities devoted to this purpose, and directly related to the use and enjoyment of the Lake and otherwise providing for the performance by the Board of each and every one of the powers and duties of the Board as limited herein and by law.

a. Annual Increase Limitation. The Board shall not without the approval by vote or written consent of Members constituting a majority of a Quorum of the Voting Power of WLMA, impose a Regular Assessment which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year or as controlled by law.

b. Assessment Allocation. Regular Assessments shall be levied against the Members in accordance with the formula and allocations in Exhibit "D."

c. Payment Schedule. The Regular Assessment shall be payable by each Member assessed in annual, quarterly or monthly installments as determined by the Board.

d. Notice. Any increase in Regular Assessments shall be made by written notice to each Member as may be prescribed by law from time-to-time and, in any event, at least thirty (30) days in advance of the first payment due and shall be payable in the manner specified in the notice.

e. Modification of Assessments. The Board may modify the Regular Assessments during the course of a fiscal year if necessary to conform to a revised estimate of costs and expenses, but not collectively exceeding the annual limit except as matters may fall into categories of Special, and Emergency Assessments.

9.2 Special Assessments. In addition to the Regular Assessment, the Board may levy during any fiscal year a "Special Assessment" for any purpose necessary for WLMA to carry out its duties, provided, however:

a. Limitation. The Board shall not, without the approval by vote or written consent of Members constituting a majority of a Quorum of the Voting Power of WLMA, impose a Special Assessment which is more than five percent (5%) of the budgeted operating expenses, including budgeted Reserve expense, of WLMA for such fiscal year, except that special different voting approval requirements apply as to any Special Assessment to be made in connection with repair or replacement of Westlake Dam as described in Article 17 which provisions are considered valid under the collective laws applicable to the Association

b. Assessment Allocation. Special Assessments shall be levied against the Members in accordance with formula and allocations in Exhibit "D";

c. Payment Schedule. The Special Assessment shall be payable by each Member against whom assessed at such dates and in such installments as the Board shall determine;

d. Notice. A Special Assessment shall be made by written notice to each Member as may be prescribed by law from time-to-time and, in any event, at least thirty (30) days in advance of the first payment due and shall be payable in the manner specified in the notice.

e. Enforcement of Assessment. Any Special Assessment made pursuant to this Section shall be fully enforceable as provided for in these CC&Rs.

9.3 Assessments for Reimbursement. Subject to complying with prior notice and other due process procedures, the Board may levy "Reimbursement Assessments" against Members for expenses (including attorneys' fees and costs regardless of whether legal proceedings are instituted) incurred by WLMA on matters from time to time allowed by law. The inability to consider a matter subject of a legal or equitable remedy also an assessment shall not restrict the Association from pursuing any other available remedy.

9.4 Emergency Assessments. Notwithstanding any other provision, the Board may increase Regular Assessments beyond the 20% limitation or levy Special Assessments beyond the 5% limitation for emergency situations in accordance with the following:

a. Order of Court. An expense required by an order of a court of competent jurisdiction;

b. Threat to Personal Safety. An extraordinary expense necessary to repair or maintain the Lake or any part of it for which WLMA is responsible where a threat to personal safety is discovered; and

c. Unforeseen Expenses. An extraordinary expense necessary to repair or maintain the Lake or any part of it for which WLMA is responsible and could not have been reasonably foreseen by the Board in preparing and distributing the pro-forma operating budget.

i. Explanation Required. However, prior to the imposition or collection of an Assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of the Assessment imposed pursuant to this subsection.

ii. Damage to Westlake Dam Treated Separately. The Board shall have no authority to levy an extraordinary assessment to repair or replace the Westlake Dam under this section 9.4, and shall comply with provisions in Article 17 regarding such matters.

9.5 Deposit of Revenues. All sums received or collected by WLMA from Assessments, fees for recreational use of the Lake, fees from Lake use support services companies, awards, settlements, litigation proceeds, and other WLMA revenue, shall be promptly deposited into a checking or savings account in a financial institution located within the counties in which the Lake is located and selected by the Board, which account(s) shall be clearly designated in WLMA's name as common funds of WLMA or similarly named.

a. Control. The Board and such executive officers of WLMA as the Board shall designate, shall have exclusive supervision of the account(s) on WLMA's behalf and shall be responsible to the Members for the maintenance at all times of accurate records thereof, except that any outside managing agent of the funds, also designated a WLMA executive officer for account related purposes, shall: (i) maintain daily account supervision while keeping other designated WLMA officers informed, (ii) be fully accountable to WLMA, and (iii) be bonded. Two executive officers of WLMA are required to transfer funds from the Reserve Account.

b. No Commingling. WLMA shall maintain separate accounts for its Operating funds and its Reserves, respectively, and no funds from those separate accounts shall be commingled at any time.

c. Member Rights. No Member shall have the right to receive funds from any WLMA account as a Member except as may relate to: (i) correcting adjustment of Assessment or other fee, (ii) a deposit return, e.g., for a Boat or Dock space, or (iii) the return of such capital

contributed by the Member toward future WLMA obligations under circumstances where WLMA, including any successor, was no longer continuing to undertake such obligations but rather transferring substantially all its assets to a third party in connection with WLMA's dissolution, such return subject to governmental restrictions on distributions in public benefit corporations.

d. No Reimbursement When Membership Ceases. All Member contributions to the WLMA funds, as well as any interest earned, are for the benefit of WLMA and not any individual Member. As such, contributions and interest are not refundable to Members when they cease to be Members of WLMA.

9.6 Reserves. Notwithstanding the foregoing, all sums assessed and collected by WLMA as part of the Regular Assessments which are budgeted to fund Reserves for anticipated long-term maintenance, repair and replacement of capital improvements for the Lake, the cost of which would not ordinarily be incurred on an annual basis, shall:

a. Contributions to Capital. Be received by WLMA as contributions to the capital of WLMA by the Member assessed;

b. Segregated. Be received in trust by the Board, set aside and segregated from the other Common Funds and not commingled with WLMA's Operating Account;

c. Invested. Be invested with the Board's primary goal to preserve principal followed by return on investment with an eye toward low-risk investments including, but not limited to, savings accounts, certificates of deposit, treasury bills, government securities money market funds or other forms of debt instruments. A factor to be considered is the ability to insure the invested funds;

d. Restricted Use. Be used for the sole purpose of paying the cost of long-term maintenance, repair and replacement of capital improvements for the Lake, the cost of which would not ordinarily be incurred on an annual basis; and

e. Temporary Transfers. Notwithstanding the foregoing, the Board may authorize the temporary transfer of money from a Reserve fund to the general Operating fund of WLMA to meet short term cash flow requirements or other expenses based on a written finding recorded in the Board meeting minutes as to the reason. The transferred funds shall be restored to the Reserve fund within one (1) year of the date of such initial transfer, except that the Board may, upon making a written finding that a delay would be in the best interests of WLMA, delay the restoration until a time which the Board reasonably determines to be necessary.

ARTICLE 10 ENFORCEMENT OF ASSESSMENT

10.1 Liability. Members shall be personally liable for any and all Assessments provided for by these CC&Rs together with any accompanying late charges, interest, costs, attorneys' fees (regardless of whether legal proceedings are instituted), and penalties as may be authorized under these CC&Rs and not contrary to law. In a voluntary conveyance of a Lot by a Member, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments, late charges, interest, costs and penalties up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

10.2 Enforcement Rights. Any Assessment made in accordance with these CC&Rs shall be a separate debt of each Member against whom the same is assessed. In addition to any other rights described in these CC&Rs or under law, the Board has the right to collect and enforce Assessments including delinquent Assessments as follows:

a. Late Fees and Interest. Unpaid Assessments shall be deemed delinquent thirty (30) days after they are due and shall be subject to late charges and interest as follows:

i. Late Charge. Delinquent Assessments shall be assessed a late charge of ten percent (10%) or Ten Dollars (\$10.00), whichever is greater. A late charge may not be imposed more than once on any delinquent payment;

ii. Interest. Delinquent Assessments shall bear interest at the rate of twelve percent (12%) per annum or lesser limit allowed by law. Interest shall commence thirty (30) days after the Assessment becomes due;

b. File Suit. The Board may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien and initiate foreclosure against the Member's Lot for the delinquent Assessment. In any action to collect delinquent Assessments, late charges or interest, the prevailing party shall be entitled to costs and reasonable attorneys' fees. If such costs and fees are awarded to WLMA, they shall become a Reimbursement Assessment against the Member and shall be fully enforceable by all means provided for in these CC&Rs including lien and foreclosure;

c. Lien and Foreclosure. A delinquent Assessment or installment, together with any late charges, interest, costs, attorneys' fees and penalties allowed under law shall become a lien on the Lot upon the recordation of a "Notice of Delinquent Assessment" in the Office of the County Recorder in the county in which the Lot is located in accordance with the Civil Code. The Board may enforce Assessment lien against a Lot by filing an action for judicial foreclosure or non-judicial foreclosure as provided by law. WLMA, through its Board, may bid on the Lot at the sale, and may hold, lease, mortgage, and convey the acquired Lot;

i. Notice of Delinquent Assessment. A lien claim shall include: the name of the delinquent Owner, legal description and street address of the Lot, the amount claimed owed [less any proper offset], and that it is made by the Association pursuant to these CC&Rs;

d. Suspend Lake Privileges. Subject to the notice and hearing procedures of these CC&Rs and as expressed in the Rules, the Board may suspend the rights and privileges of any Member as well as the Member's family, tenants, guests, employees, and invitees to use and enjoy the Lake during any period in which assessments including any accumulated penalties, interest and costs of collection have not been paid in full;

e. Publish Names. Subject to the notice and hearing procedures of these CC&Rs, the Board may publish the names of Members who are delinquent in the payment of their assessments. Such publication is limited to posting the names on bulletin boards in the Westlake Lake Recreational Area in an area available only to Members, and first-class mailings and distribution of newsletters to Members. Such internal publication of such names shall not subject WLMA or its directors, officers, committee members, other volunteers, employees or other representatives to liability; and

f. Additional Remedies. The remedies provided in this section 10.2 shall be in addition to and not in substitution for any other rights and remedies which WLMA may have.

10.3 Waiver of Objection. Each Member vests in and delegates to the Board or its duly authorized representative the right and power to bring all actions at law or lien foreclosures, whether judicially, by power of sale, or otherwise, against any Member or Members for the collection of Delinquent Assessments in accordance herewith, and expressly waives any objection to the enforcement in accordance with these CC&Rs of the obligation to pay Assessments as set forth in these CC&Rs.

10.4 No Offsets. Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount, except partial payments thereof or corrections thereto, shall be permitted for any reason, including without limitation: (i) a claim that WLMA is not properly exercising its duties and powers as provided in these CC&Rs, (ii) a Member has made or elects to make no use of the Lake, (iii) any construction or maintenance for which WLMA is responsible has not been performed, or (iv) any construction or maintenance for which WLMA is responsible has not been performed to a Member's satisfaction.

10.5 No Exemption. No Member may become exempt from liability for Assessments made by WLMA, nor release the Member's Lot from liens and charges by waiver of the use and enjoyment of the Lake, or by abandonment of the Member's Lot, or through non-use of any membership privileges.

10.6 Attorneys' Fees. Any reasonable attorneys' fees and costs incurred by WLMA in the enforcement of its Assessment rights against a Member may be levied against that Member by the Board as a Reimbursement Assessment which may be collected in any manner provided for by these CC&Rs or by law.

10.7 Article 10 Amendment Requirements. No amendment reducing the lender protection provisions of these CC&Rs shall be effective without the unanimous written consent of all of the Owners and their respective Lenders which applies to section 10.2 including subsections "b" and "c".

ARTICLE 11

LIMITATIONS OF LIABILITY

11.1 Limited Personal Liability. No director, officer, committee member, other volunteer, employee or other representative of WLMA shall be personally liable for any loss, injury, or damage to persons or property for any act or omission if the act or omission was performed within the scope of the person's duties for WLMA, and was performed in good faith.

11.2 Duty to Defend. Subject to limits generally provided under these CC&Rs including section 11.8, WLMA shall indemnify and defend its directors, officers, committee members, other volunteers and employees against all expenses and liabilities, including attorneys' fees, reasonably incurred by such person(s) in connection with any proceeding to which they may be a party by reason of having been a director, officer, committee member, other volunteer or employee of WLMA; provided, however, WLMA may recover its attorneys' fees and costs from those persons so defended who are adjudged to have acted in bad faith or in willful, wanton, or gross negligence in the performance of their duties for WLMA.

11.3 Safety and Security. Members shall be responsible for their own safety and security and shall take appropriate measures to ensure the safety and security of the persons and property of themselves, their family, tenants, guests and invitees, and to not jeopardize the safety and security of others. Members waive all claims against and hold harmless WLMA and its directors, officers, committee members, other volunteers, employees, and other representatives from any injury, loss or damage to persons or property unless the injury, damage or loss can be attributed to the negligence or willful misconduct of WLMA's directors, officers, committee members, other volunteers, employees or other representatives.

11.4 Theft of Property. Neither WLMA nor its directors, officers, committee members, other volunteers, employees or other representatives shall be responsible to Members or their family, tenants, guests or invitees for any loss or damage suffered by reason of theft of or injury to any vehicle, personal article or other thing unless the loss was caused by the negligence or willful misconduct of WLMA's directors, officers, committee members, other volunteers, employees, or other representatives.

11.5 Water Damage. Neither WLMA nor its directors, officers, committee members, other volunteers, employees or other representatives shall be responsible to any Member or Member's family, tenants, guests or invitees for any loss or damage to person or property suffered by reason of water from any source unless the damage or loss was caused by the negligence or willful misconduct of WLMA's officers, directors, committee members, other volunteers, employees, or other representatives.

11.6 Violation of Governing Documents. Members shall indemnify, defend, and hold harmless WLMA and its directors, officers, committee members, other volunteers, employees, and other representatives from all liability for loss or damage to persons or property which may arise from violation of the Governing Documents by such Members or their family, tenants, guests or invitees as to their boating activities on the Lake, the Member's Docks, Perimeter landscaping by Member, and activities and conditions emanating from the Member's Lot.

11.7 Indemnity for Personal Acts. Subject to limits generally provided under these CC&Rs including section 11.8, members shall indemnify, defend, and hold harmless WLMA and its directors, officers, committee members, other volunteers, employees and other representatives from all liability for injury, loss or damage to the property or person of others caused by such Members or their family, pets, tenants, guests or invitees as to their boating activities on the Lake, the Member's Docks, Perimeter landscaping by Member, and activities and conditions emanating from the Member's Lot.

11.8 Indemnify and Hold Harmless. Whenever under these CC&Rs there is a duty on a party to indemnify and hold harmless, the term shall mean to indemnify and hold harmless such indemnified party, and as applicable that party's past, present and future directors and officers, partners, employees, agents, insurers, reinsurers, shareholders, servants, subsidiaries, affiliates, attorneys, and other representatives, whether volunteer or otherwise, from the liability subject of the indemnification including associated reasonable costs and expenses. As to any indemnification given under these CC&Rs, indemnification shall be, when given by Members, limited to the extent of or equivalent to insurance coverage reasonably required by WLMA and, when given by WLMA, limited to the extent of or equivalent to insurance coverage reasonably prescribed by law.

11.9 Duty to Defend Defined. Whenever under these CC&Rs there is a duty to defend another, the term shall mean the party with the duty shall pay the actual reasonable legal defense expenses of the other at reasonable intervals as occurring including reasonable attorney's fees and expenses as well as statutorily allowed court costs. The duty to defend is independent.

ARTICLE 12 PROTECTION OF LENDERS

12.1 Definition of Lender, Mortgage, Mortgagee. As used herein, the term "Lender" shall mean and refer to the holder of a mortgage or deed of trust given by a Member, (or his predecessor in interest), the lien of which mortgage or deed of trust is superior to all other monetary encumbrances except real property taxes and assessments and the term "mortgage" shall mean and include a "deed of trust", the term "mortgagee" or Lender shall mean and include a "beneficiary" (or its assignee), under a deed of trust with priority of mortgages in accordance with recording statutes of the State of California. Also included as a Lender (versus Owner status) for purposes of these CC&Rs shall be any seller of a Lot to a Member under a pending California recognized land sale contract wherein the seller retains physical title to the Lot until the contract is fully paid.

12.2 Relationship with Assessment Lien. Any lien which WLMA may have on any Lot for the payment of assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any Lender with a prior recorded trust deed or mortgage on the Lot made in good faith and for value, and no such lien shall in any way impair the obligation or the priority of such trust deed or mortgage unless the Lender shall expressly subordinate its interest, in writing, to such lien.

12.3 Furnishing of Information. Each Lender shall, upon request, be entitled to: (i) inspect the books and records of WLMA during normal business hours; and (ii) Receive an annual audited financial statement of WLMA within 120 days following the end of any fiscal year of WLMA.

12.4. No Priority Over Rights of Mortgagees. No provision shall give a Member or any other party priority over any rights of mortgagees of Lots pursuant to their mortgages in the case of a distribution to Members of insurance proceeds or condemnation awards for losses to or a taking of Lots and/or the Westlake Lake Recreational Area. Additionally, if any Lot or portion thereof is made the subject matter of any condemnation or eminent domain proceeding, no provision herein shall entitle the Owner of a Lot, or any other party, to priority over a mortgagee of a Lot with respect to any distribution to such Lot of the proceeds of any award or settlement.

12.5 Subordination of Assessment Lien to Mortgages. Any holder of a mortgage who comes into possession of a Lot pursuant to foreclosure, or other default and forfeiture proceeding, shall take the property free of any claim for unpaid assessments or charges against such Lot which accrued prior to the time such Person comes into possession of the Lot. The Association lien Assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed on the properties subject to Assessment, and subordinate to the interest of a land sale contract seller who was not in Assessment arrears to the Association when such purchase commenced; provided, however, that such subordination shall apply only to the Association assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, trustee's sale, or other forfeiture as to the Lot.

12.6 Priorities of Mortgage Lien. No breach of any provision of these CC&Rs, nor the enforcement of any lien created herein, shall affect, impair, defeat or invalidate the lien of any mortgage or deed of trust made in good faith and for value, or the interest of a land sale contract seller under pending sale, but all of the CC&Rs shall be binding upon any Person whose title is derived through foreclosure or trustee sale or otherwise, thus becoming a Member by such event.

12.7 Lenders Furnishing Information. A Lender is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot or any pending land sale contract.

12.8 Liens. All taxes, assessments and charges which may become liens prior to a mortgage on a Member's Lot shall relate only to the individual Lot and not to the Lake, its appurtenances or any other interest in real property held by the Association.

12.9 Assessment Certificate. A certificate of current Assessments including charges, executed under penalty of perjury by any two members of the Board, shall be conclusive and binding upon WLMA and the Members in favor of all Persons who rely in good faith on such certificate. Any Member shall be entitled to such a certificate as to the member's Lot, also setting forth the amount of any due and unpaid Assessments with respect to the Lot, or stating in the alternative that all Assessments due are paid if such is the case, within ten (10) days after demand therefore and upon payment of a reasonable fee not to exceed ten dollars.

12.10 Article 12 Amendment Requirements. No amendment including as to this section shall reduce the Lender protection provisions of these CC&Rs without the unanimous written consent of all of the Owners and their respective Lenders. No such amendments shall affect the rights of the holder of any such mortgage or trust deed recorded (or the interests of a land sale contract seller in a sale commencing) prior to the recordation of such amendment who does not join in the amendment execution.

ARTICLE 13 ADMINISTRATION

13.1 Place of Membership Meetings. Meetings of the Association membership shall be held at a suitable location as provided for in the By-Laws.

13.2 Notice of Membership Meetings. Meetings of the membership shall be called, noticed and held by the Board as provided in the By-Laws. The Notice shall specify those matters the Board intends to present for action by the Members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

13.3 Board Meetings. Board meetings shall be held as provided for in the By-Laws.

13.4 Conduct of Meetings. Meetings of the membership and Board shall be conducted in accordance with a recognized system of parliamentary procedure selected by the Board.

ARTICLE 14 BUDGETS, RESERVES AND FINANCIAL STATEMENTS

14.1 Review of Accounts. The Board shall manage its accounts in accord with generally accepted accounting principles and all applicable laws, recognizing application to the Association is in context of its status as a nonprofit, public benefit corporation; quarterly financial reviews should include:

a. Operating Accounts. Causing a current reconciliation of WLMA's Operating Accounts to be made and review the same;

b. Reserve Accounts. Causing a current reconciliation of WLMA's Reserve Accounts to be made and review the same;

c. Actual Expense vs. Budget. Reviewing the current year's actual revenues and expenses compared to the current year's budget for WLMA's Operating and Reserve Accounts;

d. Bank Statements. Reviewing the most current account statements prepared by the financial institution where WLMA has its Operating and Reserve Accounts; and

e. Income and Expense Statements. Reviewing an income and expense statement for WLMA's Operating and Reserve Accounts.

14.2 Operating Budget. The Board shall prepare and distribute annually to all Members an estimated operating Budget for the next fiscal year. The Budget shall be distributed not less than 45 days nor more than 60 days prior to the beginning of WLMA's fiscal year and should include the following:

a. Revenue and Expenses. The estimated revenue and expenses;

b. Reserves. A summary of WLMA's Reserves based upon the most recent review or study which shall be printed in bold type and include: (i) the current estimated replacement cost, estimated remaining life, and estimated useful life of each major component, (ii) the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components, and (iii) the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components as of the end of the fiscal year for which the study is prepared;

c. Special Assessments. A statement as to whether the Board has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any major asset or to provide adequate Reserves therefor;

d. Reserve Procedure. A general statement addressing the procedures used for the calculation and establishment of those Reserves to defray the future repair, replacement, or additions to those major assets that WLMA is obligated to maintain; and

e. Summary in Lieu of. In lieu of the distribution of the Budget, the Board may elect to distribute a summary of the Budget to all Members with a written notice in at least 10-point boldface type on the front page of the summary that the Budget is available at WLMA's business office or at another suitable location and that copies will be provided upon request at WLMA's expense.

14.3 Annual Review. An annual review of the financial statement of WLMA shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. A copy of the review of the financial statement shall be distributed to all homeowners within one hundred and twenty (120) days after the close of each fiscal year.

14.4 Reserve Study. At least once every three (3) years the Board shall cause a study of the Reserve account to be performed. When the result of the Reserve account is known, the Board shall devise within a reasonable period of time a plan to raise or maintain the Reserves in accordance with the recommendation of the study. The study required by this subdivision shall, at a minimum, include:

a. Major Assets. Identification of the major assets which WLMA is obligated to repair, replace, restore, or maintain;

b. Remaining Life. Identification of the probable remaining useful life of the major assets as of the date of the study;

c. Cost to Repair or Replace. An estimate of the cost of repair, replacement, restoration, or maintenance of the major assets during and at the end of their useful life; and

d. Annual Contribution. An estimate of the total annual contribution, and/or any alternate plan of contribution, necessary to defray the cost to repair, replace, restore, or maintain the components during and at the end of their useful life, after subtracting total Reserve funds as of the date of the study.

14.5 Financial Statements; Procedures. The Board shall arrange and be responsible for all of the financial information described in this Article to be regularly prepared and distributed to all

Members. The Board shall use its best judgment in implementing such accounting procedures that are in the best interest of the Association, including balancing the benefits and burdens, and complying with accounting measures required by law.

ARTICLE 15 INSURANCE

15.1 WLMA Insurance. WLMA shall obtain and maintain the following policies of insurance as described:

- a. Special Form Coverage. WLMA shall maintain "Special Form" coverage for loss or damage to Lake real property improvements (other than for the Westlake Dam and downstream channel) by fire or other risks. Unless circumstances exist that justify less coverage, the amount of such insurance shall not be less than ninety percent (90%) of the aggregate full insurable value, meaning actual replacement value;
- b. Westlake Dam Loss Coverage. WLMA shall endeavor to financially provide against damage to or destruction of Westlake Dam, which serves the Recreation Area and is part of the region's flood control system, by a combination of: (i) loss insurance coverage with reasonable deductible to the extent economically available from time to time, (ii) governmental aid in any combination of pre-commitment and post-loss funding and/or physical rebuilding assistance, and (iii) any other sources of funds or other aid. The Association and its Board and executive committee to extent of authority, shall not be liable for the failure to secure such loss insurance, governmental or other source funds/aid;
- c. Public Liability and Property Damage. WLMA shall maintain one or more comprehensive public liability and property damage policies which shall provide appropriate occurrence and aggregate limits;
- d. Directors and Officers. WLMA shall maintain appropriate directors and officers errors and omission insurance insuring the Board, its officers, committees, other volunteers and employees;
- e. Worker's Compensation. WLMA shall maintain Worker's Compensation insurance to comply with applicable Workers' Compensation laws, and related employer's civil liability insurance to protect WLMA, its employees and other representatives, from related civil liability as available;
- f. Fidelity Bond. WLMA shall maintain blanket fidelity bond coverage for all directors, officers, committee members, other volunteers, and employees of WLMA handling funds of WLMA. In the event the Board has delegated some or all of the responsibility for the handling of funds to a management agent, the management agent shall also be required to maintain blanket fidelity bond coverage for those persons handling or responsible for funds of WLMA; and
- g. Other. WLMA shall maintain insurance coverage for such other risks, perils or coverage as determined by the Board.

15.2 WLMA Persons Insured. WLMA where named as an insured, additional insured, or additional named insured in any insurance policy, whether obtained by WLMA, a Member or third party, shall also be deemed by this instrument, by any insurance contract as expressed, and under all applicable law to also include WLMA's directors, officers, committee members, other volunteers and employees.

15.3 Members Obligation to Carry Insurance. Each Member shall insure with appropriate occurrence and aggregate limits against liability and loss for personal injury and property damage involving all Lake-related improvements to the Member's Lot, within the Lake such as Boat Docks and landscaping, and for Boats owned or otherwise under the control of the Member. WLMA is specifically relieved of any responsibility or liability for policing this provision.

a. Additional [Named] Insured. Whenever a Member has a duty to indemnify, defend, and hold harmless WLMA, the Member, if WLMA requests, shall cause WLMA be made an additional insured or additional named insured in any related insurance obtained.

15.4 Choice of Repair Contractor. With respect to any repairs for which proceeds of insurance are paid or are payable to WLMA, the Board alone shall designate the contractor to perform the repairs to the Lake. Individual Members shall be responsible for overseeing repairs done to their respective Lots, the improvements thereon and any related Boat Docks.

15.5 Choice of Insurance Companies. All policies of insurance obtained by the Board shall be from an insurance company qualified to do business in the State of California and holding a Best's Insurance Reports rating of "A" or better.

15.6 Article 15 Amendment Requirements. Subsection "b" of section 15.1, and this section 15.6 may only be amended or repealed by the approving vote by a seventy-five percent (75%) majority of the authorized number of Board members, and by an eighty percent (80%) majority of the Voting Power of the Members.

ARTICLE 16 CONDEMNATION

16.1 Representation in Proceedings. In the event that an action in eminent domain is brought to condemn all or any portion of the Lake, the Board shall represent the Members in all proceedings, negotiations, settlements and awards for the acquisition of any portion of the Lake or other property of the Association. Any such settlement or resulting award shall be the sole property of the Association and any proceeds shall be paid to it.

16.2 Revision of Documents. In the event of any condemnation of any part of the Lake or Westlake Lake Recreational Area, the Board shall, as soon as practical, cause to be prepared, filed and/or recorded a revised subdivision map or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Westlake Lake Recreational Area.

16.3 Status of Membership. In the event a Lot is taken in condemnation such that it is no longer usable by the Member as a Residence or other zoned use as determined by the settlement or

award compensating the Association for related lost Member Assessments, that Lot shall cease to be subject to Assessments of WLMA, and the Member shall cease to be a Member of the Association. In addition, WLMA shall be awarded whatever loss of Assessments it suffers as a result of the condemnation. The value of the lost Assessments shall be calculated at the then annual Assessment for the Lot, multiplied by twenty (20) years without any present value discounting. WLMA may invest the proceeds to produce a stream of revenue to replace the lost Assessment.

ARTICLE 17

DESTRUCTION OF WESTLAKE DAM

17.1 Destruction of the Westlake Dam. In the event of partial or total destruction of the Westlake Dam, the Board shall: (i) obtain bids from at least three (3) reputable contractors, as practicable, licensed in California and insured, which bids shall set forth in detail the work required to reconstruct the damaged or destroyed portions of the Westlake Dam to substantially the same condition as existed prior to the damage and the itemized cost of such work (subject to any building standards then in effect), and (ii) determine the amount of insurance proceeds and other funds and resources available to WLMA for the purpose of effecting such repair or reconstruction.

17.2 Automatic Reconstruction. If the net cost to the Association to reconstruct the Westlake Dam, after deducting the value of any insurance proceeds due WLMA, any governmental monies available for such purpose, and any other funds and resources not part of WLMA's regular annual revenues, is an amount less than or equal to three (3) times the amount of the total annual revenues of WLMA for the prior fiscal year, it shall be the duty of the Board, without a vote of the membership, to automatically cause the Westlake Dam to be reconstructed to substantially the same condition as existed prior to such damage, subject to any building standards then in effect.

a. Authority of Levy. In the event of automatic reconstruction, the Board shall have the authority, without a vote of the membership, to levy a Special Assessment against the membership to provide the funds necessary for such reconstruction and/or for repayment of any monies borrowed by WLMA for such reconstruction.

17.3 Reconstruction Subject to Membership Disapproval. If the Board determines that the net cost to reconstruct the Westlake Dam, after deducting the value of any insurance proceeds due WLMA, any governmental monies available for such purpose, and any other funds and resources not part of WLMA's regular annual revenues, is an amount greater than three (3) times the total annual revenues of WLMA for the prior fiscal year, then the Board shall automatically cause the Westlake Dam to be reconstructed unless, by special vote, the Members affirmatively vote not to reconstruct the damaged or destroyed Westlake Dam.

a. Special Vote. In making that decision under section 17.3 whether or not to rebuild the Westlake Dam, the special affirmative vote to not reconstruct shall require approval by a two-thirds (2/3rds) majority of the Voting Power of the Members.

b. Surviving Lender Rights. A vote of the membership not to reconstruct shall be subject to the rights of Lenders as provided for in these CC&Rs.

17.4 Decision Not to Rebuild. In the event the membership votes not to rebuild the Westlake Dam, then: (i) the water rights of any Person to the Lake waters provided in these CC&Rs shall automatically terminate, and (ii) the Board shall deposit insurance proceeds due the Association, if any, into a separate account for the purpose of studying and implementing alternate uses for the Lake bed, or alternate means to effect a rebuilding of the Westlake Dam without extraordinary Special Assessment of Members, consistent with the public benefit purposes contained in the Articles and these CC&Rs.

17.5 Duties of Board During Reconstruction. If reconstruction is undertaken, the Board shall (i) enter into a written contract with a contractor who is licensed and insured for such repair, reconstruction and restoration; (ii) disburse insurance proceeds available for the work along with funds collected by reason of Assessments and other sources in appropriate progress payments; and, (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction and restoration in a lawful, professional manner at the earliest possible date.

a. Reconstruction Account. The Board shall establish a separate reconstruction account pledged to such reconstruction with the most favorable to Members Assessment payment plan for the circumstances. The Board may consider whether Members may finance the Special Assessment, including the Association facilitating group financing if available for Members so electing, with the financing to be secured by such electing Members' respective Lots and not by the property of the Association.

b. Schedule. Such reconstruction shall be completed as promptly as practical.

17.6 Article 17 Amendment Requirements. Sections 17.2 and 17.3 may only be amended or repealed by the approving vote by a seventy-five percent (75%) majority of the authorized number of Board members, and by an eighty percent (80%) majority of the Voting Power of the Members.

ARTICLE 18 MISCELLANEOUS

18.1 Amendments to CC&Rs. Except as otherwise provided in these CC&Rs, these CC&Rs may be amended or repealed by a seventy-five percent (75%) majority of the Board with the additional requirement of consent by a two-thirds (2/3rds) majority of the Voting Power of the Members. An amendment shall become effective when such Board vote and Members' consent are certified by the Association and the certified amendment is recorded in the both of the Offices of the Recorders of Los Angeles and Ventura Counties, California.

18.2 Restrictions on Amendments. No amendment may be made to the Articles, the CC&Rs, or the By-Laws which would defeat the public benefit goals and corresponding tax benefits enjoyed by WLMA. No amendment will be effective as to changing provisions in prior amendments if not approved by the appropriate required level vote of Board and/or Members.

a. Intent Re Amending Prior Provisions. This Amendment has intended to incorporate verbatim, or in substance given format and grammar adjustment, those provisions from the original CC&Rs as previously amended which were not to be amended, or were to be amended

only on approval of Members (and in some provisions, their Lenders) at voting levels above the prior generally required two-thirds majority approval of the Voting Power of the Members, and nothing in this instrument is meant to alter the substance of such higher super-majority vote provisions from the CC&Rs as previously amended except as would be allowed by overriding changes in the applicable laws. In the event any provisions of these CC&Rs are determined by a court to be invalid because of a deviation from a prior provision requiring a super-majority vote greater than required for these CC&Rs, then such most recent prior amendment provision involved shall be valid as if part of these CC&Rs, and shall take precedent over the deviating provision herein.

18.3 Headings. The headings of the several Articles, sections and subsections of these CC&Rs are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision of these CC&Rs.

18.4 Liberal Construction. The provisions of these CC&Rs shall be liberally construed to effectuate its purpose of creating a uniform plan for the use, operation and maintenance of the Lake.

18.5 Number and Gender. Whenever the context so requires, the singular number includes the plural, the plural includes the singular, the masculine gender includes the feminine and/or neuter and the neuter gender includes the masculine and/or feminine.

18.6 Severability. In case any term, covenant, provision, phrase, section or other element contained in these CC&Rs or in any other Lot document for any reason shall be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect, alter, modify or impair in any manner whatsoever any other application thereof or any other term, covenant, provision, phrase, section or other element contained in these CC&Rs or in any other Lot document, the provision of which shall be carried out as if such invalid, illegal or unenforceable provision were not contained herein or therein.

18.7 Conflicting Provisions. In the event of a conflict between the CC&Rs and the Articles, the By-Laws or Rules, the CC&Rs shall control to the extent allowed by law. In the event of a conflict between the By-Laws and the Rules, the By-Laws shall control.

18.8 Consent Revocable. Any consent, approval or authorization, once given by WLMA, its Board, or its duly authorized representatives as permitted by these CC&Rs, shall be revocable if: (i) revocable status is expressed or necessarily implied in the act or agreement, (ii) the approval or consent was induced by a misrepresentation, or (iii) WLMA determines that the action taken by the Member, notwithstanding the approval or consent, has caused or may cause injury or damage to or otherwise is contrary to the health and welfare of WLMA's Members, the Lake, or the community. The Board, its executive committee or other WLMA representative making a decision has primary responsibility to determine whether to revoke that decision, with the revocation matter also being subject to initial action or review at the discretion of the Board, and to Board review at the request of any person involved. Any decision of revocation if not made by the Board or its executive committee shall promptly be reported in writing to such committee.

18.9 Termination of CC&Rs. These CC&Rs shall run with the land and be binding upon and inure to the benefit of the Association and all parties having or acquiring any real property, contractual or other right, title or interest within the Westlake Lake Recreational Area or related

thereto whether as Owners of a freehold interest, lessees, other tenants, occupants, licensees or otherwise, and shall apply to all their respective heirs, personal representatives, successors, and assigns. The CC&Rs shall continue in full force and effect for an approximate term of ten (10) plus years ending December 31, 2010, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial term or any ten (10) year extension period, a written notice of termination is approved by a vote of two-thirds (2/3rds) majority of the Voting Power of the Members, certified by the Association, and the certified notice is recorded in the Offices of the Recorders of Los Angeles and Ventura Counties, California, which shall terminate the effectiveness of these CC&Rs as of the date of recordation.

18.10 Attorneys' Fees. In the event proceedings are brought by any party to enforce or restrain violations or to determine the rights or duties of any Person under the Governing Documents, the prevailing party may recover all reasonable actual expenses and attorneys' fees as well as those court costs determined by the court, in addition to any other relief awarded by the court.

18.11 Notices. Any communication or notice of any kind permitted or required herein may be delivered as provided in these CC&Rs and shall be in writing and may be served, as an alternative to personal service, by mailing same as follows:

- a. To Members To the street address of the Lot or at such other address as the Member may designate in writing to the Westlake Lake Management Association.
- b. To WLMA To the address indicated on the billing statements for payment of Member Assessments.

c. All notices to any representative of WLMA shall be addressed to WLMA and may include "attention" to particular representatives. All notices or demands served by mail shall be by first-class mail with postage thereon fully prepaid, or to the extent either allowed by law or in matters of mass mailing by WLMA or Members, by less than first-class prepaid mail but with providing ten (10) or more additional days notice time beyond that otherwise called for at law or in the Governing Documents for first class mail service - or equivalent number of days in any future mail delivery circumstances.

IN WITNESS WHEREOF, Westlake Lake Management Association, as successor of the grantor community developer as to Westlake Lake and regarding the Westlake Lake Recreational Area, and pursuant to amendment power of such grantor's original Westlake Lake Recreational Area Restrictions, as previously amended, has executed this TENTH AMENDMENT to CC&Rs on August 1, 2000.

WESTLAKE LAKE MANAGEMENT ASSOCIATION,
A California, non profit corporation

by: Lenny Targon
Lenny Targon
President, Authorized Agent

by: Donald Nikchevich
Donald Nikchevich
Secretary, Authorized Agent

State of California
County of Los Angeles

On August 1, 2000 before me, Kathleen McCusker personally appeared Lenny Targon and Donald Nikchevich, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacity, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.
Kathleen McCusker

(Seal)



EXHIBIT "A"

DESCRIPTION OF WESTLAKE LAKE RECREATIONAL AREA

That portion of the Rancho El Conejo, partly in the County of Los Angeles and partly in the City of Thousand Oaks, County of Ventura, State of California, as shown upon a map entitled "Map of Partition Survey of Rancho El Conejo, Ventura County, California" recorded in Book 1, page 746, of Deeds, in the office of the County Recorder of said Ventura County and recorded March 21, 1960, in Book D787, page 705, of Official Records, in the office of the County Recorder of said Los Angeles County, that portion of Tract No. 26946, in said County of Los Angeles, as per map recorded in Book 765, pages 51 to 54 inclusive, of Maps, in the office of the County Recorder of said County of Los Angeles, that portion of Tract No. 29022 in said County of Los Angeles, as per map recorded in Book 768, pages 6, 7 and 8 of said Maps, that portion of Tract No. 28459, in said County of Los Angeles, as per map recorded in Book 765, pages 16, 17 and 18 of said Maps, that portion of Tract No. 28302, in said County of Los Angeles, as per map recorded in Book 775, pages 90 to 96 inclusive, of said Maps, that portion of Tract No. 29048, in said County of Los Angeles, as per map recorded in Book 773, pages 98, 99 and 100 of said Maps, and that portion of Tract No. 28244, in said County of Los Angeles, as per map recorded in Book 778, pages 5 to 9 inclusive, of said Maps, together with Tract No. 1954-1, in said City of Thousand Oaks, County of Ventura, as per map recorded in Book 56 pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said Ventura County, and Tract No. 1954-2, in said City of Thousand Oaks, County of Ventura, as per map recorded in Book 56, pages 72 to 76 inclusive, of said Miscellaneous Records and Tract No. 2214, in said City of Thousand Oaks, County of Ventura, as per map recorded in Book 59, pages 39, 40 and 41, of said Miscellaneous Records, described as a whole as follows:

Beginning at the intersection of the Los Angeles-Ventura County boundary line with the southwesterly boundary of Watergate Road as said intersection is shown on map of Tract No. 26946, recorded in Book 765, pages 51 to 54 inclusive, of Maps, in the Office of the County Recorder of said County of Los Angeles; thence along said southwesterly boundary as follows: South $36^{\circ}08'33''$ East 47.27 feet to the beginning of a tangent curve concave northeasterly and having a radius of 732.00 feet; thence southeasterly along said curve through a central angle of $26^{\circ}03'44''$ a distance of 332.97 feet; thence tangent to said curve South $62^{\circ}12'17''$ East 40.39 feet to the beginning of a tangent curve concave southeasterly, having a radius of 19.00 feet, being in the southeasterly boundary of Lake Harbor Lane as shown on the map of said Tract No. 28244; thence along the various courses in the southeasterly, easterly and northeasterly lines of said Lake Harbor Lane as shown on said Tract No. 28244 and Tract No. 29048, the following seven courses: southwesterly along said 19.00 foot radius curve through a central angle of $89^{\circ}11'24''$ a distance of 29.58 feet; thence tangent to said last mentioned curve South $28^{\circ}36'19''$ West 146.48 feet to the beginning of a tangent curve concave northeasterly and having a radius of 368.00 feet; thence southerly and southeasterly along said last mentioned curve through a central angle of $89^{\circ}49'08''$ a distance of 576.89 feet; thence tangent to said last mentioned curve South $61^{\circ}12'49''$ East 221.11 feet to the beginning of a tangent curve concave southwesterly and having a radius of 267.00 feet; thence southeasterly along said last mentioned curve through a central angle of $56^{\circ}45'48''$ a distance of 264.52 feet; thence tangent to said last mentioned curve South $4^{\circ}27'01''$ East 4.59 feet; thence South $88^{\circ}54'57''$ East 22.64 feet to the curved westerly line of Lakeview Canyon Road, 84.00 feet wide, being concave easterly and having a radius of 1042.00 feet, as shown on the map of Tract No. 25404, recorded in Book 756, pages 8 to 27 inclusive, of said Maps; thence southerly along said last

mentioned curve through a central angle of $15^{\circ}40'03''$ a distance of 284.93 feet; thence tangent to said curve South $14^{\circ}35'00''$ East 1213.40 feet to the beginning of a tangent curve concave northwesterly and having a radius of 27.00 feet; thence southwesterly along said curve through a central angle of $90^{\circ}00'00''$ a distance of 42.41 feet to a radial thereof which bears South $14^{\circ}35'00''$ East; thence along the southerly prolongation of said radial South $14^{\circ}35'00''$ East 4.00 feet to the northeasterly terminus of that certain 1250.00 foot radius curve in the northwesterly boundary of Lindero Canyon Road as shown on map of Tract No. 26500 recorded in Book 765, pages 1 to 15 inclusive, of said Maps; thence southwesterly along said certain 1250.00 foot radius curve and its southwesterly continuation through a central angle of $81^{\circ}42'09''$ a distance of 1782.47 feet to a radial thereof which bears South $83^{\circ}42'51''$ West; thence leaving the boundary of said Lindero Canyon Road along the southerly boundary line of Lot 1 of said Tract No. 28302, North $87^{\circ}02'33''$ West 8.24 feet; thence South $43^{\circ}43'06''$ West 64.50 feet; thence South $40^{\circ}01'50''$ West 202.42 feet; thence South $13^{\circ}54'20''$ East 29.27 feet; thence South $5^{\circ}52'00''$ West 43.42 feet; thence South $15^{\circ}27'08''$ East 209.33 feet; thence South $31^{\circ}02'52''$ East 154.28 feet; thence South $17^{\circ}05'43''$ East 104.66 feet; thence South $8^{\circ}35'45''$ East 128.28 feet; thence South $17^{\circ}01'46''$ East 74.02 feet to the beginning of a tangent curve concave northeasterly and having a radius of 310.00 feet; thence southeasterly along said last mentioned curve through a central angle of $55^{\circ}02'30''$ a distance of 297.80 feet to the westerly boundary of Lindero Canyon Road as shown on said map of Tract No. 28302, said westerly boundary being a curve concave westerly and having a radius of 1149.00 feet, a radial line said curve to said beginning bears South $82^{\circ}37'20''$ East; thence along said last mentioned westerly boundary the following four courses: southerly along said last mentioned curve through a central angle of $6^{\circ}30'58''$ a distance of 130.67 feet; thence tangent to said last mentioned curve, South $13^{\circ}53'38''$ West 33.45 feet; thence South $76^{\circ}06'22''$ East 1.00 feet; thence South $13^{\circ}53'38''$ East 18.30 feet; thence leaving said westerly boundary, North $77^{\circ}45'43''$ West 63.43 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 500.00 feet; a radial line of said last mentioned curve to said beginning bears South $23^{\circ}50'23''$ West; thence northwesterly along said last mentioned curve through a central angle of $46^{\circ}14'31''$ a distance of 403.54 feet; thence non-tangent to said last mentioned curve North $17^{\circ}11'55''$ West 131.90 feet; thence North $26^{\circ}43'26''$ West 101.20 feet; thence North $17^{\circ}07'02''$ West 104.89 feet; thence North $2^{\circ}52'29''$ West 154.47 feet; thence North $18^{\circ}48'37''$ West 211.40 feet; thence North $38^{\circ}32'35''$ West 49.60 feet; thence North $16^{\circ}12'55''$ West 23.37 feet; thence North $74^{\circ}29'08''$ West 203.42 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 278.22 feet, a radial line of said last mentioned curve to said beginning bears North $59^{\circ}12'57''$ East; thence northwesterly along said last mentioned curve through a central angle of $6^{\circ}13'56''$ a distance of 30.26 feet; thence tangent to said last mentioned curve North $37^{\circ}00'59''$ West 16.14 feet to the southeasterly boundary of Lot 1 of said Tract No. 28302; thence along said southeasterly boundary South $52^{\circ}59'01''$ West 21.19 feet to the easterly line of Triunfo Canyon Road, as shown on the map of said Tract No. 28302; thence along said Triunfo Canyon Road North $9^{\circ}23'47''$ West 570.68 feet to the beginning of a tangent curve concave southwesterly and having a radius of 1350.00 feet; thence northwesterly along said curve through a central angle of $77^{\circ}24'21''$ a distance of 1823.83 feet; thence tangent to said curve North $86^{\circ}48'08''$ West 408.52 feet to the beginning of a tangent curve concave northeasterly and having a radius of 1150.00 feet; thence northwesterly along said curve through a central angle of $78^{\circ}31'26''$ a distance of 1576.07 feet; thence tangent to said curve North $8^{\circ}16'42''$ West 464.80 feet to the beginning of a tangent curve concave southwesterly and having a radius of 1200.00 feet; thence northwesterly along said curve through a central angle of $25^{\circ}12'54''$ a distance of 528.10 feet; thence tangent to said curve North $33^{\circ}29'36''$ West 1753.82 feet to the beginning of a tangent curve concave southeasterly and having a radius of 25.00 feet; thence northwesterly, northerly and northeasterly along said curve through a central angle

of 101°57'43" a distance of 44.49 feet to the beginning of a compound curve concave southerly and having a radius of 1540.00 feet being in the southerly boundary of Westlake Boulevard, as shown on the map of Tract No. 1967-1, recorded in Book 49, pages 67 to 76 inclusive, of Miscellaneous Records, in the office of the County Recorder of said County of Ventura; thence along the southerly and southeasterly lines of said Westlake Boulevard, easterly along said compound curve through a central angle of 19°44'29" a distance of 530.61 feet; thence tangent to said curve North 88°12'36" East 1028.98 feet to the beginning of a tangent curve concave northerly and having a radius of 1660.00 feet; thence easterly and northeasterly along said last mentioned curve through a central angle of 37°28'00" a distance of 1085.51 feet to the southwesterly boundary of Tract No. 2170 as shown on map recorded in Book 58, pages 1 to 5 inclusive, of said Miscellaneous Records; thence along said southwesterly boundary, the following 7 courses: southeasterly along a curve concave northeasterly and having a radius of 500.00 feet through a central angle of 38°23'31" a distance of 335.03 feet; thence normal to said curve South 19°47'13" West 15.00 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 105.00 feet, a radial line of said last mentioned curve to said beginning bears North 19°47'13" East; thence southeasterly along said last mentioned curve through a central angle of 14°38'56" a distance of 26.85 feet to the beginning of a reverse curve concave northeasterly and having a radius of 315.00 feet; thence southeasterly along said last mentioned curve through a central angle of 21°28'40" a distance of 118.08 feet to the beginning of a reverse curve concave southwesterly and having a radius of 285.00 feet; thence southeasterly along said last mentioned curve through a central angle of 34°09'28" a distance of 169.91 feet to the beginning of a reverse curve concave northeasterly and having a radius of 315.00 feet; thence southeasterly along said last mentioned curve through a central angle of 17° 29'24" a distance of 96.16 feet; thence tangent to said last mentioned curve South 60°22'27" East 27.08 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 45.00 feet, a radial line of said curve to said beginning bears North 60°22'27" West; thence South 60°22'27" East 45.00 feet to the northwesterly terminus of the center line of Watergate Road as shown on said Map of Tract No. 2170; thence along said center line of Watergate Road as shown on said last mentioned map and as shown on the map of Tract No. 2171, recorded in Book 58 pages 6 to 11 inclusive, of said Miscellaneous Records the following seven courses: southeasterly along a curve concave southwesterly, having a radius of 250.00 feet, tangent to said last mentioned course, through a central angle of 37°38'20" a distance of 164.23 feet to the beginning of a reverse curve concave northeasterly and having a radius of 400.00 feet; thence southeasterly along said last mentioned curve through a central angle of 58°58'35" a distance of 411.73 feet; thence tangent to said last mentioned curve South 81°42'42" East 26.29 feet to the beginning of a tangent curve concave southwesterly and having a radius of 250.00 feet; thence southeasterly along said last mentioned curve through a central angle of 30°00'10" a distance of 130.91 feet; thence tangent to said last mentioned curve South 51°42'32" East 564.17 feet to the beginning of a tangent curve concave northeasterly and having a radius of 300.00 feet; thence southeasterly along said last mentioned curve through a central angle of 34°08'38" a distance of 178.78 feet to the beginning of a reverse curve concave southwesterly and having a radius of 250.00 feet; thence southeasterly along said last mentioned curve through a central angle of 49°42'37" a distance of 216.90 feet to said Los Angeles-Ventura County line; thence along said county line South 53°51'27 West 32.00 feet to the point of beginning.

Map for Exhibit A

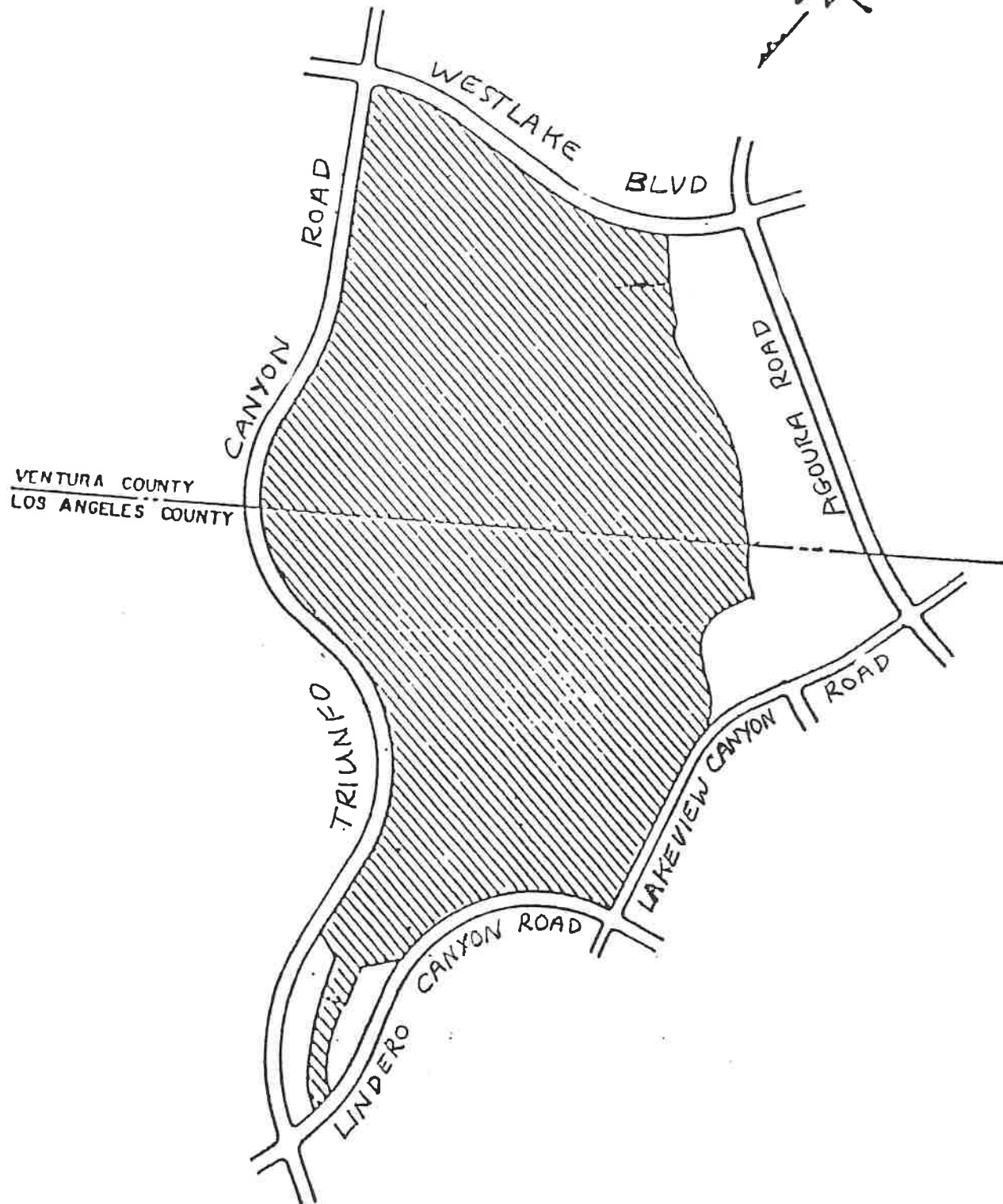


EXHIBIT "A"

EXHIBIT "B"

DESCRIPTION OF DISTRICTS

DISTRICT NO. 1 - WESTLAKE ISLAND

Lots 2 to 144 inclusive, 146, 147 and 148, Tract No. 26946, in the County of Los Angeles, State of California, as per map recorded in Book 765, Pages 51 to 54 inclusive, of Maps, in the office of the County Recorder of said County, together with Lots 1 to 98 inclusive of Tract No. 1954-1, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, Pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said County, together with Lots 101 to 196 inclusive of Tract No. 1954-2, in said City, County and State, as per map recorded in Book 56, Pages 72 to 76 inclusive, of said Miscellaneous Records.

Above described District No. 1 contains 21,187.3 linear feet of Lake frontage.

DISTRICT NO. 2 - SOUTHSORE

All of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map recorded in Book 775 pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said County.

Except therefrom Lots 1 and 129 of said tract.

Also except therefrom Lindero Canyon Road as dedicated by said map.

Also except therefrom that portion of Triunfo Canyon Road as dedicated by said map.

Above described District No. 2 contains 8,057.2 linear feet of Lake frontage.

DISTRICT NO. 3 - LAKESHORE

All of Tract No. 28244, in the County of Los Angeles, State of California, as per map recorded in Book 778 pages 5 to 9 inclusive, of Maps, in the office of the County Recorder of said County, and all of Tract No. 29048 in said County and State, as per map recorded in Book 773, pages 98, 99 and 100 of said map, and all of Tract No. 29022 in said County and State, as per map recorded in Book 768 pages 6, 7 and 8 of said Maps and all of Tract No. 28459, in said County and State as per map recorded in Book 765, pages 16, 17 and 18 of said Maps.

Except therefrom Lot 80 of said Tract No. 29048.

Also except therefrom Lot 57 of said Tract No. 29022.

Above described District No. 3 contains 2,253.4 linear feet of Lake frontage.

DISTRICT NO. 4 - THE LANDING

Lot 129 together with that portion of Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as per map recorded in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said County, described as a whole as follows:

Beginning at the most easterly corner of said Lot 129; thence along the boundaries of said

Lot 129 the following eight courses: North 35° 13'31" West 652.67 feet to the beginning of a tangent curve concave easterly and having a radius of 30.00 feet; thence northerly along said curve through a central angle of 90°00'00" a distance of 47.12 feet; thence tangent to said curve South 54°46'29" West 358.41 feet to the beginning of a tangent curve concave southeasterly and having a radius of 30.00 feet; thence southwesterly and southerly along said last mentioned curve through a central angle of 73°57'51" a distance of 38.73 feet; thence tangent to said last mentioned curve South 19° 11'22" East 573.62 feet to the beginning of a tangent curve concave northeasterly and having a radius of 30 feet; thence southeasterly along said curve through a central angle of 61° 18'32" a distance of 32.10 feet; thence tangent to said curve South 80°29'54" East 123.65 feet; thence South 24°06'31" East 29.33 feet to a point in a non-tangent curve concave southeasterly and having a radius of 1326.50 feet, a radial of said curve to said point bears North 59°35'26" West; thence southwesterly along said curve through a central angle of 26°38'00" a distance of 616.61 feet to the beginning of a reverse curve concave northwesterly and having a radius of 62.00 feet; thence southwesterly along said last mentioned curve through a central angle of 16°50' 19" a distance of 18.22 feet; thence tangent to said last mentioned curve South 20°36'50" West 40.60 feet to the beginning of a tangent curve concave northeasterly and having a radius of 66.00 feet; thence southerly, southeasterly and easterly along said last mentioned curve through a central angle of 113°11'44" a distance of 130.39 feet; thence tangent to said last mentioned curve North 87°25'06" East 28.30 feet to a point in the curved westerly boundary line of Lindero Canyon Road as shown on said map of Tract No. 28302, being concave easterly and having a radius of 1,250.00 feet, a radial line of said curve to said point bears South 87°25'06" West; thence northeasterly along said last mentioned curve through a central angle of 51°46'46" a distance of 1129.65 feet to the point of beginning.

Above described District No. 4 contains 2,006.0 linear feet of lake frontage.

DISTRICT NO. 5 - WINDWARD SHORES

That portion of the Rancho El Conejo, in the City of Thousand Oaks, County of Ventura, State of California, as shown upon a map entitled "Map of Partition Survey of Rancho El Conejo, Ventura County, California" recorded in Book 1, page 746, of Deeds, in the office of the County Recorder of said Ventura County, together with that portion of Tract No. 2214, in said City, County and State as per map recorded in Book 59, pages 39, 40 and 41 of Miscellaneous Records, in said office of the County Recorder of said County, described as a whole as follows:

Beginning at the point of intersection of the Ventura-Los Angeles County line with the northeasterly line of Triunfo Canyon Road, 100 feet wide, as shown on the map of Tract No. 1998-1, recorded in Book 50, pages 67 to 75 inclusive, of said Miscellaneous Records; thence along said County line, North 53°51'27" East 373.51 feet; thence North 36°08'33" West 55.80 feet; thence North 4°27'32" East 46.10 feet; thence North 46° 21'42" East 114.98 feet; thence North 52°21'28" East 191.06 feet; thence North 56°45'45" East 335.43 feet; thence North 27°50'26" East 55.34 feet; thence North 8°55'04" West 70.54 feet; thence North 39°21'04" West 184.94 feet; thence South 62°51'38" West 72.54 feet; thence South 52°42'42" West 300.06 feet; thence South 53°17'04" West 300.02 feet; thence South 62°56'52" West 202.54 feet; thence South 82°09'30" West 29.53 feet; thence North 8°51'27" East 36.77 feet; thence North 44°12'34" East 202.87 feet; thence North 54°22'52" East 547.02 feet; thence North 41°16'50" East 26.81 feet; thence North 32°35'17" West 126.41 feet; thence North 37°51'39" West 100.05 feet; thence North 52°17'04" West 25.03 feet; thence South 74°17'38" West 25.66 feet; thence South 54°04'44" West 647.00 feet; thence South 79°57'44" West 55.68 feet; thence North 72°04'09" West 32.35 feet to the most southerly corner of

Lot 34 of said Tract No. 2214; thence North 20°40'44" East 93.19 feet; thence North 53°51'27" East 553.02 feet to the beginning of a tangent curve concave westerly and having a radius of 30.00 feet; thence northerly along said last mentioned curve through a central angle of 90°00'00" a distance of 47.12 feet; thence tangent to said last mentioned curve North 36°08'33" West 204.00 feet to the beginning of a tangent curve concave southerly and having a radius of 30.00 feet; thence westerly along said last mentioned curve through a central angle of 90°00'00" a distance of 47.12 feet; thence tangent to said last mentioned curve South 53°51'27" West 577.51 feet to the northeasterly boundary line of Triunfo Canyon Road as shown on the map of said Tract No. 2214; thence along said easterly boundary the following two courses: South 8°16'42" East 444.18 feet to the beginning of a tangent curve concave northeasterly and having a radius of 1,150.00 feet; thence southeasterly along said last mentioned curve through a central angle of 36°27'26" a distance of 731.74 feet to the point of beginning.

Above described District No. 5 contains 5,306.5 linear feet of Lake frontage.

DISTRICT NO. 6 - NORTHSORE

That portion of the Rancho El Conejo, in the City of Thousand Oaks, County of Ventura, State of California, as shown upon a map entitled "Map of Partition Survey of Rancho El Conejo, Ventura County, California" recorded in Book 1, page 746, of Deeds, in the office of the County Recorder of said County, described as follows:

Beginning at the intersection of the center line of Watergate Road with the Ventura-Los Angeles County boundary line as said intersection is shown on map of Tract No. 1954-1 recorded in Book 56, pages 65 to 71 inclusive, of Miscellaneous Records, in said office of the County Recorder; thence along said County line, South 53°51'27" West 540.50 feet to the northeasterly boundary of Lot 98 of said Tract No. 1954-1; thence along the boundary lines of said Lot 98 the following six courses: North 36°08'33" West 32.00 feet; thence South 53°51'27" West 176.91 feet to the beginning of a tangent curve concave northerly and having a radius of 34.00 feet; thence westerly along said curve through a central angle of 50°39'51" a distance of 30.06 feet to the beginning of a reverse curve concave southeasterly and having a radius of 56.00 feet; thence southwesterly and southerly along said last mentioned curve through a central angle of 101°19'42" a distance of 99.04 feet to the beginning of a reverse curve concave northwesterly and having a radius of 34.00 feet; thence southerly and southwesterly along said last mentioned curve through a central angle of 50°39'51" a distance of 30.06 feet; thence tangent to said last mentioned curve South 53°51'27" West 38.01 feet; thence leaving said boundary North 36°08'33" West 118.05 feet; thence North 50°45'27" West 88.54 feet; thence North 37°54'30" West 173.22 feet; thence North 48°08'09" West 90.08 feet; thence North 52°46'33" West 116.73 feet; thence North 47°06'29" West 162.63 feet; thence North 55°32'25" West 76.79 feet; thence North 43°07'45" West 38.06 feet; thence North 54°59'58" West 212.19 feet; thence North 38°07'34" West 38.02 feet; thence North 50°41'09" West 200.81 feet; thence North 56°10'57" West 116.26 feet; thence North 62°15'06" West 101.52 feet; thence North 72°05'58" West 498.12 feet; thence North 70°57'41" West 61.79 feet; thence North 61°57'29" West 114.04 feet; thence North 49°41'57" West 72.63 feet; thence North 45°12'33" West 67.72 feet; thence North 31°02'04" West 76.01 feet; thence North 46°45'53" West 31.84 feet; thence North 72°07'02" West 136.99 feet; thence North 19°54'25" West 96.00 feet to a point in the curved southeasterly line of Westlake Boulevard, being concave northwesterly and having a radius of 1,660.00 feet as shown on the map of Tract No. 1954-2 recorded in Book 56 pages 72 to 76 inclusive, of said Miscellaneous Records, a radial line of said curve to said point bears South 7°23'04" East; thence northeasterly

along said last mentioned curve through a central angle of $31^{\circ}52'20''$ a distance of 923.42 feet to the southwesterly boundary of Tract No. 2170 as shown on map recorded in Book 58, pages 1 to 5 inclusive, of said Miscellaneous Records, thence along said southwesterly boundary, the following 7 courses: southeasterly along a curve concave northeasterly and having a radius of 500.00 feet through a central angle of $38^{\circ}23'31''$ a distance of 335.03 feet; thence normal to said curve South $19^{\circ}47'13''$ West 15.00 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 105.00 feet, a radial line of said last mentioned curve to said beginning bears North $19^{\circ}47'13''$ East; thence southeasterly along said last mentioned curve through a central angle of $14^{\circ}38'56''$ a distance of 26.85 feet to the beginning of a reverse curve concave northeasterly and having a radius of 315.00 feet; thence southeasterly along said last mentioned curve through a central angle of $21^{\circ}28'40''$ a distance of 118.08 feet to the beginning of a reverse curve concave southwesterly and having a radius of 285.00 feet; thence southeasterly along said last mentioned curve through a central angle of $34^{\circ}09'28''$ a distance of 169.91 feet to the beginning of a reverse curve concave northeasterly and having a radius of 315.00 feet; thence southeasterly along said last mentioned curve through a central angle of $17^{\circ}29'24''$ a distance of 96.16 feet; thence tangent to said last mentioned curve South $60^{\circ}22'27''$ East 27.08 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 45.00 feet, a radial line of said curve to said beginning bears North $60^{\circ}22'27''$ West; thence South $60^{\circ}22'27''$ East 45.00 feet to the northwesterly terminus of the center line of Watergate Road as shown on said Map of Tract No. 2170; thence along said center line of Watergate Road as shown on said last mentioned map and as shown on the map of Tract No. 2171, recorded in Book 58 pages 6 to 11 inclusive, of said Miscellaneous Records the following seven courses: southeasterly along a curve concave southwesterly, having a radius of 250.00 feet, tangent to said last mentioned course, through a central angle of $37^{\circ}38'20''$ a distance of 164.23 feet to the beginning of a reverse curve concave northeasterly and having a radius of 400.00 feet; thence southeasterly along said last mentioned curve through a central angle of $58^{\circ}58'35''$ a distance of 411.73 feet; thence tangent to said last mentioned curve South $81^{\circ}42'42''$ East 26.29 feet to the beginning of a tangent curve concave southwesterly and having a radius of 250.00 feet; thence southeasterly along said last mentioned curve through a central angle of $30^{\circ}00'10''$ a distance of 130.91 feet; thence tangent to said last mentioned curve South $51^{\circ}42'32''$ East 564.17 feet to the beginning of a tangent curve concave northeasterly and having a radius of 300.00 feet; thence southeasterly along said last mentioned curve through a central angle of $34^{\circ}08'38''$ a distance of 178.78 feet to the beginning of a reverse curve concave southwesterly and having a radius of 250.00 feet; thence southeasterly along said last mentioned curve through a central angle of $49^{\circ}42'37''$ a distance of 216.90 feet to the point of beginning.

Above described District No. 6 contains 2,687.6 linear feet of Lake frontage.

DISTRICT NOS. 7 AND 8 WESTSHORE AND WESTLAKE BAY

That portion of the Rancho El Conejo, in the City of Thousand Oaks, County of Ventura, State of California, as shown on a map entitled "'Map of Partition Survey of Rancho El Conejo, Ventura County, California" recorded in Book 1, page 746, of Deeds, in the office of the County Recorder of said County, together with that portion of Lot 197 of Tract No. 1954-2, in said City, County and State, as shown on map recorded in Book 56, pages 72 to 76 inclusive, of Miscellaneous Records, in said office of the County Recorder, described as a whole as follows:

Commencing at the point of intersection of the Ventura-Los Angeles County line with the northeasterly line of Triunfo Canyon Road 100.00 feet wide, as shown on the map of Tract No. 1998-1, recorded in Book 50, pages 67 to 75 inclusive, of Miscellaneous Records, in said County Recorder's office, said northeasterly line being a curve concave northeasterly and having a radius of 1,150.00 feet, a radial line of said curve to said point bears South 45°15'22" West; thence along said Road, the following three courses: Northwesterly along said curve through a central angle of 36°27'26" a distance of 731.74 feet; thence tangent to said curve, North 8°16'42" West 464.80 feet to the beginning of a tangent curve concave westerly and having a radius of 1,200.00 feet; thence northerly along said curve through a central angle of 22°45'22" a distance of 476.60 feet to a point to which a radial thereof bears North 58°57'56" East, said last mentioned point being the True Point of Beginning; thence along said Triunfo Canyon Road, the following three courses: continuing northwesterly along said 1,200.00-foot radius curve through a central angle of 2°27'32" a distance of 51.50 feet; thence tangent to said last mentioned curve, North 33°29'36" West 1,753.82 feet to the beginning of a tangent curve concave easterly and having a radius of 25.00 feet; thence northerly along said last mentioned curve through a central angle of 101°57'43" a distance of 44.49 feet to that certain curve concave southeasterly and having a radius of 1,540.00 feet in the southerly boundary of Westlake Boulevard as shown on the map of Tract No. 1967-1 recorded in Book 49, pages 67 to 76 inclusive, of said Miscellaneous Records; thence along said southerly boundary, the following three courses: northeasterly along said 1,540.00-foot radius curve through a central angle of 19°44'29" a distance of 530.61 feet; thence tangent to said last mentioned curve, North 88°12'36" East 1,028.98 feet to the beginning of a tangent curve concave northerly and having a radius of 1,660.00 feet; thence easterly along said last mentioned curve through a central angle of 2°30'08" a distance of 72.50 feet; thence leaving said southerly boundary, South 3°13'37" East 171.04 feet; thence South 42°35' 17" West 52.19 feet; thence South 50°04'09" West 96.87 feet; thence South 57°28'21" West 74.11 feet; thence North 75°26' 16" West 52.47 feet; thence North 86°31'53" West 63.25 feet; thence South 50°52'08" West 18.96 feet; thence South 36°16'44" West 140.80 feet; thence South 32°53'55" West 70.01 feet; thence South 29°27'26" West 199.42 feet; thence South 20°39'39" West 47.17 feet; thence South 15°16'28" West 143.32 feet; thence South 29°00'26" West 68.40 feet; thence South 23°06'00" East 80.31 feet; thence South 36°21'24" East 67.09 feet; thence South 25°37'57" East 114.36 feet; thence South 29°38'06" East 112.00 feet; thence South 31°45'36" East 142.06 feet; thence South 12°13'46" East 59.42 feet; thence South 5°05'02" West 104.75 feet; thence South 18°49' 17" West 87.86 feet; thence South 75°00'24" West 133.79 feet; thence South 64°53'30" West 146.78 feet to the True Point of Beginning.

Above described Districts 7 and 8 contain 2,246.4 linear feet of Lake frontage.

Map for Exhibit B

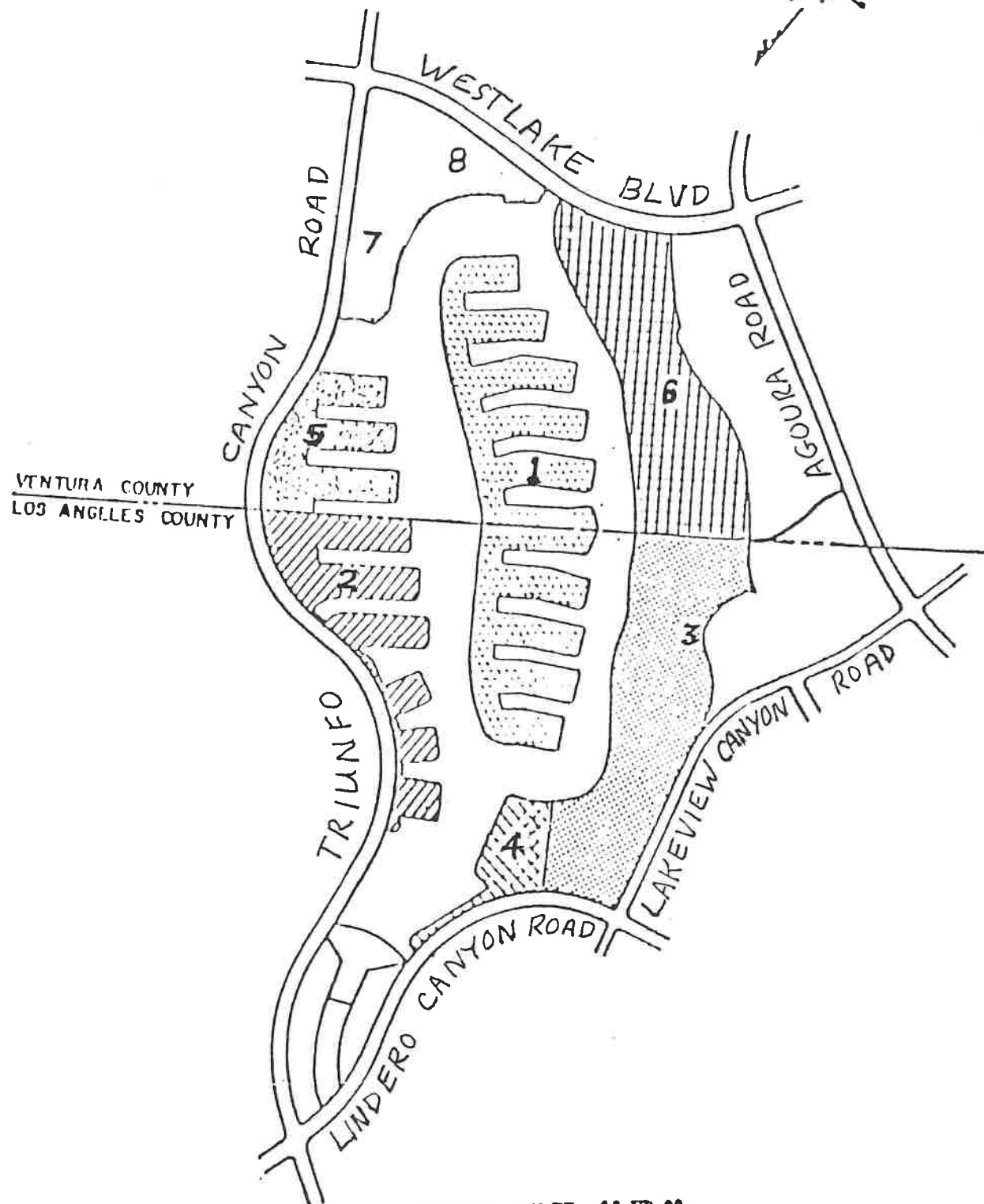


EXHIBIT "B"

EXHIBIT "C"

DESCRIPTION OF WESTLAKE LAKE & WESTLAKE DAM

LEGAL DESCRIPTION OF WESTLAKE LAKE IN VENTURA COUNTY

PART A

Lots 99 and 100 of Tract No. 1954-1 in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county.

Part B

Parcel 3 of Parcel Map LD 196, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map filed in Book 12, page 92 of Parcel Maps, in the office of the County Recorder of said county.

Part C

Lots 254 to 258 inclusive of Tract No. 2288, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 62, pages 1 to 11 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county.

Part D

Lot 34 of Tract No. 2214, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 59, pages 39, 40 and 41 of Miscellaneous Records, in the office of the County Recorder of said county.

Part E

The waters, submerged lands and shore area, together with the right of ownership, use and control thereof lying beneath the bridge structure, its appurtenant approaches and supporting structures, located on Lots 94 and 96 of Tract No. 1954-1 in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 65 to 71, inclusive, of Miscellaneous Records in the office of the County Recorder of said county.

LEGAL DESCRIPTION (Lake Area of Remainder of Tentative Tract No. 2160)

Part F

That portion of Rancho El Conejo, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map entitled "Map of Partition Survey of Rancho El Conejo, Ventura County, California" recorded in Book 1, page 746 of Deeds, in the office of the County Recorder of said county described as follows:

Commencing at the point of intersection of the Ventura-Los Angeles County line with the northeasterly line of Triunfo Canyon Road, 100 feet wide, as shown on the map of Tract No. 1998-1, recorded in Book 50, pages 67 to 75 inclusive, of said Miscellaneous Records; thence along said County line, North 53°51'27" East 373.51 feet to the True Point of Beginning OF BEGINNING; thence North 36°08'33" West 55.80 feet; thence North 4°27'32" East 46.10 feet; thence North 46°21'42" East 114.98 feet; thence North 52°21'28" East 191.06 feet; thence North 56°45'45" East 335.43 feet; thence North 27°50'26" East 55.34 feet; thence North 8°55'04" West 70.54 feet; thence North 39°21'04" West 184.94 feet; thence South 62°51'38" West 72.54 feet; thence South 52°42'42" West 300.06 feet; thence South 53°17'04" West 308.92 feet; thence South 62°56'52" West 202.54 feet; thence South 82°09'38" West 29.53 feet; thence North 8°51'27" East 36.77 feet; thence North 44°12'34" East 202.87 feet; thence North 54°22'52" East 547.02 feet; thence North 41°16'50" East 26.81 feet; thence North 32°35'17" West 126.41 feet; thence North 37°51'39" West 108.05 feet; thence North 52°17'04" West 25.03 feet; thence South 74°17'38" West 25.66 feet; thence South 54°04'44" West 647.00 feet; thence South 79°57'44" West 55.68 feet; thence North 72°04'09" West 32.35 feet to the most southerly corner of Lot 34 of Tract No. 2214 as shown on map recorded in Book 59, pages 39, 40 and 41 of said Miscellaneous Records; thence along the boundary of said Tract No. 2214 the following 3 courses: North 53°51'27" East 730.60 feet; thence North 49°35'39" West 323.88 feet; thence South 53°51'27" West 601.75 feet to the northeasterly boundary line of Triunfo Canyon Road as shown on the map of said Tract No. 2214; thence along said northeasterly boundary the following two courses: North 8°16'42" West 20.62 feet to the beginning of a tangent curve concave southwesterly and having a radius of 1,200.00 feet; thence northwesterly along said last mentioned curve through a central angle of 22°45'22" a distance of 476.60 feet; thence North 64°53'30" East 146.78 feet; thence North 75°00'24" East 133.79 feet; thence North 18°49'17" East 87.86 feet; thence North 5°05'02" East 94.68 feet to a point in that certain course shown as having a bearing and length of North 61°18'22" East 152.00 feet in the southeasterly boundary of Tract No. 1954-2 recorded in Book 56 pages 72 to 76 inclusive, of said Miscellaneous Records; thence along the boundary lines of said Tract No. 1954-2 and Tract No. 1954-1 as shown on map recorded in Book 56, pages 65 to 71 inclusive, of said Miscellaneous Records the following 2 courses: North 61°18'22" East 144.44 feet; thence South 47°30'26" East 1632.80 feet to said county line; thence along said county line South 53°51'27" West 966.67 feet to the True Point of Beginning.

LEGAL DESCRIPTION OF WESTLAKE LAKE IN LOS ANGELES COUNTY

Part G

Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said county.

Except therefrom that portion of said Lot 1, described as follows:

Beginning at a point in that certain course shown as having a bearing and length of North 24°06'31" West 124.79 feet in the westerly boundary of Lot 129 of said Tract No. 28302, said point being distant thereon South 24°06'31" East 29.33 feet from the northerly terminus thereof, said point also being a point in a non-tangent curve concave southeasterly and having a radius of 1,326.50 feet, a radial of said curve to said point bears North 59°38'26" West; thence southwesterly along said curve through a central angle of 26°38'00" a distance of 616.61 feet to the beginning of a reverse curve

concave northwesterly and having a radius of 62.00 feet; thence southwesterly along said last mentioned curve through a central angle of $16^{\circ}50'19''$ a distance of 18.22 feet; thence tangent to said last mentioned curve South $20^{\circ}36'50''$ West 40.60 feet to the beginning of a tangent curve concave northeasterly and having a radius of 66.00 feet; thence southerly, southeasterly and easterly along said last mentioned curve through a central angle of $113^{\circ}11'44''$ a distance of 130.39 feet; thence tangent to said last mentioned curve North $87^{\circ}25'06''$ East 28.30 feet to a point in the curved westerly boundary line of Lindero Canyon Road as shown on said map of Tract No. 28302, being concave easterly and having a radius of 1,250.00 feet, a radial line of said curve to said point bears South $87^{\circ}25'06''$ West; thence northerly at said last mentioned curve to said certain course; thence northerly at said certain course to the True Point of Beginning.

Part H

Lot 1 of Tract 26946, in the County of Los Angeles, State of California, as shown on map filed in Book 765, pages 51 to 54 inclusive, of Maps, in the office of the County Recorder of said county.

Except therefrom that portion which lies within Lot 129 of Tract No. 28302, shown on map filed in Book 775, pages 90 to 96 inclusive, of said Maps.

Also except therefrom that portion which lies within Lot 57 of Tract No. 29022, as shown on map filed in Book 768, pages 6, 7 and 8 of said Maps.

Also except therefrom that portion that lies within Lot 80 of Tract No. 29048, as shown on map filed in Book 773, pages 98, 99 and 100 of said Maps.

Part I

Lot 57 of Tract No. 29022, in the County of Los Angeles, State of California, as shown on map filed in Book 768, pages 6, 7 and 8 of Maps, in the office of the County Recorder of said county.

Part J

Lot 80 of Tract No. 29048 in the County of Los Angeles, State of California, as shown on map filed in Book 773, pages 98, 99 and 100 of Maps, in the office of the County Recorder of said county.

Part K

The waters, submerged lands and shore area, together with the right of ownership, use and control thereof lying beneath the bridge structure, its appurtenant approaches and supporting structures, located on Lot 146 of Tract No. 26946 in the unincorporated areas of Los Angeles County, in the State of California, as per map recorded in Book 765, pages 51 to 54 inclusive, of Maps, in the office of the County Recorder of said county.

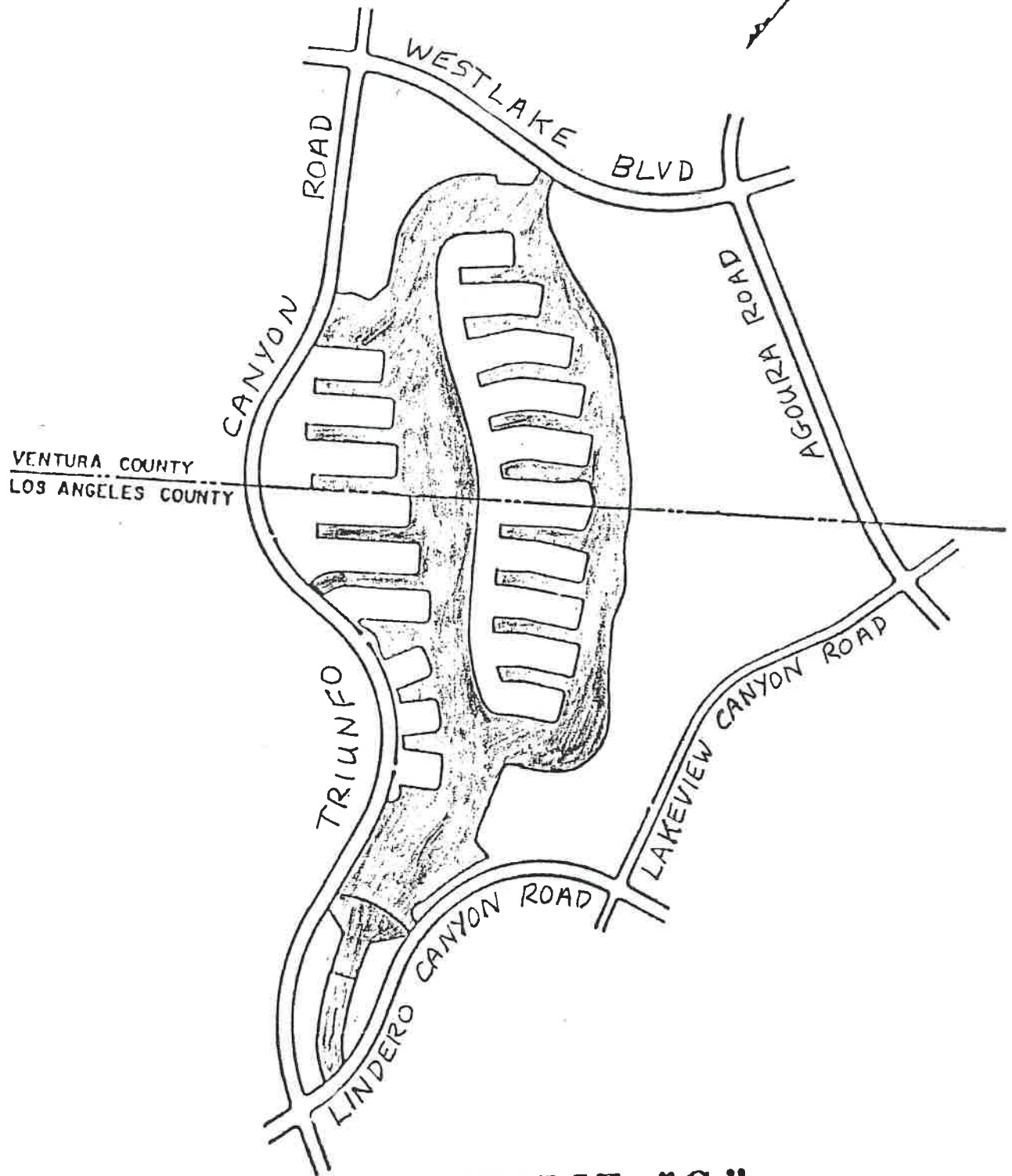


EXHIBIT "C"

EXHIBIT "D"

WLMA ASSESSMENT ALLOCATION SCHEDULE

District #	Name of District	How Assessments Are Billed	District Shoreline	District Assessment Factor*	1977 Adjusted District Valuation
1	Westlake Island	to the lot owner	21,187.3	48.43%	\$6,114,500
2	Southshore	to the lot owner	8,057.2	18.42%	\$1,296,250
3	Lakeshore	to the District HOA	2,253.4	5.15%	
4	The Landing	to the lot owner	2,006.0	4.59%	
5	Windward Shores	to the lot owner	5,306.5	12.13%	\$987,750
6	Northshore	to the District HOA	2,687.6	6.14%	
7	Westshore	to the District HOA	1,088.2	2.49%	
8	Westlake Bay	to the District HOA	1,158.2	2.65%	
total			43,744.4	100.00%	

* The District Assessment Factor is calculated by dividing the District Shoreline by the Total Shoreline of all districts.

Assessment Allocation Schedule for Regular and Special Assessments. Regular and Special and Emergency Assessments shall be levied and allocated to the Members (Owners) as provided for in the above chart. The allocation schedule was derived as follows: (i) the Lake frontage for each District shall be divided by the total Lake frontage and the result shall be the "District Assessment Factor" for each District, (ii) the amount to be assessed is then multiplied by the District Assessment Factor to determine the proportion to be allocated to Owners in each District, i.e., the "District Assessment."

District Assessments shall then be billed as follows:

1. **To the Landing.** The Owner of the Landing shall pay in lump sum to WLMA.
2. **To Lakeshore, Northshore, Westshore, and Westlake Bay.** As a courtesy to the Owners in these Districts, WLMA shall send a notice of the District Assessment to each respective Homeowners Association. Each Homeowners Association shall collect funds from individual Owners and pay the District Assessment to WLMA. The payments may be made in installments as determined by the WLMA Board. However, the individual WLMA Member/Owner shall remain liable to WLMA for that Member's portion in the event their District becomes delinquent in the payment of its Assessment. WLMA shall have the right to pursue the individual Members for any delinquent Assessments, as well as against the District association as agent to the extent of any monies collected by such District home owners association from Members of the Association.
3. **To Members in Westlake Island, Southshore and Windward Shores.** The District Assessments for Westlake Island, Southshore and Windward Shores shall be billed to individual Members of these Districts all of whom are individually liable for respective portions. In addition to the District Assessment calculation above, individual obligations are determined in accord with court judgment on the method as follows: (i) the "District Valuation" of total assessed valuation attributable to land only in a District, established by the County Assessor for real property tax purposes within these Districts as determined from the Assessor's Role for the 1977 - 1978 property tax year (as modified in accordance with the terms of the 1996 stipulated Assessment judgment against WLMA), shall be determined, (ii) such District Valuation shall be divided into the assessed valuation for each individual Lot, and (iii) the result shall be multiplied by that District's Assessment. ** The resulting sum so determined for each Lot shall be the Lot Assessment to be paid by the respective Owners of such Lots.

$$\text{** } \frac{\text{Individual Lot Valuation}}{\text{District Valuation}} \times \text{District Assessment} = \text{Individual Lot Assessment}$$

EXHIBIT "E"

MAP OF WESTLAKE VILLAGE

This area map is an approximation of the boundaries for the Westlake community. For actual determination of the community status, please contact the Association office.

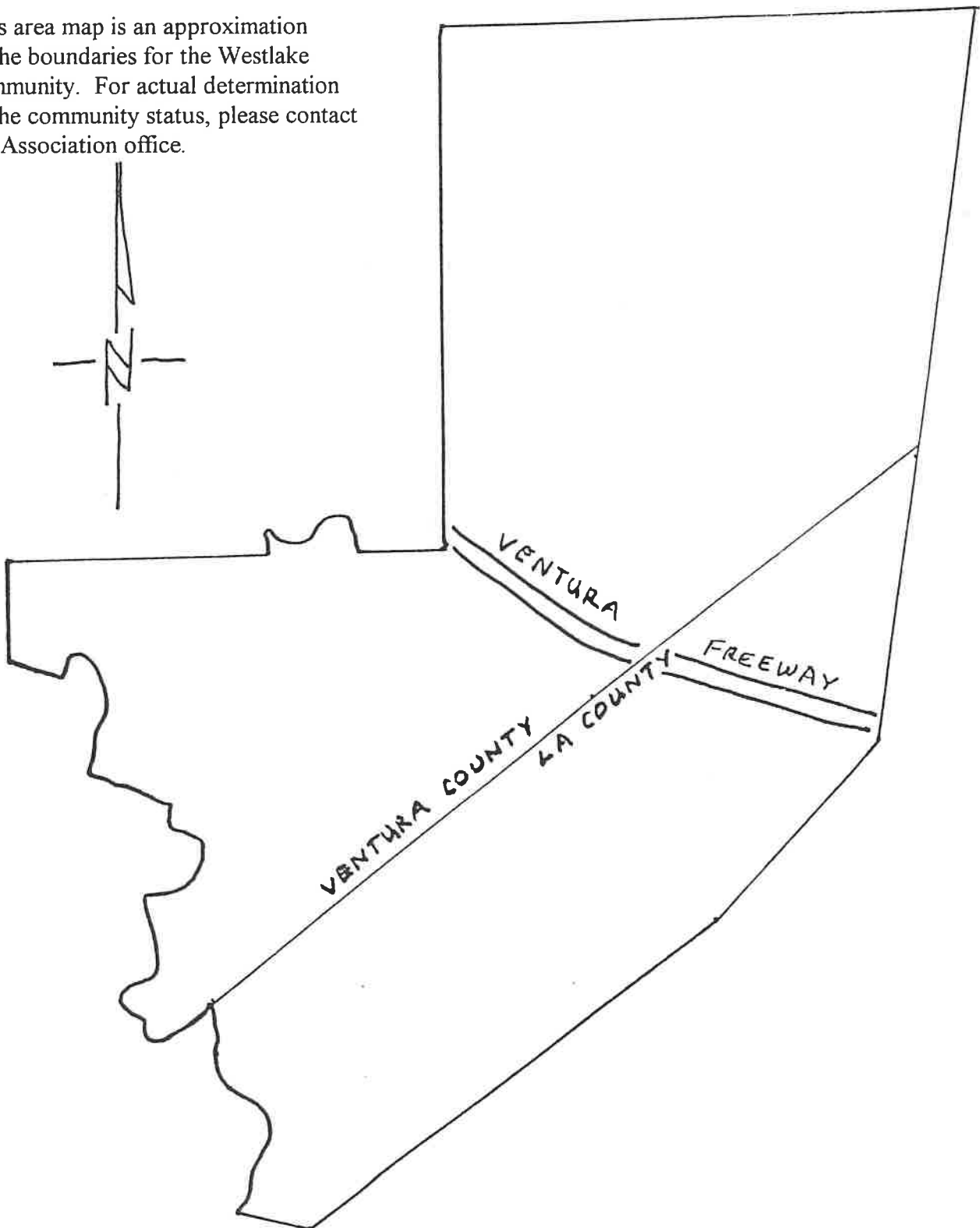


EXHIBIT "F"

EASEMENTS

I. THE BOARDWALK EASEMENT

(Areas of Boardwalk within Lake area)

Parcel 1

Those portions of Lot 1 of Tract No. 28302 and Lot 1 of Tract No. 26946, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, and Book 765, pages 51 to 54 inclusive, respectively of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at the northerly terminus of that certain course shown as having a bearing and length of North 24°06'31" West 124.79 feet in the westerly boundary of Lot 129 of said Tract No. 28302; thence along said certain course,

- 1st: South 24°06'31" East 34.20 feet; thence
- 2nd: South 65°53'29" West 5.30 feet; thence
- 3rd: North 24°41'30" West 29.64 feet; thence
- 4th: North 81°01'01" West 119.39 feet to the beginning of a tangent curve concave northeasterly and having a radius of 30 feet; thence
- 5th: northwesterly along said curve through a central angle of 61°51'27" a distance of 32.39 feet; thence tangent to said curve,
- 6th: North 19°09'34" West 578.31 feet to the beginning of a tangent curve concave easterly and having a radius of 30 feet; thence
- 7th: northerly along said last mentioned curve through a central angle of 34°11'58" a distance of 17.91 feet to the westerly line of said Lot 129, said westerly line being a curve concave easterly and having a radius of 30 feet; thence along said westerly boundary the following 4 courses,
- 8th: southerly along said last mentioned curve through a central angle of 27°06'20" a distance of 14.19 feet; thence tangent to said last mentioned curve,
- 9th: South 19°11'22" East 573.62 feet to the beginning of a tangent curve concave northeasterly and having a radius of 30 feet; thence

- 10th: southeasterly along said last mentioned curve through a central angle of $61^{\circ}18'32''$ a distance of 32.10 feet; thence tangent to said last mentioned curve,
- 11th: South $80^{\circ}29'54''$ East 123.65 feet to the point of beginning.

Parcel 2

That portion of Lot 1 of Tract No. 26946, in the County of Los Angeles, State of California, as shown on map filed in Book 765, pages 51 to 54 inclusive, of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at a point in the northwesterly line of Lot 129 of Tract No. 28302 as shown on map filed in Book 775, pages 90 to 96 inclusive, of said Maps, said point being distant thereon South $54^{\circ}46'29''$ West 260.51 feet from the most northerly corner of said Lot No. 129; thence continuing along said northwesterly line,

- 1st: South $54^{\circ}46'29''$ West 90.99 feet; thence
- 2nd: North $43^{\circ}20'22''$ East 45.90 feet; thence
- 3rd: North $66^{\circ}14'23''$ East 36.22 feet; thence
- 4th: North $65^{\circ}02'29''$ East 10.66 feet to the point of beginning.

Parcel 3

That portion of Lot No. 129 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at the most northerly corner of said lot; thence along the northwesterly line of said lot,

- 1st: South $54^{\circ}46'29''$ West 260.51 feet; thence
- 2nd: North $65^{\circ}02'29''$ East 70.13 feet; thence
- 3rd: North $53^{\circ}27'33''$ East 104.53 feet; thence
- 4th: North $50^{\circ}53'04''$ East 70.07 feet to the curved easterly line of said lot, being concave easterly and having a radius of 30 feet; thence
- 5th: northerly along said curve through a central angle of $34^{\circ}44'09''$ a distance of 18.18 feet to the point of beginning.

II. LANDSCAPE EASEMENT

(Landscape Easements in Tract 28302)

PARCEL 1

That portion of Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said county, described as follows:

Beginning at the northwesterly corner of Lot 77 of said tract; thence along the various courses and curves in the boundary lines of said Lot 1, the following 12 courses: South 15°41'03" West 85.00 feet; thence South 86°48'08" East 136.00 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 68.00 feet, a radial line of said curve to said point bears South 56°19'42" West; thence southeasterly along said curve through a central angle of 15°31'54" a distance of 18.43 feet; thence normal to said curve, South 40°47'48" West 10.00 feet; thence North 86°48'08" West 377.70 feet to the beginning of a tangent curve concave northerly and having a radius of 1150.00 feet; thence westerly along said last mentioned curve through a central angle of 9°23'28" a distance of 188.49 feet; thence along a radial line of said last mentioned curve, North 12°35'20" East 10.00 feet to the beginning of a non-tangent curve concave northwesterly and having a radius of 129.00 feet, a radial line of said last mentioned curve to said beginning bears South 17°09'07" East; thence northeasterly along said last mentioned curve through a central angle of 8°48'27" a distance of 19.83 feet to the beginning of a non-tangent curve concave northerly and having a radius of 1129.00 feet, a radial line of said last mentioned curve to said beginning bears South 11°45'24" West; thence easterly along said last mentioned curve through a central angle of 8°33'32" a distance of 168.65 feet; thence tangent to said last mentioned curve, South 86°48'08" East 10.11 feet; thence North 3°11'52" East 50.12 feet; thence North 27°34'37" East 49.08 feet; thence South 47°25'23" East 117.31 feet; thence North 67°51'54" East 146.29 feet to the point of beginning.

PARCEL 2

That portion of Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said county, described as follows:

Beginning at the most easterly corner of Lot 97 of said tract; thence South 68°02'18" East 327.45 feet to a point in the northwesterly line of Lot 101 of said tract, said point being distant thereon North 28°11'36" East 5.00 feet from the most westerly corner of said last mentioned lot; thence along the various courses and curves in the boundary lines of said Lot 1, the following 9 courses: South 28°11'36" West 77.83 feet to the beginning of a non-tangent curve concave northeasterly and having a radius of 145.00 feet, a radial line of said curve to said beginning bears South 23°50'42" West; thence northwesterly along said curve through a central angle of 27°21'35" a distance of 70.67 feet to the beginning of a reverse curve concave southwesterly and having a radius of 72.00 feet; thence northwesterly along said last mentioned curve through a central angle of 34°43'04" a distance of 43.63 feet; thence tangent to said last mentioned curve, North 73°30'47" West 84.81 feet to the beginning of a tangent curve concave southerly and having a radius of 99.70 feet; thence westerly along said last

mentioned curve through a central angle of 34°43'04" a distance of 60.41 feet to the beginning of a reverse curve concave northerly and having a radius of 154.00 feet; thence westerly along said last mentioned curve through a central angle of 30°31'58" a distance of 82.07 feet; thence tangent to said last mentioned curve, North 77°41'53" West 30.15 feet; thence North 8°25'59" East 49.80 feet; thence North 53°51'27" East 84.50 feet to the point of beginning.

PARCEL 3

That portion of Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said county, described as follows:

Beginning at a point in the northwesterly line of Lot 109 of said tract, said point being distant thereon North 43°12'41" East 25.00 feet from the most westerly corner of said lot; thence along the boundary lines of said Lot 1 the following 3 courses: South 43°12'41" West 31.03 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 1398.00 feet, a radial line of said curve to said beginning bears North 37°57'30" East; thence northwesterly along said curve through a central angle of 4°30'42" a distance of 110.08 feet; thence North 28°11'36" East 31.03 feet; thence South 54°17'51" East 118.16 feet to the point of beginning.

PARCEL 4

That portion of Lot 1 of Tract No. 28302, in the County of Los Angeles, State of California, as shown on map filed in Book 775, pages 90 to 96 inclusive, of Maps, in the office of the County Recorder of said county, described as follows:

Beginning at a point in the northwesterly line of Lot 118 of said tract, said point being distant thereon North 58°12'14" East 23.00 feet from the most westerly corner of said lot; thence along the boundary lines of said Lot 1 the following 3 courses: South 58°12'14" West 29.03 feet to the beginning of a non-tangent curve concave southwesterly and having a radius of 1398.00 feet, a radial line of said curve to said beginning bears North 52°57'02" East; thence northwesterly along said curve through a central angle of 4°29'08" a distance of 109.45 feet; thence North 43°12'41" East 29.03 feet; thence South 39°17'32" East 116.99 feet to the point of beginning.

III. ISLAND LANDSCAPE EASEMENT - VENTURA

(Northerly of Oakshore Drive in Ventura County)

FOR VALUE RECEIVED, WESTLAKE LAKE MANAGEMENT ASSOCIATION, a California nonprofit corporation, herein referred to as Grantor, hereby grants to WESTLAKE ISLAND PROPERTY OWNERS' ASSOCIATION, a California nonprofit corporation, herein referred to as Grantee, a permanent and exclusive easement only for the purposes herein stated over and across the following property situate in the City of Thousand Oaks, County of Ventura, State of California, to wit, the lands described in Parts A thru E following and by this reference made a part hereof, upon and subject to the following terms and conditions, the breach of any of which shall entitle Grantor herein to terminate this grant of easement:

1. The sole purpose for which this easement is granted is the landscaping and maintenance of landscaping by Grantee of the subject property at higher elevations than the designed high water level for Westlake Lake according to a landscape plan approved by Grantor; any amendments to the plan must be approved by Grantor. All fertilizer used in maintenance and the quantities thereof must be approved by Grantor.

2. Grantee shall maintain the landscaping in a neat and orderly condition at all times; Grantor shall have no obligation whatsoever to maintain.

3. The only secondary rights of Grantee is a right to enter the subject property for the use and work herein contemplated; Grantee may not use the property for any other purpose or make any other change in the property.

4. Grantor herein agrees that Grantee, its successors and assigns shall have the exclusive right to use the surface of the easement premises save and except for such use thereof that Grantor may be required to make, from time to time, for maintenance of Westlake Lake or for emergency conditions occurring on Westlake Lake. Grantee consents to the aforesaid uses reserved by Grantor.

5. This easement may not be assigned without the consent of Grantee, which consent may be withheld in its sole discretion; any un-consented to transfer shall be void.

6. Grantee shall indemnify, defend and hold harmless, Grantor, its officers, agent and members and each of them, of and from all loss, liability and expense whatsoever and however arising in any manner out of the exercise of rights granted Grantee herein, including, without limitation, liability and claims thereof for injury to or death of persons or damage to property. Grantee shall at all times maintain comprehensive public liability insurance with limits as required by Grantor, covering the risks of which this indemnity is given.

7. This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

8. In the event of any controversy, claim or dispute relating to this instrument or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

9. Subject to the prohibitions herein concerning assignment, this instrument shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of the parties hereto.

PART A

That portion of Lot 99 of Tract No. 1954-1, in the City of Thousand Oaks, County of Ventura, State of California as shown on map recorded in Book 56, pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county, bounded as follows:

Bounded on the southwest by the curved northeasterly line of Oakshore Drive as shown on said map;

Bounded on the northwest by the southeasterly line of Lot 16 of said tract;

Bounded on the southeast by the northwesterly line of Lot 15 of said tract; and

Bounded on the northeast by a line that is concentric with and distant 20.00 feet northeasterly, measured radially from said curved northeasterly line.

PART B

That portion of Lot 99 of Tract No. 1954-1, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county, bounded as follows:

Bounded on the southwest by the northeasterly line of Oakshore Drive as shown on said map;

Bounded on the northwest by the southeasterly line of Lot 45 of said tract;

Bounded on the southeast by the northwesterly line of Lot 44 of said tract; and

Bounded on the northeast by a line that is parallel with and distant 20.00 feet northeasterly, measured at right angles from said northeasterly line.

PART C

That portion of Lot 99 of Tract No. 1954-1, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 65 to 71 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county, bounded as follows:

Bounded on the southwest by the northeasterly line of Oakshore Drive as shown on said map;

Bounded on the northwest by the southeasterly line of Lot 101 of Tract No. 1954-2 as shown on map recorded in Book 56, pages 72 to 76 inclusive, of said Miscellaneous Records;

Bounded on the southeast by the northwesterly line of Lot 73 of said tract; and

Bounded on the northeast by a line that is parallel with and distant 20.00 feet northeasterly, measured at right angles from said northeasterly line.

PART D

That portion of Lot 197 of Tract No. 1954-2, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 72 to 76 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county, bounded as follows:

Bounded on the southwest by the northeasterly line of Oakshore Drive as shown on said map;

Bounded on the northwest by the southeasterly line of Lot 132 of said tract;

Bounded on the southeast by the northwesterly line of Lot 131 of said tract; and

Bounded on the northeast by a line that is parallel with and distant 20.00 feet northeasterly, measured at right angles from said northeasterly line.

PART E

That portion of Lot 197 of Tract No. 1954-2, in the City of Thousand Oaks, County of Ventura, State of California, as shown on map recorded in Book 56, pages 72 to 76 inclusive, of Miscellaneous Records, in the office of the County Recorder of said county, bounded as follows:

Bounded on the southwest by the northeasterly line of Oakshore Drive as shown on said map;

Bounded on the northwest by the southeasterly line of Lot 157 of said tract;

Bounded on the southeast by the northwesterly line of Lot 156 of said tract; and

Bounded on the northeast by a line that is parallel with and distant 20.00 feet northeasterly, measured at right angles from said northeasterly line.

EXHIBIT "G"
CERTIFICATION OF APPROVAL AND CONSENT OF CC&Rs

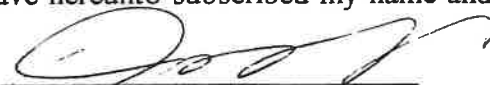
I, the undersigned, do hereby certify:

1. That I am the duly elected and acting secretary for the Westlake Lake Management Association, a California nonprofit, public-benefit corporation, and am duly authorized to make this Certification.

2. That pursuant to the authority contained in Section 6.01B of that certain declaration of covenants, conditions, and restrictions known as the Westlake Lake Recreational Area Restrictions recorded on April 25, 1968, in Book M 2842 beginning at Page 197 in the Office of the County Recorder of Los Angeles County, California, and also recorded on April 25, 1968, in Book 3295 beginning at Page 220 in the Office of the County Recorder of Ventura County, California ("CC&Rs"), the Association duly amended the foregoing CC&Rs as the Tenth Amendment of said declaration of covenants, conditions and restrictions of the Westlake Lake Management Association ("Association") by the authorized procedure of written approval of the March 6, 2000 presented instrument upon proper notice of the requisite three-fourths (3/4ths) majority vote of the authorized number of representatives of the Board of Directors of the Association and the written consent upon proper notice by the requisite two-thirds (2/3rds) majority of all Association Members, which amendment has been executed by authorized officers of the Association's Board of Directors; and

3. The foregoing Tenth Amendment of the CC&Rs, consists of eighteen (18) Articles and seventy two (72) pages, including Exhibits "A" through "F", and this Certification (Exhibit "G"). As provided under the CC&Rs and coupled with procedures authorized by law, this Tenth Amendment shall be considered effective and binding immediately upon recordation in the Official Records of the Recorders of Los Angeles and Ventura Counties, California.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation on August 1, 2000.

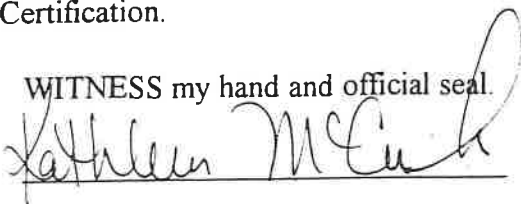

Donald Nikchevich Secretary

(Corporate Seal)

State of California
County of Los Angeles

On August 1, 2000, before me, Kathleen Mc Cusker personally appeared Donald Nikchevich, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within Certification, and acknowledged to me that he executed the same in his authorized capacity as Secretary of said Corporation, and that by his signature on the Certification the person, or the entity upon behalf of which the person acted, executed the Certification.

WITNESS my hand and official seal.



(Notary Seal)



ILLEGIBLE NOTARY SEAL DECLARATION
(GOVERNMENT CODE 27361.7)

I certify under penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary Kathleen McCusker

Commission No. 1251381

Date Commission Expires 1-24-04

Vendor I.D. No. NNA1

Date and Place of Notary Execution 8-1-2000 - Los Angeles, CA

Date and Place of This Declaration 9/20/2000 - Ventura, CA



Signature

California Attorney Service
Firm Name (if any)

IV. PROVISION LETTER OF INTERPRETATION OF THE CC&Rs

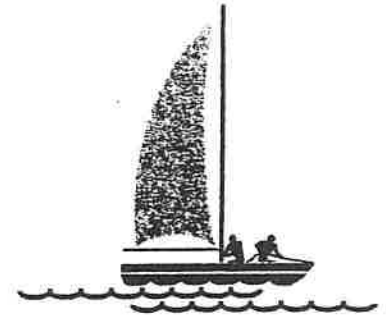
THE UNIVERSITY OF CHICAGO



WESTLAKE LAKE MANAGEMENT ASSOCIATION

32353 West Triunfo Canyon Road
Westlake Village, California 91361
(818) 889-5377

July 14, 2000



Following Association Board approval, the proposed Tenth Amendment to CC&Rs [3-6-2000] was submitted to the members to vote whether to approve such Tenth Amendment as the governing CC&Rs. The vote by ballot resulted in approval exceeding the required minimum two-thirds vote of members, while as to those prior existing CC&Rs provisions that would have required a higher percent vote to change, the Tenth Amendment preserved them in substance the same under the new organizational framework of the document.

The Association recognizes that some members have shown concern over certain detailed descriptions of Association maintenance responsibility contained in the original CC&Rs section 3.02H being omitted from the Tenth Amendment. While it is considered the approved language of the Tenth Amendment to CC&Rs does well address the issues and matters of the Association, and the central maintenance provision section 5.14 worded broadly to embrace and meet present and future needs, the Association wants to assure that a maximum number of members are very comfortable with the Tenth Amendment to CC&Rs and do not have to take additional action to satisfy themselves as to safe minimum standards of maintenance responsibility.

Thus, as a matter of reliance running with the land and both binding upon and inuring to the benefit of the Association, its governing body the Board of Representatives (Directors), and each Association member/owner - past, present and future, the Tenth Amendment to CC&Rs section 5.14 expressing Association responsibility for maintenance shall be interpreted to include, without limitation: "that the Association undertakes, by virtue of these CC&Rs, on behalf of itself, and its successors and assigns, to reasonably maintain the Lake for the benefit of all owners whose property lies within the Westlake Lake Recreational Area, and for the community of Westlake, to adopt and pursue reasonable methods for the control of weed growth, algae, odors, water clarity and to remove or cause to be removed accumulations of silt and other deposits from said Lake and the debris basins, catch basins and other structures appurtenant thereto, working in concert with available governmental maintenance and capital contribution efforts. Said undertaking to maintain shall also extend to the maintenance and operation of Westlake Dam and its appurtenant structures and to any and all systems for water delivery, re-circulation and purification now or hereafter installed on, about, or in the Lake. Such responsibility shall include considering all factors and new technology as existing that may reasonably be applied to benefit the Lake. "

The foregoing statement, though not recorded, shall be maintained on file with Association records, available to members and the public to inspect as an interpretation of the Tenth Amendment, and shall be included in disclosure information packages provided to prospective transferees of real property located within the Westlake Lake Recreational Area.

Sincerely,

Henry M. Taylor

The Board of Representatives

Westlake Lake Management Association (WLMA)

