

Section 2924, 2924(b) or 2924(c) of the California Civil Code. The basis and due date for such charge and Owner(s) responsibility for same shall be fixed by resolution of the Board. Written notice of the charge shall be delivered to the responsible Owner(s). An extraordinary charge not paid when due shall be subject to the same late charge and payment of interest as provided for delinquent Assessments pursuant to Section 6.9 above. An extraordinary charge, together with late charge, interest thereon and costs of collection including, without limitation, reasonable attorneys' fees, may be fixed and established by the Board from time to time as herein provided and may be enforced by decision arising out of an arbitration conducted in accordance with Section 10.3 of this Declaration or by judgment of a court of competent jurisdiction.

Section 6.16 Exemption of Vacant Lots and Association Property. Declarant and any Owner shall be exempt from the payment of any portion of any Assessment, which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of any Common Facilities on the Association Property which are not complete at the time the Assessments commence. Any such exemption from the payment of Assessments pursuant to this Section 6.16 shall be in effect only until the earliest of (i) the date of recordation of a notice of completion for the Common Facility; or (ii) the Common Facility has been placed into use.

Section 6.17 Notice of Enforcement Remedies. In addition to the financial statements referenced in Section 8.3 below, the Board of Directors shall annually distribute within sixty (60) days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against Members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against Members' Lots.

Section 6.18 Aggregation of Lots. No person shall be permitted to construct any improvements across the boundary of two (2) or more Lots without the prior approval of the Architectural Committee. In the event that an Owner is permitted to construct improvements on two (2) or more Lots within the Project, the Owner of each Lots shall remain obligated to pay Assessments on all of the Lots.

## ARTICLE VII.

### ARCHITECTURAL COMMITTEE AND ARCHITECTURAL CONTROL

Section 7.1 Additional Architectural Restrictions. In addition to complying with the minimum restrictions set forth in Article III above, each Owner must also obtain the prior written

approval of the Architectural Committee as provided in this Article VII.

Section 7.2 Approval by Architectural Committee. No fence, wall, grading, building, addition, window coverings, window screens, door screens, balconies, columns, exterior stairs, awnings (or similar exterior improvements), hardscape, landscape, irrigation system, patio covers, gazebos, replacement doors or windows, play equipment, communication equipment, flag poles, fountains or other water features, swimming pool, spa or other structure, or exterior addition to or change or alteration thereof (including painting which changes the original paint color after such original color has been established), shall be commenced, constructed, erected, placed, altered, maintained, or permitted to remain on any Lot and/or Residence until complete plans and specifications showing plot layout and all exterior elevations, materials, sizes, shape and colors therefor, as well as design and landscaping, shall have been submitted to and approved in writing by the Architectural Committee. All such plans and specifications shall be submitted in writing over the signature of the Owner of the subject Lot or that of his authorized agent. Approval or disapproval of the proposed plans and specifications shall be based on, among other things, compliance with the requirements of this Article VII and, in addition, those factors described in Section 7.9 below.

Section 7.3 Architectural Committee. The procedures for appointment and replacement of members of the Architectural Committee shall be as follows:

(a) Declarant may appoint all of the original members of the Architectural Committee and all replacements until the first anniversary of the issuance by the DRE of the initial final public report for the Original Property. The Architectural Committee shall consist of either three (3) or five (5) members as determined by Declarant or the Board.

The Architectural Committee's initial address is:

Architectural Committee For One Ford Road  
Community Association  
c/o Keystone Pacific Property Management  
4100 Newport Place, Suite 350  
Newport Beach, CA 92660

Such address may be changed from time to time by recording in the county in which the Property is located an instrument referencing the Property and this Declaration, and setting forth the new address, or by giving notice of such new address to all Owners within the Property.

(b) Declarant hereby reserves to itself the power to appoint a majority of the members of the Architectural Committee until 90% of all of the Lots in the Property have

been sold or until the fifth anniversary of the issuance by the DRE of the initial final public report for the Original Property, whichever first occurs.

(c) After one (1) year from the date of the issuance by the DRE of the initial final public report for the Original Property, the Board shall have the power to appoint one member to the Architectural Committee until 90% of all of the Lots within the Property have been sold or until the fifth (5th) anniversary date of the initial issuance by the DRE of the final public report for the Original Property, whichever first occurs. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Committee.

(d) Members appointed to the Architectural Committee by the Board shall be from the membership of the Association. Members appointed to the Architectural Committee by Declarant need not be members of the Association.

Section 7.4 Term. Each member of the Architectural Committee shall serve for an initial term of four (4) years until such member resigns or has been removed from office. After expiration of the initial four (4) year term, each member of the Architectural Committee shall serve for a term of two (2) years until such member resigns or is removed from office. Any new member appointed to replace a member who has resigned or been removed shall serve such member's unexpired term.

Section 7.5 Resignations. Any member of the Architectural Committee may at any time resign from the Architectural Committee upon written notice delivered to the Declarant or Association.

Section 7.6 Vacancies. Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant or by the Board, whichever then has the power to appoint Architectural Committee members.

Section 7.7 Meetings. The Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members of the Architectural Committee shall constitute an act by the Architectural Committee unless the unanimous decision of its members is otherwise required by this Declaration. The Architectural Committee shall keep and maintain a record of all actions taken by it at such meeting or otherwise.

Section 7.8 Basic Procedures for the Architectural Committee. In the event any member is unable to or unwilling to serve on said Architectural Committee, the remaining member or members shall have full authority to approve or disapprove any proposed plans and specifications until a replacement member has been appointed. The membership of the Architectural Committee or any representative appointed thereby if other than as stated in this Declaration, shall be evidenced by a certificate of identity,

which shall be executed by at least one member of said Committee or by Declarant or by an authorized officer of the Association, as appropriate; which certificate shall then be conclusive evidence thereof in favor of any person relying thereon in good faith. In the event the Architectural Committee or the representative appointed by the Committee fails to approve or disapprove any proposed plans and specifications within sixty (60) days after the complete plans and specifications pertaining thereto have been submitted to the Architectural Committee (plans shall be deemed complete in the Architectural Committee's reasonable discretion), such approval shall be deemed to have been given and the provisions of this Declaration requiring any such approval shall be deemed to have been satisfied. Such complete plans and specifications shall be personally delivered to any member of the Architectural Committee or mailed to the Architectural Committee at its then current address via certified mail, return receipt requested, postage prepaid. The plans and specifications shall be deemed submitted to the Architectural Committee upon the date of receipt by the committee of such plans and specifications delivered as required herein.

Section 7.9 Architectural Review Procedures.

(a) Guidelines. The Architectural Committee shall from time to time have the right but not the obligation to adopt and promulgate architectural standards and guidelines not inconsistent with this Article VII or the Declaration ("Guidelines"), which may include, among other matters:

(i) Reasonable time limitations for the completion of Improvements; provided, however, all work approved by the Architectural Committee once commenced shall be diligently prosecuted to completion.

(ii) The time and place of Architectural Committee meetings.

(iii) The number and kind of plans and other information or items which applicants are required to submit and the Architectural Committee may issue rules or guidelines setting forth procedures for the submission of plans for approval, and may require a reasonable fee to accompany each application for approval, and unless such rules are complied with, the plans and specifications shall not be deemed received. The Architectural Committee may provide that the amount of any fee shall be uniform, or that it shall be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations or additions contemplated. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper including, without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. The

Architectural Committee may postpone review of any plan submitted for approval until it shall have received a complete set of the plans and specifications.

(iv) Such architectural standards, limitations and restrictions and descriptions of Improvements which would typically be acceptable as the Architectural Committee, in its reasonable discretion, may adopt including, without limitation, those concerning the type, nature, kind, shape, height, materials, exterior color and location of any Improvements; the type, location and height of trees, bushes, shrubs, plants and other landscaping; preservation of view; preservation of aesthetic beauty; the harmony of exterior design and color to other Improvements; grading and ground elevations; conformity of the plans and specifications to the purpose and general plan and intent of this Declaration.

(v) Such categorical exemptions from architectural control as the Architectural Committee deems appropriate.

(vi) Although the Architectural Committee's review of an Owner's plans and specifications as discussed herein may involve evaluating whether a particular Owner's view is affected, neither the Declarant or the Architectural Committee makes any representation, guarantee or warranty concerning any particular view an Owner will enjoy at any time.

(b) Review Standards. The Architectural Committee shall review and approve or disapprove all plans and specifications submitted to it on the basis of aesthetic considerations and the overall benefit or detriment which would result to the Property (with particular emphasis on the benefit or detriment which would result in the area immediately surrounding the Lot involved). The Architectural Committee shall take into consideration the aesthetic aspects of whether a particular Owner's view will be affected; architectural design, placement of buildings, landscaping, color schemes, exterior finishes and materials, harmony of exterior design with existing structures, location in relation to surrounding structures, topography and finished grade elevation, and similar features. The Architectural Committee shall have the right to require the person or entity responsible therefor as provided in this Declaration, to remove or prune any tree or plant which in the reasonable belief of the Architectural Committee impedes or detracts from the harmony and aesthetic beauty of the Property.

(c) Limited Exemption. Notwithstanding anything in this Declaration to the contrary, the Architectural Committee shall not unreasonably and without good cause deny any Owner's

request to modify such Owner's Lot or Improvements thereon, at such Owner's expense, for the purpose of facilitating access for persons who are blind, visually handicapped, deaf, or physically disabled or to alter conditions which could be hazardous to such persons including, without limitation, modifications of the route from the public way to the door of any Improvements on such Owner's Lot subject to the following: (i) any such modifications shall be consistent with applicable building code requirements; (ii) any such modifications shall be consistent with the provisions of this Declaration pertaining to safety or aesthetics; (iii) any such modifications to external Improvements on such Owner's Lot shall not prevent reasonable passage by other residents of the Property; (iv) any such modifications shall be removed by the Owner of such Lot or Improvements thereon, at such Owner's expense, when the Lot or Improvements thereon are no longer occupied by persons requiring such modifications who are blind, visually handicapped, deaf or physically disabled; and (v) any Owner intending to modify a Lot or Improvements thereon pursuant to this Section 7.9(c) shall submit such Owner's plans and specifications to the Architectural Committee and the Association in the manner described in this Article for review to determine whether the proposed modifications comply with the provisions of this Section 7.9(c) and with the provisions otherwise applicable to modifications of a Lot or Improvements thereon under this Declaration.

(d) Conditional Approvals. The Architectural Committee may condition its approval of proposals or plans and specifications upon such changes therein as it deems appropriate and may require submission of additional plans and specifications or other information prior to approving or disapproving any material submitted.

(e) Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions or restrictions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. All variances must be evidenced in writing, must be signed by at least a majority of the members of the Architectural Committee, and shall become effective upon recordation. If a variance is granted, no violation of the covenants and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting Owner's use of the property including,

but not limited to, zoning ordinances and Lot setback lines or any other requirements imposed by any governmental authority.

(f) No Waiver of Future Approvals. The approval by the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval of or to consent to any similar proposals, plans and specifications, drawings or any matter whatsoever that is subsequently or additionally submitted for approval.

Section 7.10 Limited Scope of Review and City Approval. In addition to the approvals by the Architectural Committee required as hereinabove set forth, in undertaking any activity contemplated in this Article VII, each Owner and not the Architectural Committee shall be responsible for complying with all laws, codes, regulations and rules of and/or administered by the City and/or County in which the Property is located and any political subdivision thereof. Without in any way limiting the foregoing, each Owner shall be obligated to obtain a building permit from the City of Newport Beach Building Department (located at 3300 Newport Blvd., Newport Beach, California) prior to commencing, constructing, erecting, placing, altering or implementing any hardscape, landscape, patio covers, gazebos, equipment, water features, swimming pool, spa or other structures on a Lot. The Architectural Committee shall not be responsible for reviewing, nor shall its approval be deemed approval of any plan or design from the standpoint of structural safety or conformance with building, zoning or other codes, use permits, regulations, City design review requirements, or any other governmental requirement or restriction including, without limitation, the Aeronautic Ford Planned Community District Regulations. Architectural Committee approval of any Improvements shall not be deemed the approval of such Improvements from a structural standpoint and the Architectural Committee shall have no obligation to review a proposed Improvement from a structural standpoint.

Section 7.11 Rules and Regulations. The Architectural Committee may from time to time, in its sole discretion, adopt, amend and repeal any guidelines, criteria or rules and regulations interpreting and implementing the provisions hereof.

Section 7.12 Inspection and Correction of Work. Inspection of work and correction of defects therein shall proceed as follows:

(a) Right of Inspection During Course of Construction. The Architectural Committee or its duly authorized representative may enter into any Residence, from time to time, as provided below during the course of construction or installation of any Improvements for the purpose of inspecting such construction and/or installation. If the Architectural Committee determines that such construction and/or

installation is not being done in substantial compliance with the approved plans and specifications, it shall notify the Owner of the subject Residence of such non-compliance. The Architectural Committee may not enter into a Residence without obtaining the prior permission of the Owner or occupant of such Residence; provided, however, that such prior provisions shall not be unreasonably withheld by an Owner and shall be given for entry by the Architectural Committee during the daylight hours within forty-eight (48) hours of the request for entry.

(b) Notice of Completion. Upon completion of any construction or reconstruction or the alteration or refinishing of any Improvements, or upon the completion of any other work for which approved plans and specifications are required, the Owner shall give written notice of completion thereof to the Architectural Committee.

(c) Inspection. Within thirty (30) days of receipt of the notice of completion from an Owner, the Architectural Committee, or its duly authorized representative, shall have the right to enter into the subject Residence, as provided above, to inspect such Improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans and specifications. If the Architectural Committee finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with the approved plans and specifications, it shall notify the Owner in writing of such non-compliance within fifteen (15) days of actual inspection of the Residence, specifying particulars of non-compliance, and shall require the Owner to remedy such non-compliance.

(d) Cure of Non-Compliance. If, upon the expiration of thirty (30) days from the date of notification of non-compliance, the Owner shall have failed to remedy such non-compliance, the Architectural Committee shall notify the Owner in writing of such failure. After providing such Owner with a hearing, the Architectural Committee shall determine the nature of such non-compliance and the estimated cost of correcting or removing the same. If the non-compliance remains after the Owner's hearing, the Architectural Committee shall require the Owner to remedy or remove the same within a period of not more than thirty (30) days from the date of the Architectural Committee ruling at the hearing. If the Owner does not comply with the Architectural Committee ruling within such period or within any extension of such period as the Architectural Committee, in its discretion, may grant, the Architectural Committee, at its option, may either remove the non-complying Improvement or remedy the non-compliance and the Owner shall reimburse the Architectural Committee for all expenses incurred in connection therewith upon demand. If such expenses are not promptly paid by the Owner to the



Architectural Committee, the Architectural Committee may levy an enforcement assessment against such Owner for reimbursement and record a lien against the subject Lot which lien shall not become enforceable by a sale of the interest pursuant to Sections 2924, 2924(b) or 2924(c) of the California Civil Code.

(e) Failure to Notify. If for any reason the Architectural Committee fails to notify the Owner of any non-compliance within sixty (60) days after receipt of said notice of completion from the Owner, the Improvement shall be deemed to be in accordance with said approved plans and specifications.

Section 7.13 Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of one hundred eighty (180) days following the recordation of a notice of completion for any improvement, said improvement shall, with respect to purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of this Article VII, unless actual notice of such noncompliance, executed by the Architectural Committee or its representative, shall appear of record in the Orange County Recorder's Office, or unless legal proceedings shall have been instituted to enforce compliance hereunder.

Section 7.14 Repair of Damage Residence. In the event of damage to or destruction of a Residence, accessory structure or other improvements located on any Lot within the Property, the Owner(s) of such Lot shall, at his or their own cost and expense, in good and workmanlike manner, (a) repair and restore such Residence, accessory structure or other improvements to substantially the condition thereof immediately prior to the damage or destruction, or (b) clear all debris and make the damaged or destroyed area aesthetically pleasing within one hundred eighty (180) days of the date of such damage or destruction. Plans and specifications for repair and restoration of the Residence and all improvements located on the Lot must be approved by the Architectural Committee.

Section 7.15 General Right of Entry. In addition to the other rights of entry provided for elsewhere herein, the Association and the Architectural Committee, or any person authorized by either, shall be further empowered with the right and duty to periodically inspect all Lots in order to insure that each Lot Owner is completely and adequately fulfilling all of those duties and obligations on his part to be performed as provided for herein. In each instance, the Lot Owner shall be given reasonable advance notice of the entry to be undertaken.

Section 7.16 Compensation of Members. The Members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement for reasonable expenses incurred by them in the performance of their duties hereunder, unless any

such compensation arrangement has been approved by vote or written assent of a majority of the voting power of each class of membership of the Association.

Section 7.17 Enforcement by Owners. Any Owner within the Property may by appropriate legal action enforce the provisions of this Article VII in the event that the Association fails to take remedial action within a reasonable period of time after knowledge by the Association of the particular violation.

Section 7.18 No Liability. Neither Declarant, the Association, the Architectural Committee, nor any officers, directors, employees, agents and/or members of any thereof shall be liable in damages or otherwise to anyone submitting plans or specifications to the Architectural Committee for approval, or to any Owner of Lots affected by the Restrictions or to any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties hereunder, unless due to the willful misconduct or bad faith of the Architectural Committee or any individual member thereof (in which event only those persons actually guilty of misconduct and/or bad faith shall be liable).

Section 7.19 Declarant Exemption. Notwithstanding anything herein to the contrary, Declarant is exempt from the Architectural Committee review requirements and shall not be required to comply with the provisions of this Article VII in its original development of the Property.

## ARTICLE VIII.

### DUTIES AND POWERS OF THE ASSOCIATION

Section 8.1 Duties and Powers of the Association. The Association shall have all of the powers of a California nonprofit mutual benefit corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in Section 8.5 below and/or elsewhere in the Restrictions. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under or by virtue of the Restrictions 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. Subject to the provisions set forth in the Restrictions, the powers of the Association shall include, but not necessarily be limited to, the specific acts hereinafter enumerated or as set forth in the California Civil Code Section 1363 and California Corporations Code Section 7140:

(a) Own, maintain, manage and operate the Association Property and all facilities, improvements and landscaping thereon, and all other real property at any time acquired by the Association. The responsibility of the Association for