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**SEVENTH AMENDMENT TO DECLARATION OF ESTABLISHMENT OF  
PROTECTIVE COVENANTS AND RESTRICTIONS ON MEADOWLARK RANCHES,  
SANTA YNEZ, CALIFORNIA**

We, the Ranch Committee of Meadowlark Ranches declare that at a special meeting of the Ranch Committee duly called, noticed and held on November 17, 1993. by a unanimous vote of said committee, declare that the following amendment is hereby adopted to the Declaration of Establishment of Protective Covenants and Restrictions on Meadowlark Ranches (herein called the Restrictions), which Restrictions were recorded at Book 1747, page 433, and re-recorded on August 15, 1960 at Book 1770, page 43 8 in the Official Records, Office of the County Recorder, Santa Barbara County, California, and amended on February 26, 1977, and recorded May 17, 1977 as instrument 77-240 10 in Official Records, Office of the County Recorder, Santa Barbara County. California (herein called said Official Records) and amended on February 20, 1982, and recorded October 8, 1982 as instrument 82-42504 in Official Records; and amended on May 21, 1983, and recorded October 7. 1983. as instrument 83-54001 in Official Records; and amended on September 24, 1983, and recorded March 8, 1984, as instrument 84-12357 in Official Records, on July 27. 1984, and recorded December 3, 1984, as instrument 1984-064480 in Official Records and amended on June 12, 1989, and recorded October 9, 1989, as instrument 89-067458 in Official Records and further declare that these Amendments were adopted pursuant to Article VIII Section 8.7 of the Restrictions, as follows:

**FIRST:**

A second paragraph and a third paragraph are added to Subsection (c) of Section 2.6 of Article II as follows:

To provide for the installation and maintenance of speed bumps of such design and at such locations on the Private Roads as are reasonably necessary to cause vehicular traffic on the Private Roads to comply with the speed limit signs posted on such Private Roads.

Notwithstanding the foregoing, those speed bumps existing as of the date of this amendment shall be maintained by the Ranch Committee unless and until a professional traffic engineering report prepared at the direction of the Ranch Committee shall recommend a different speed bump installation pattern on the Private Roads. From and after the effective date of this Amendment, neither the installation of any additional speed bump nor the future removal of any speed bump shall occur without the prior written approval of two-thirds (2/3) of the total eligible votes of members of the Association. Such written approval shall be obtained in a manner identical to that specified in Paragraph 8.7 of this Declaration.

To provide for the installation and maintenance of traffic safety improvements including but not limited to traffic signs, speed limit signs, road striping and speed bumps on the Private Roads as are reasonably necessary to cause vehicular traffic on the Private Roads to comply with the speed limit signs posted on such Private Roads.

**SECOND:**

Sections 2.8.1, 2.8.2, 2.8.3, and 2.8.4 are added to Article II as follows:

**2.8.1** Indemnification. The Association shall indemnify any agent of the Association who was a party to any proceeding by reason of the fact that the person is or was an agent of the Association against expenses actually and reasonable incurred in any proceeding to the extent that the agent was successful on the merits in defense of the proceeding or in defense of any claim, issue, or matter therein. Expenses shall include any attorney's fees and any other expenses of establishing a right to indemnification.

The Association may indemnify any agent of the Association who was or is a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was an agent of the Association, against expenses actually and

reasonable incurred in connection with such proceeding provided the approval requirements described in Section 2.8.2 of these Restrictions have been satisfied.

For purposes of Sections 2.8.1 - 2.8.4 of these Restrictions, the term "agent" means any present or former director, officer, employee, or other agent of the association; the term "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative, and the term "expenses" includes judgments, fines, or settlements occurring in any proceeding other than a proceeding brought by or on behalf of the Association.

**2.8.2** Indemnification Approval. Unless indemnification is required as provided in Section 2.8. 1. of these Restrictions, indemnification shall be made only if authorized in the specific case on a determination that indemnification is proper in the circumstances because the agent satisfied the appropriate standard of care described in Section 2.8.3 of these Restrictions. The determination must be made by one of the following methods:

- (i) A majority vote of a quorum of the Ranch Committee consisting of members who are not parties to the proceeding.
- (ii) The affirmative vote of a majority of the voting power of the members entitled to vote at a duly held members' meeting in which a quorum was present or the approval by written ballot provided that if the agent to be indemnified is a member, the agent shall not be entitled to vote.
- (iii) The court in which such proceeding is or was pending on application made by the Association or the agent or the attorney or other person rendering services in connection with the defense, whether or not the application is opposed by the Association.

Notwithstanding the foregoing, any indemnification in any proceeding brought by or on behalf of the Association shall be subject to the restrictions contained in California Corporation Code Section 7237(c).

**2.8.3** Standard of Care. In any proceeding brought by or on behalf of the Association, the applicable standard of care shall require that the agent acted in good faith, in a manner

the agent believed to be in the best interests of the Association and with the care, including reasonable inquiry, that an ordinarily prudent person in a like position would use under similar circumstances. In all other proceedings, the agent must have acted in good faith, in a matter the agent believed to be in best interests of the Association and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

**2.8.4** Insurance. The Association shall have the power to purchase and maintain insurance on behalf of its agents, against any liability asserted against or incurred by any agent in such capacity or arising out of the agent's status as such whether or not the Association would have the power to indemnify the agent against such liability under Sections 2.8.1 through 2.8.3 of these Restrictions.

**THIRD:**

Subsection (d) of Section 8.4 is added to Article VIII as follows:

**8.4** Non-Waiver.

(d) Failure by the Association or by any owner of any lot to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**FOURTH:**

Subsection (b) of Section 8.7 of Article VIII is hereby amended so as to read in its entirety as follows:

**8.7** Amendments

(b) Method of Approval: The approval required by subsection (a) above may occur as follows:

- (1) By written approval of the required number of votes at a duly called and noticed meeting of members; or
- (2) By written ballot mailed to every member entitled to vote. Any written ballot distributed to the members shall set forth the proposed amendment and provide an opportunity to specify approval or disapproval of the proposal.

Written ballots shall be distributed to all eligible members at least thirty (30) days prior to the final date that the written ballots must be received by the Association in order to be counted.

All written ballots shall provide a reasonable time within which to return the written ballot to the Association and shall state on the face of the ballot or in an accompanying notice the date by which the written ballot must be returned in order to be counted.

The time fixed for the return of written ballots may be extended only if the Ranch Committee so notifies the members in the balloting solicitation materials originally sent to members and then for no more than two (2) successive periods of thirty (30) days each. If the period for the return of written ballots is extended, the Ranch committee shall be entitled to announce to the members the aggregate votes for or against the proposed amendment as of the extension date.

If deemed necessary by the Ranch Committee, the written ballot shall be conducted in accordance with such additional procedures, not inconsistent with this section, as the Ranch Committee may deem appropriate.

If a member who has cast a written ballot desires to change his or her vote, the member may do so provided he or she so notifies the Secretary of the Association in writing prior to close of the balloting period.

Use of the written ballot procedures provided herein shall not preclude the Association from also calling a special informational meeting of the members or from calling a meeting to coincide with the culmination of the balloting period.

Proxy voting shall not be allowed when members votes are solicited by written ballot.

IN WITNESS WHEREOF, declarants have executed this SEVENTH AMENDMENT TO DECLARATION OF ESTABLISHMENT OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS ON MEADOWLARK RANCHES at Solvang, California.

DATED: November 23, 1993

MEADOWLARK RANCH ASSOCIATION

Original Signed by Stan Murnane  
STAN MURNANE  
Chair

Original Signed by Terry Young  
TERRY YOUNG  
Treasurer