

CHANNEL ISLANDS HOMEOWNERS ASSOCIATION

EXHIBIT E

LEASE SUMMARY

This Lease Summary is prepared by Anacapa Ventures, a California limited partnership ("Anacapa Ventures") for the benefit of advising third parties, including buyers, renters and lenders as assistance only in evaluating the Master Ground Lease, dated December 31, 1999 ("Master Lease"). This is a summary only and is not meant to, and shall not, replace a complete review and understanding of the Master Ground Lease.

This document is to be executed by the assignee and the original sent to the County along with approval forms.

- A. Leased Premises.** On December 1, 2000, the Master Lease between the County of Ventura ("County") and Anacapa Ventures became effective. Said Master Lease is a ground lease only of Lots 1 and 2 of Tract 4846 of the Official Maps of the County Recorder of the County of Ventura (also known as 2901 and 3101 Peninsula Road) where certain buildings are located. At the time Master Lease became effective, such buildings were owned by Anacapa Ventures. Said Master Lease allows Anacapa Ventures, under certain terms and conditions, to convert said buildings to condominiums. If said conversion occurs, purchasers of said condominiums will receive a 1/120th undivided interest in the buildings and Common Areas and shall become a sublessee of this Master Lease in accordance with the terms and conditions of the condominium sublease. Said purchaser shall also be entitled to nonexclusive use of certain "Contiguous Amenities," subject to a Common Area Agreement and rules and regulations pertinent thereto.
- B. Term of Master Lease.** Under specified terms and conditions and if the condominium conversion occurs, the Master Lease shall have a term of ninety-nine years from the effective date of the Master Lease. At the end of such term the ownership of all improvements, including the condominium units will revert to the County without any compensation to the condominium owners or the condominium Homeowners' Association. The County also has the right to purchase back the leasehold and the condominiums for their "fair market value" during the 51st and 76th year of the Master Lease.
- C. Master Lease Terms.** The Master Lease and the condominium subleases require that each condominium owner pay ground rent collected by the Homeowners' Association. Among other remedies, the County and the Homeowners' Association have the right to foreclose and sell the condominium upon failure to pay such rent by the owner or proceed directly against the owner for said sums. In addition to monthly ground rent, the County is entitled to a security deposit in the amount of \$700 per unit as may be adjusted from time to time, payable by the owner as security for performance. Also starting five (5) years after the initial sale of each

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condominium by Anacapa Ventures, the Master Lease, the condominium sublease and the Association governing documents require that the County be paid a transfer fee when said condominium is resold in the sum of 2.5% to 2.8% of the total sales price, depending on the date of resale. Said transfer fee is owed by the seller and buyer and must be paid out of escrow of such sale.

- D. Warnings and Disclaimers.** The Master Lease, the condominium subleases and related documents contain provisions which provide as follows:

ALL PURCHASERS OF INDIVIDUAL CONDOMINIUMS AND COMMON AREA INTERESTS:

1. SHALL RECOGNIZE THAT COUNTY IS ALLOWING BUT NOT SPONSORING THE CONDOMINIUM DEVELOPMENT AND THAT COUNTY IS AN UNDERLYING FEE OWNER IN AN ARMS-LENGTH TRANSACTION AND NOT A CO-DEVELOPER.
2. SHALL NOT ACQUIRE ANY FEE TITLE INTEREST IN THE LAND OWNED BY THE COUNTY OF VENTURA.
3. SHALL ACQUIRE A LEASEHOLD CONDOMINIUM ESTATE INTEREST EVIDENCING A 1/120TH INTEREST IN THE IMPROVEMENTS AND A SUBLEASE OF THE MASTER GROUND LEASE (AND NOT A FEE INTEREST IN THE LEASED PREMISES) WHICH WILL BE SUBJECT TO THE MASTER GROUND LEASE AND THE CC&RS.
4. SHALL BE SUBJECT TO FIXED MONTHLY GROUND RENT PAYMENTS TO COUNTY IN ACCORDANCE WITH THE MASTER GROUND LEASE; SAID RENT IS SUBJECT TO INCREASES BASED ON A CONSUMER PRICE INDEX AND MARKET ADJUSTMENTS.
5. SHALL RECEIVE A CONDOMINIUM LEASEHOLD DEED EVIDENCING OWNERSHIP OF AN 1/120TH UNDIVIDED ESTATE INTEREST IN THE IMPROVEMENTS FOR A MAXIMUM TERM CONSISTENT WITH THE REMAINING TERM OF THE ORIGINAL NINETY-NINE (99) YEAR MASTER GROUND LEASE, INTEREST ENDING AT THE EXPIRATION OF THE LEASE.
6. SHALL RECEIVE AN UNDIVIDED 1/120TH INTEREST IN ALL COMMON AREA IMPROVEMENTS SUBJECT TO THE MASTER GROUND LEASE, TOGETHER WITH BENEFICIAL APPURTENANT RIGHTS, WITH NO WARRANTY BY COUNTY AS TO THE CONDITION OF SUCH IMPROVEMENTS OR THEIR VALUE. ADDITIONAL RIGHTS OF USE TO RECREATIONAL AND PARKING AMENITIES ON CONTIGUOUS LAND, WHICH ARE NOT PART OF THE COMMON AREA IMPROVEMENTS, HAVE BEEN ESTABLISHED AND ARE DEFINED IN OTHER APPLICABLE AGREEMENTS.

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7. SHALL BE REQUIRED TO GIVE UP POSSESSION OF THE CONDOMINIUM AND COMMON AREA INTERESTS UPON EXPIRATION OF THE TERM OF THIS LEASE. NO COMPENSATION WILL BE PAID BY THE COUNTY OF VENTURA UPON EXPIRATION.
8. SHALL BE SUBJECT TO THE PAYMENT OF A TRANSFER FEE DUE THE COUNTY OF VENTURA UPON TRANSFER OF TITLE OF THE CONDOMINIUM TO A NEW PURCHASER PURSUANT TO THE TERMS OF THIS LEASE, THE CONDOMINIUM SUBLEASE AND THE CC&RS. 2.8% of the Sales Price goes to the County upon each sale. This is Negotiable between Buyer and Seller.
9. SHALL BE REQUIRED TO GIVE UP POSSESSION OF THE CONDOMINIUM UPON COUNTY'S EXERCISE OF ITS RIGHT TO PURCHASE AT FAIR MARKET VALUE DURING THE FIFTY-FIRST YEAR OR THE SEVENTY-SIXTH YEAR.
10. SHALL BE SUBJECT TO A REAL PROPERTY POSSESSORY INTEREST TAX ASSESSMENT BY THE COUNTY OF VENTURA ASSESSOR AND ANY RESULTING REAL ESTATE TAX LEVY ON THE CONDOMINIUM LEASEHOLD ESTATE INTEREST AND ANY LEVY ON PERSONAL PROPERTY.
11. SHALL BE SUBJECT TO ASSESSMENTS AND LEVIES BY HOMEOWNER ASSOCIATION FOR COMMON AREA CHARGES, FOR REPAIRS, MAINTENANCE, REPLACEMENTS, CONTIGUOUS AMENITIES, RESERVES, AND SECURITY DEPOSIT, PURSUANT TO THE MASTER GROUND LEASE AND CONDOMINIUM SUBLEASE AND ALL OTHER CHARGES AND ASSESSMENTS OF THE CHANNEL ISLANDS HOMEOWNERS' ASSOCIATION, INC. UNDER THE CC&RS.
12. SHALL BE SUBJECT TO PAYMENT OF GROUND RENT AND RELATED CHARGES FOR EACH CONDOMINIUM, PURSUANT TO THE MASTER GROUND LEASE AND CONDOMINIUM SUBLEASE.
13. SHALL HAVE THE RIGHT TO ENCUMBER PURCHASER'S INDIVIDUAL CONDOMINIUM INTEREST TO SECURE LOANS FROM INSTITUTIONAL OR OTHER LENDERS.
14. SHALL BE REQUIRED TO ABIDE BY AND COMPLY WITH THE REQUIREMENTS OF THE CHANNEL ISLANDS HOMEOWNERS' ASSOCIATION, INC. AND THE CC&RS, THE ASSOCIATION BYLAWS, ARTICLES OF INCORPORATION, RULES AND REGULATIONS, COMMON AREA AGREEMENT FOR THE CONTIGUOUS AMENITIES AND ALL OTHER DOCUMENTS OR LAWS HAVING COMPETENT JURISDICTION OVER THE CHANNEL ISLANDS CONDOMINIUMS.
15. SHALL BE SUBJECT TO COUNTY'S REVIEW AND APPROVAL OF ANNUAL ASSOCIATION'S BUDGET WITH RESPECT TO ADEQUATE RESERVES FOR CAPITAL IMPROVEMENTS TO COMMON AREAS IN

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ACCORDANCE WITH THE ARTICLE ENTITLED CAPITAL IMPROVEMENTS.

- 16. SHALL HAVE LIMITED RIGHTS TO USE CONTIGUOUS LEASED PREMISES AMENITIES AND SHALL BE SUBJECT TO LIMITED USE BY CONTIGUOUS OWNER FOR RESTROOM, STORAGE, AND BOAT SALE PURPOSES.**
- 17. SHALL OWN A LEASEHOLD SUBJECT TO CANCELLATION IF A TOTAL DESTRUCTION OCCURS DURING THE LAST TEN (10) YEARS OF THE TERM OF THIS LEASE (EIGHTY-NINTH (89TH) TO NINETY-NINTH (99TH) YEAR), WHEN EITHER LESSEE OR COUNTY SHALL HAVE THE OPTION TO CANCEL THIS LEASE BY LESSEE OR COUNTY SENDING WRITTEN NOTICE OF CANCELLATION WITHIN THIRTY (30) DAYS OF SUCH DESTRUCTION.**
- 18. SHALL BE SUBJECT TO THE FORECLOSURE OF A LIEN IN FAVOR OF THE COUNTY IF SUCH OWNER FAILS TO TIMELY PAY THE MONTHLY RENT UNDER OR TRANSFER FEES WITH RESPECT TO ITS CONDOMINIUM SUBLEASE, WITH THE RESULTING LOSS OF OWNERSHIP OF THE CONDOMINIUM.**

I have read and understand this Lease Summary:

Assignee

Unit Number

Date

Assignee's initials: _____