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This instrument is certified to be a true and exact copy of that certain instrument recorded on 9/28/82 as File No. 82-299487 in the office of the County Recorder of San Diego County.
FIRST AMERICAN TITLE INSURANCE & TRUST CO.

Wayne G. Bergewin
By Authorized Signature

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

FOR
TRACT 3625-1

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

TRACT 3625-1

THIS DECLARATION is made this 7TH day of SEPTEMBER, 1982, by BARRATT NORTHERN CALIFORNIA, INC., a Delaware corporation ("BARRATT"). BARRATT shall be referred to hereinbelow as the "Declarant".

RECITALS

A. Declarant is the owner of certain real property ("Property") located in the County of San Diego ("County"), State of California, and more particularly described in Exhibit "A" attached hereto.

B. Declarant desires to create on the Property and such additions ("Additions") thereto as may be made pursuant to Article II, an interrelated and interdependent residential community composed of residential dwellings and private recreational facilities for the benefit of the community as described in Exhibit "B" attached hereto.

C. Declarant has deemed it desirable to impose a general plan for the protection, maintenance, improvement, development, use, occupancy and enjoyment of the Property and Additions and to adopt and establish covenants, conditions and restrictions upon the Property and Additions for the purpose of protecting the value, desirability and attractiveness

thereof.

D. Declarant has deemed it desirable for the efficient preservation of the value, desirability and attractiveness of the Property and Additions to create a corporation to which should be delegated and assigned the powers of administering and enforcing these covenants, conditions and restrictions.

E. SEAGATE VILLAGE COMMUNITY ASSOCIATION, a nonprofit mutual benefit corporation, has been or will be incorporated under the laws of the State of California as aforesaid.

F. Declarant intends to convey all of the Property and Additions subject to the protective covenants, conditions and restrictions set forth below.

NOW, THEREFORE, Declarant hereby certifies, agrees, and declares that it has established, and does hereby establish, a General Plan for the protection, maintenance, improvement and development of the Property and Additions and has fixed, and does hereby fix, the covenants, conditions, restrictions, easements, reservations, provisions, liens and charges upon and subject to which all of the Property and Additions and each portion thereof shall be held, used, leased, sold and conveyed, and each and all of which is and are declared hereby to be for the benefit of all the Property and Additions and each portion thereof and each present and each future Owner (as defined below) thereof and Declarant. These covenants, conditions, restrictions, easements, reservations, provisions, liens and charges shall run with the Property and Additions and shall be binding upon all parties having or acquiring any right, title or interest in the Property and Additions or any

portion thereof and shall inure to the benefit of and bind each owner thereof and their respective successors in interest, and are imposed upon the Property and Additions and each and every portion thereof as a servitude in favor of the Property and Additions and each and every portion thereof as the dominant tenement or tenements.

ARTICLE I

DEFINITIONS

The terms set forth below in this Article I are defined, for purposes of this Declaration, as follows:

Section 1.1 "Articles" and "By-Laws" shall mean and refer to the Articles of Incorporation and By-Laws of the Association as the same may be amended from time to time.

Section 1.2 "Assessment" shall mean and refer to any or all, as the context in which the term is used shall require, of the assessments defined below:

(a) "Capital Improvement Assessment" shall mean and refer to a charge against certain Owners and their Lots or Condominiums, as the case may be, representing a portion of the cost to the Association for the installation or construction of any capital improvements on the Common Area, Recreation Area, Street Area or on any Maintenance Area as provided for in this Declaration.

(b) "Condominium Regular Assessment" shall mean and refer to a charge against each owner of a Condominium and his Condominium Unit representing that portion of the Condominium Common Expenses attributable to such Owner and his Condominium

as provided in this Declaration.

(c) "Reconstruction Assessment" shall mean and refer to a charge against each Owner of a Condominium and his Condominium representing a portion of the cost to the Association for the reconstruction of any portion or portions of any Condominium Building, Recreation Area or the Common Area as provided for in this Declaration, and against each Owner of a Lot within the R-1 Property and his Lot representing a portion of the cost to the Association for the reconstruction of any portion or portions of the Recreation Area or the Street Area as provided in this Declaration.

(d) "Association Regular Assessment" shall mean and refer to a charge against each Owner and his Condominium or Lot, as the case may be, representing that portion of the Common Expenses attributable to such Owner and his Condominium or Lot, as the case may be, as provided for in this Declaration. Association or Condominium Regular Assessments shall be collectively referred to below as "Regular Assessments".

(e) "Special Assessment" shall mean and refer to a charge against a particular Owner and his Condominium or Lot, as the case may be, directly attributable to such Owner, for certain costs incurred by the Association as provided for in this Declaration.

(f) "Street Assessment" shall mean and refer to a charge against each Owner of Lot within the R-1 Property and his Lot representing a portion of the Street Expenses attributable to such Owner and his Lot as provided in this

Declaration.

Section 1.3 "Association" shall mean and refer to the SEAGATE VILLAGE COMMUNITY ASSOCIATION, a nonprofit mutual benefit corporation, incorporated or to be incorporated under the laws of the State of California, and its successors and assigns.

Section 1.4 "Association Rules" shall mean and refer to rules adopted by the Association pursuant to the Article of this Declaration entitled "Duties and Powers of the Association".

Section 1.5 "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.6 "Common Area" shall mean and refer to the entirety of each Project except the Units in each such Project, and without limiting the generality of the foregoing, specifically including all structural projections within a Unit which are required for the support of a Condominium Building, gas, water and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installations of the structures wherever located (except the outlets thereof when located within Units), the land upon which the structures are located, the air space above these structures, all bearing walls, columns, floors, the roof, the slab foundation, common stairways, window glass and the like.

Section 1.7 "Common Expenses" shall mean and refer to the actual and estimated costs of: Maintenance, management, operation, repair and replacement of the Recreation Area (unless the cost of such repair and replacement is otherwise provided for in the Article hereto entitled "Destruction of

Improvements") and any Maintenance Area; unpaid Assessments; management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other independent contractors and employees; utilities, trash pick-up and disposal, gardening and other services benefiting the Recreation Area and any Maintenance Area; fire, casualty, liability, workers' compensation and other insurance covering the Recreation Area and any Maintenance Area; adequate reserve for the maintenance, repairs and replacement of those portions of the Recreation Area that must be replaced on a periodic basis; bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for the discharge of any lien or encumbrance levied against the Recreation Area or any portion thereof; amounts paid or incurred by the Association in collecting Assessments pursuant to Section 6.1, including amounts expended to purchase a Condominium or Lot, as the case may be, in connection with the foreclosure of an Assessment lien against such Condominium or Lot, as the case may be; expenses incurred by the Association for any reason whatsoever in connection with the Recreation Area or any Maintenance Area; expenses (provided said expenses are not otherwise provided for in this Declaration) incurred by the Association for any reason whatsoever in connection with this Declaration, any Supplementary Declaration of Covenants, Conditions and Restrictions recorded in accordance with Article II, the Articles or By-Laws or in furtherance of the purposes of the Association or in the discharge of any

obligations imposed on the Association or the Board by this Declaration or any such Supplementary Declaration.

Section 1.8 "Condominium" shall mean and refer to an estate in real property in a Project (as to that project only) consisting of a fractional undivided fee interest in common with the other Owners in the Project in the Common Area of such Project, together with a separate fee interest in a Unit and all right, title and interest appurtenant thereto. Such fractional undivided interest in common of each Owner shall also be described in the instrument conveying a Condominium to such Owner and shall not be changed except as provided in this Declaration.

Section 1.9 "Condominium Building" shall mean and refer to a separate building containing one or more Units or elements of Units.

Section 1.10 "Condominium Common Expenses" shall mean and refer to the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Area (unless the cost of such repair and replacement is otherwise provided for in the Article hereof entitled "Destruction of Improvements"); compensation paid by the Association to managers, accountants, attorneys and other independent contractors and employees engaged or hired by the Association solely in connection with the discharge by the Association of its duties and obligations set forth herein with respect to Common Area and the Owners of Condominiums; utilities, trash pick-up and disposal, gardening and other services benefiting the Common Area; adequate reserves for the

maintenance, repairs and replacement of those portions of the Common Area that must be replaced on a periodic basis; fire, casualty, liability and other insurance obtained pursuant to Sections 12.1(a) and (b) which relates to the ownership or use of the Common Area or which relates to the Condominium Buildings, Units and other improvements to the Common Area, amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Area or any portion thereof; and expenses incurred by the Association for any reason whatsoever in connection with the Common Area.

Section 1.11 "Condominium Plan" shall mean and refer to the condominium plan for each Project recorded by Declarant in the Office of the County Recorder and any amendments or modifications thereto.

Section 1.12 "Declarant" shall mean and refer to BARRATT and (i) any corporation into which BARRATT is merged or which acquires all, or substantially all, of BARRATT'S assets and (ii) such of its success as shall acquire BARRATT'S entire fee interest in the Property as of the date of acquisition thereof and as shall be designated the "Declarant" by BARRATT in a duly recorded instrument executed by BARRATT. Persons or entities who acquire less than all of such fee interest (including, without limitation, those acquiring less than all of the Condominiums or Lots owned by BARRATT for purposes of development or residential use) and who are not so designated shall not be successors of BARRATT for purposes of this Declaration, but rather shall be Owners. However, nothing herein contained shall be deemed to preclude the Declarant

from assigning or delegating any of its rights or duties to anyone as provided in Section 17.15.

Section 1.13 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions as the same may be amended, supplemented, modified or changed from time to time.

Section 1.14 "Deed of Trust" shall be deemed to include a mortgage, "beneficiary" shall be deemed to include the mortgagee of a mortgage and "trustor" shall be deemed to include the mortgagor or a mortgage.

Section 1.15 "Family" shall mean and refer to one or more persons related to each other by blood, marriage or legal adoption, or a reasonable number of persons not so related, who constitute a bona fide single housekeeping unit, together with his or their domestic servants, in a Unit or on a Lot.

Section 1.16 "First Beneficiary" shall mean and refer to the beneficiary under a deed of trust of record or the mortgagee under a mortgage of record covering a Condominium or Condominiums or Lot or Lots in the Property which deed of trust or mortgage is a first deed of trust or mortgage. Unless otherwise indicated, "beneficiary" includes First Beneficiary and "beneficiaries" includes First Beneficiaries.

Section 1.17 "Lot" shall mean and refer to any numbered or lettered plot of land shown upon any recorded subdivision map of the Property or any portion thereof, with the exception of the Common Area, Street Area or Recreation Area.

Section 1.18 "Maintenance Area" shall mean and refer to any area within or outside of the Property which is not Common

Area, Recreation Area or Street Area, but which the Association is required to maintain by this Declaration or any Supplementary Declaration of Covenants, Conditions and Restrictions recorded in accordance with Article II.

Section 1.19 "Member" shall mean and refer to every person or entity who holds membership in the Association as provided in Section 3.1.

Section 1.20 "Owner" shall mean and refer to one or more persons or entities who are the record owner, including the Declarant, or the record vendee of a Condominium or Lot under an installment sales contract, of the fee simple title to any Condominium or Lot, but shall not mean or refer to those having such interest merely as security for the performance of an obligation.

Section 1.21 "Phase 1" shall mean and refer to the Property, which Property is described in Exhibit "A" attached hereto.

Section 1.22 The term "project" shall mean and refer to each parcel of real property, including all structures thereon, annexed in accordance with Article II, which is divided, or which is to be divided, into Condominiums.

Section 1.23 "Property" shall mean and refer to the property described in Exhibit "A" attached hereto and such additions thereto as may be made pursuant to Article II hereof.

Section 1.24 "Recreation Area" shall mean and refer to Lots 131 and 177 of County of San Diego Tract No. 3625-1, in Map No. 9082 thereof, filed January 10, 1979 in the Office of

the County Recorder of the County, and any other real property, including real property which may be annexed pursuant to Article II, and all facilities and improvements thereon, if any, owned or leased by the Association for the common use and enjoyment of the Owners within the Property.

Section 1.25 "R-1 Property" shall mean and refer to the real property described in Exhibit "C" attached hereto.

Section 1.26 "Residential Dwelling" shall mean and refer to any one-family residential dwelling located on a Lot within the R-1 Property and designed for occupancy by not more than one Family.

Section 1.27 "Solar Equipment" shall mean and refer to all equipment, units and machinery (including, without limitation, all ducts, pipes, wiring and other appurtenances thereto) installed on or within the Property for the purposes of converting, collecting, using or transmitting solar energy, including, without limitation, generating heating or electricity for the Condominiums and Residential Dwellings. Notwithstanding the fact that Solar Equipment may be located within the Common Area of the project, such Solar Equipment shall be, subject to the terms and provisions of this Declaration, the sole and exclusive property of the Owners whose Condominiums are served by such Solar Equipment.

Section 1.28 "Street Area" shall mean and refer to Lot 141 and any additional real property which may be annexed pursuant to Article II hereof and which is owned or leased by the Association for the common use and enjoyment, as a street, of all the Owners within the R-1 Property.

Section 1.29 "Street Expenses" shall mean and refer to the actual and estimated costs of: maintenance, management, operation, repair and replacement of Street Area (unless the cost of such repair and such replacement is otherwise provided for in the Article hereof entitled "Destruction of Improvements"); fire, casualty, liability and other insurance covering Street Area; adequate reserves for the maintenance, repairs and replacement of those portions of the Street Area that must be replaced on a periodic basis; amounts paid by the Association for the discharge of any lien or encumbrances levied against Street Area; and expenses incurred by the Association for any reason whatsoever in connection with the Street Area.

Section 1.30 "Phase of Development" shall mean and refer to all real property and improvements thereon made subject to this Declaration by the recording of a Supplementary Declaration of Covenants, Conditions and Restrictions pursuant to Article II hereof.

Section 1.31 Unit and Condominium Elements.

(a) "Unit" shall mean and refer to the elements of a Condominium which are not owned in common with the Owners of other Condominiums in a project and shall consist of a Residential, Garage and Patio Elements and, for certain Condominiums (as set forth in the Condominium Plan for each project) a Balcony Element. In interpreting deeds, leases, declarations and plans, the existing physical boundaries of a Unit, or of a Unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively

presumed to be its boundaries rather than the description expressed in the deed, lease, declaration or plan regardless of settling or lateral movement of the Condominium Building and regardless of minor variances between boundaries as shown on the plan or in the deed, lease or declaration and those of the Condominium Building as constructed.

(b) "Balcony" shall mean and refer to that portion of a Unit designed for use as a balcony, and shall be identified on the Condominium Plan by a Unit number and the letter "B". The description of each Balcony (including, without limitation, the boundaries thereof) shall be as set forth in the Condominium Plan for the project within which such Balcony is located.

(c) "Garage" shall mean and refer to that portion of a Unit designed for use as a garage, and shall be identified on the Condominium Plan by a Unit number and the letter "G". The description of each Garage (including, without limitation, the boundaries thereof) shall be as set forth in the Condominium Plan for the project within which such Garage is located.

(d) "Patio" shall mean and refer to that portion of a Unit designed for use as a patio, and shall be identified on the Condominium Plan by a Unit number and the letter "P". The description of each Patio (including, without limitation, the boundaries thereof) shall be as set forth in the Condominium Plan for the project within which such Patio is located.

(e) "Residential Element" shall mean and refer to that portion of a Unit designed for use as a residence, and

shall be identified on the Condominium Plan by a Unit number only. The description of each Residential Element (including, without limitation, the boundaries thereof) shall be as set forth in the Condominium Plan for the project within which such Residential Element is located.

ARTICLE II

PROPERTY SUBJECT TO

THIS DECLARATION AND ADDITIONS THERETO

Section 2.1 First Phase of Development. The real property which shall be held, used, leased, sold and conveyed subject to this declaration is the real property referred to herein as Phase I, which consists of the property described in Exhibit "A" attached hereto.

Section 2.2 Additions to First Phase of Development. Additional real property may be annexed to the First Phase of Development and become subject to this Declaration by any of the methods set forth hereinafter.

(a) Additions by Declarant. If Declarant shall develop, or cause to be developed, additional real property within the area described in Exhibit "B" attached hereto and incorporated herein by this reference, Declarant shall have the right from time to time to annex such additional real property or any portion or portions thereof, including improved and/or unimproved Common Area, to the Development and to bring such real property within the general plan and scheme of this Declaration without the approval of the Association, the Board or the Members thereof, provided that said right of Declarant shall terminate three (3) years after the date of

original issuance by the California Department of Real Estate of the then latest Final Subdivision Public Report covering a Phase of Development; provided, further, that right of Declarant may only be exercised if the real property to be annexed is to be developed in accordance with a broad overall general development plan and any amendments or supplements thereto previously described in connection with an application for a Subdivision Public Report for all or a portion of the Development filed with the California Department of Real Estate.

(b) Other Additions. In addition to the provision for annexation specified in subsection (2) hereinabove, additional real property may be annexed to the Development and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of a group of Members entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the total voting power, which group of Members shall, in any event, include a subgroup of Members (excluding Declarant) entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the total voting power (excluding all voting power held by Declarant); provided, however, if approval of such annexation is sought at any time when two classes of membership are still in effect, then, and in that event, such annexation shall instead require the vote or written consent of Members entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of each class of membership. Upon obtaining the requisite approval pursuant to this subsection, the owner

of any real property who desires to annex it to the Development and add it to the general plan and scheme of this Declaration and subject it to the jurisdiction of the Association shall file or record a Supplementary Declaration of Covenants, Conditions and Restrictions, as more particularly described in subsection (d) hereinbelow.

(c) Conveyances of Recreation Areas and Street Areas. Prior to the conveyance of any Lot or Condominium Unit within the annexed real property to the purchaser thereof, fee simple or other fee or leasehold title to, or an easement or license in, the Recreation Area or Street Area, if any, within said annexed real property, shall be conveyed to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, exceptions, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration.

(d) Supplementary Declaration. The additions authorized under subsections (a) and (b) of this Article II shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, or other similar instrument, with respect to the annexed real property which shall be executed by the owner thereof and shall extend the general plan and scheme of this Declaration to such real property. The filing of record of said Supplementary Declaration shall constitute and effectuate the annexation of the annexed real property described therein; and thereupon

said real property shall become and constitute a part of the Development and become encompassed within the general plan and scheme of the covenants, conditions and restrictions contained herein, and become subject to the functions, powers and jurisdictions of the Association, and the Owners of Lots or Condominium Units in the annexed real property shall automatically become Members of the Association; provided, however, that (i) any such Supplementary Declaration may be amended or revoked by the record owner or owners of the real property covered thereby prior to the closing of the sale of the first Lot or Condominium Unit therein, and (ii) assessments and voting rights shall not commence as to the Lots or Condominium Units within the real property covered thereby until the first day of the month following the closing of the sale of the first Lot or Condominium Unit therein. Such Supplementary Declaration may contain such additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed real property, or as the owner thereof may deem appropriate in connection with the development of such real property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenant, conditions and restrictions established by this Declaration as the same pertain to the First Phase of Development or any other previously annexed Phase of Development.

(e) No Obligation to Annex. Notwithstanding any provisions of this Declaration expressly or impliedly to the contrary, neither Declarant nor any other person or entity shall have the obligation whatsoever to annex any real proeprty hereto, including, without limitation, the real property described in Exhibit "B".

ARTICLE III

MEMBERSHIP AND VOTING

RIGHTS IN THE ASSOCIATION

Section 3.1 Membership. Every person or entity who is a record owner of a fee interest in any Condominium or Lot (including, without limitation, the record vendee of a Condominium or Lot under an installment sales contract) which is subject by this Declaration to assessment by the Association shall be a Member of the Association. Any person or entity having any such interest merely as security for the performance of an obligation shall not be a Member. Membership in the Association and the right to vote shall be appurtenant to, and may not be separated from, the fee ownership of any Condominium or Lot which is subject to assessment by the Association. Ownership of such Condominium or Lot shall be the sole qualification for membership in the Association.

Section 3.2 Transfer. The membership held by any record Owner of a Condominium or Lot shall not be transferred, pledged or alienated in any way except upon the sale or assignment of such Condominium or Lot and then only to the purchaser or assignee thereof. Any attempt to make a

prohibited transfer will be void and will not be reflected upon the books and records of the Association. In the event any Owner shall fail or refuse to transfer the membership registered in his name to the purchaser of his Condominium or Lot, the Association shall have the right to record the transfer upon the books of the Association.

Section 3.3 Voting Rights. The Association shall have two classes of voting membership as follows:

(a) Class A. Class A Members shall be all those Owners entitled to membership as defined in Section 3.1, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Condominium or Lot in which they hold the interest required for membership by Section 3.1. When more than one person holds such interest in any Condominium or Lot, all such persons shall be Members, and the vote for such Condominium or Lot shall be exercised as they determine among themselves, but in no event shall more than one vote be cast with respect to any such Condominium or Lot. Any votes cast with respect to any such Condominium or Lot in violation of this provision shall be null and void.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Condominium or Lot in which it holds the interest required for membership by Section 3.1; provided that the Class B membership shall forever cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earliest:

(i) When the total votes outstanding in the

Class A membership equal the total votes outstanding in the Class B membership;

(ii) On the second anniversary of the date of the original issuance by the California Department of Real Estate of the most recently issued final subdivision public report with respect to any portion of the Property;

(iii) On the fourth anniversary of the date of the original issuance by the California Department of Real Estate of a final subdivision public report for Phase 1.

(c) Restrictions on Voting Rights. The voting rights of both classes of membership shall be subject to the restrictions and limitations provided in this Declaration and in the Articles and By-Laws.

(d) Approval of Each Class of Membership. Except as to the action of the Association referred to in Section 9.6, any provision in this Declaration, the Articles or the By-Laws calling for the Members' approval of action to be taken by the Association shall require the vote or written assent of the prescribed percentage of each class of membership until the Class B membership becomes converted to Class A membership in accordance with the provisions of Section 3.3(b).

(e) Declarant's Vote. Except as to the actions referred to in Sections 9.6 and 17.2, wherever this Declaration, the Articles or By-Laws require the vote or written assent of both classes of membership for the initiation of action by or in the name of the Association, the vote or assent of the Declarant shall be excluded therefrom if the Class B membership has been converted to Class A

membership in accordance with the provisions of Section 3.3(b) and if the Declarant holds or directly controls twenty-five percent (25%) or more of the voting power of the Association.

ARTICLE IV

PROPERTY RIGHTS IN THE RECREATION AREA

AND STREET AREA AND USE OF COMMON AREA

Section 4.1 Members' Easements of Enjoyment. Subject to the provisions of Section 4.3, every Member shall have a right and easement of access, use and enjoyment in and to any Recreation Area and such easement shall be appurtenant to and shall pass with the title to every Condominium and Lot subject to assessment.

Section 4.2 Title to Recreation Area. At any time prior to the conveyance of the first Lot in Phase I to an Owner who acquires such Lot for residential uses, the Declarant shall convey to the Association fee simple title to the Recreation Area and Street Area within Phase I, free and clear of all liens and encumbrances, except current real property taxes, which taxes shall be prorated to the date of transfer, and reservations, easements, covenants, conditions and restrictions then of record or apparent, including those set forth in this Declaration.

Section 4.3 Extent of Members' Easements. The rights and easements of access, use and enjoyment created by Section 4.1 shall be subject to the following:

(a) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Recreation Area and facilities thereon, if any,

and in aid thereof, to deed in trust said Recreation Area; provided, however, that the rights of any beneficiary under such deed of trust shall be subordinate to the rights of the Members; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the Recreation Area against foreclosure; and

(c) The right of the Association, as provided in its By-Laws, to suspend the voting rights and/or use of enjoyment rights to recreational or social facilities within the Recreation Area of any Member for any period during which any Assessment against his Condominium or Lot, as the case may be, remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any infraction of the Association Rules; and

(d) The right of the Association to dedicate or transfer all or any part of the Recreation Area to any public agency, authority or utility or any other entity for such purposes and subject to such conditions as may be agreed to by its Members; provided, that no such dedication or transfer shall be effective unless approved by the vote or written consent of each class of Members entitled to exercise not less than two-thirds (2/3) of the voting power of each such class of Members and an instrument in writing is recorded and signed by the Secretary of the Association certifying that such dedication or transfer has been approved by the required vote and/or written consent; provided further, that the granting of easements for public utilities or for other public purposes

consistent with the intended use of the Recreation Area shall not require such prior written consent; and

(e) The right of the Association to establish and enforce reasonable rules and regulations pertaining to the use and enjoyment of the Recreation Area and the facilities thereon; and

(f) The right of the Association to limit the number of guests of Members and to limit the use of the Recreation Area by persons not in possession of a Condominium or Lot, but owning a portion of the interest in a Condominium or Lot required for membership; and

(g) The right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Recreation Area; and

(h) The right of the Association to perform its duties and exercise its powers under Article IX, including the power of the Association to grant easements on the Recreation Area as provided in said Article; and

(i) Any limitations, restrictions or conditions affecting the use, enjoyment or maintenance of the Recreation Area imposed by the Declarant or any city or county or other governmental agency having jurisdiction to impose any such limitations, restrictions or conditions, and whether by agreement with the Association, the Declarant or otherwise; and

(j) Such other rights of the Association, the Joint Architectural Committee, the Board, the Owners and the Declarant with respect to the Recreation Area as may be

provided for in this Declaration.

Section 4.4 Delegation of Use of Recreation Area.

Subject to the limitations of Section 4.3, any Member may delegate, in accordance with the By-Laws, his right of use and enjoyment to the Recreation Area and facilities thereon to the members of his Family, his tenants and contract purchasers who reside in his Residential Element or Residential Dwelling, as the case may be.

Section 4.5 Street Area.

(a) Subject to the provisions of subsection (b) below, every Member who owns a Lot, and only such Members, shall have a right and easement of access, use and enjoyment in and to the Street Area and such easement shall be appurtenant to and shall pass with the title to every Lot subject to Assessment.

(b) The rights and easements of access, use and enjoyment created by subsection (a) above shall be subject to the following:

(i) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Street Area and facilities thereon, if any, and in aid thereof, to deed in trust said Street Area; provided, however, that the rights of any beneficiary under such deed shall be subordinate to the rights of the Members who own Lots; and

(ii) The right of the Association to take such steps as are reasonably necessary to protect the Street Area against foreclosure; and

(iii) The right of the Association to dedicate or transfer all or any part of the Street Area to any public agency, authority or utility or any other entity for such purposes and subject to such conditions as may be agreed to by Members who own Lots; provided, that no such dedication or transfer shall be effective unless approved by the vote or written consent of Members who own lots entitled to exercise not less than two-thirds (2/3) of the voting power of each class of such Members, and an instrument in writing is recorded and signed by the Secretary of the Association certifying that such dedication or transfer has been approved by the required vote and/or written consent; provided further, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Street Area shall not require prior written consent;

(iv) The right of the Association to establish and enforce reasonable rules and regulations pertaining to the use and enjoyment of the Street Area including, without limitation, parking thereon; and

(v) The right of the Association to perform its duties and exercise its powers under Article IX, including the power of the Association to grant easements on the Street Area as provided in said Article; and

(vi) Any limitations, restrictions or conditions affecting the use, enjoyment, or maintenance of the Street Area imposed by the Declarant or any city or county or other governmental agency having jurisdiction to impose any

such limitations, restrictions or conditions, and whether by agreement with the Association, the Declarant or otherwise; and

(vii) Such other rights of the Association, the R-1 Architectural Committee, the Board, the Owners of Lots and the Declarant with respect to the Street Area as may be provided for in this Declaration.

(c) Subject to the limitations of this Section 4.5, any Member who owns a Lot may delegate, in accordance with the By-Laws, his right of use and enjoyment to the Street Area and facilities thereon to the members of his Family, his tenants and contract purchasers who reside in his Residential Dwelling.

(d) The California Vehicle code may be enforced on the Street Area by the County. The County, and any and all other governmental or quasi-governmental agencies or bodies having responsibility for law enforcement, fire protection, trash collection and utility maintenance, are hereby declared to have a right of access over the Street Area and any and all other private streets and roads within the Property.

Section 4.6 Use of Common Area. Every Member who owns a Codominium, and only such Members, shall have a nonexclusive easement for use and enjoyment in and to the Common Area, regardless of the project in which such Member is an Owner, and such easement shall be appurtenant to and shall pass with the title to every Condominium subject to assessment, subject to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration, including,

without limitation, the following provisions:

(a) The right of the Association, as provided in its By-Laws, to suspend the voting rights and/or use or enjoyment rights to recreational or social facilities within the Common Area of any Member for any period during which any Assessment against his Condominium remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any infraction of the Association Rules; and

(b) The right of the Association to establish and enforce reasonable rules and regulations pertaining to the use and enjoyment of the Common Area and the facilities thereon; and

(c) The right of the Association to limit the number of guests of Members who own Condominiums and to limit the use of the Common Area by persons not in possession of a Condominium, but owning a portion of the interest in a Condominium required for membership; and

(d) The right of the Association to charge reasonable admission and other fees for the use of any facility situated upon the Common Area; and

(e) The right of the Association to grant easements on, over and under the Common Area to public utilities or governmental entities or agencies; provided that any such easement shall not unreasonably interfere with the right of any Owner to the use and enjoyment of his Unit and the Common Area. No such easement shall be effective unless an instrument signed by Members who own Condominiums entitled to cast not less than two-thirds (2/3) of the voting power of the

Members who own Condominiums residing in the project in which the easement will be granted has been recorded agreeing to the granting of such easement. The certificate of the President and Secretary of the Association attached to such instrument certifying that the Members signing such instrument represent not less than two-thirds (2/3) of the voting power of the Members who own Condominiums residing in the project in which the easement will be granted shall be deemed conclusive proof thereof; and

(f) The right of the Association to perform its duties and exercise its powers under this Declaration;

(g) Any limitations, restrictions or conditions affecting the use, enjoyment, or maintenance of the Common Area imposed by the Declarant or any city or county or other governmental agency having jurisdiction to impose any such limitations, restrictions or conditions, and whether by agreeing with the Association, the Declarant or otherwise; and

(h) Such other rights of the Association, the Condominium Architectural Committee, the Board, the Owners of Condominiums and the Declarant with respect to the Common Area as may be provided for in this Declaration.

Section 4.7 Delegation of Use of Common Area. Subject to the limitations of Section 4.06, any Member may delegate, in accordance with the By-Laws, his right of use and enjoyment to the Common Area and facilities thereon to the members of his Family, his tenants and contract purchasers who reside in his Residential Element.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 5.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant for each Lot and Condominium owned by it within the Property hereby covenants, and each Owner of any Condominium or Lot, as the case may be, within the Property by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is and shall be deemed to covenant and agree to pay to the Association: (a) Regular Assessments, (b) Special Assessments, (c) Capital Improvement Assessments, (d) Street Assessments, and (e) Reconstruction Assessments, such assessments to be levied, fixed, established, and collected from time to time as hereinbelow provided. The Assessments, together with such interest thereon and costs of collection thereof as are provided in Section 6.1, shall be a charge on the real property and shall be a continuing lien upon the condominium or Lot against which each such Assessment is made. The lien shall, with respect to any Condominium, become effective upon recordation of a notice of assessment in accordance with Section 6.2 and shall, with respect to any Lot, become effective upon recordation of a notice of delinquent assessment in accordance with Section 6.2. Each such Assessment, together with such interest and costs, shall also be the personal obligation of the person or entity who was the Owner of such Condominium or Lot at the time when the Assessment, or any portion thereof, fell due and shall bind his heirs, devisees, personal representatives, successors and

assigns; provided, however, the personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 5.2 Purpose of Assessments. The Regular Assessments levied by the Association shall be collected accumulated and used exclusively for the purpose of providing for and promoting the pleasure, recreation, health, safety and social welfare of the Members, including the enhancement of the value, desirability and attractiveness of the Property, the improvement and maintenance of the Common Area and Recreation Area and facilities thereon, the improvement and maintenance of Maintenance Areas, if any, and the discharge of any obligations or duties imposed on the Association or the Board by this Declaration. Special, Capital Improvement, Street and Reconstruction Assessments shall be used exclusively for the purposes for which such Assessments were levied as provided for in this Declaration.

Section 5.3 Regular Assessments.

(a) Amount and Time of Payment. Regular Assessments shall be levied on a calendar or fiscal year basis ("Assessment Period") as determined by the Board and the amount and time of payment of said Assessments shall be determined by the Board after giving due consideration to the Common and Condominium Common Expenses of the Association. In the event the amount budgeted to meet Common and/or Condominium Common Expenses for an Assessment Period proves to be excessive in light of the actual Common and/or Condominium Common Expenses, as the case may be, the Board, in its

discretion, may, by resolution, reduce the amount of the Association Regular Assessments and/or Condominium Regular Assessments.

(b) Date of Commencement of Regular Assessments.

Monthly installments of the regular assessments provided for herein shall commence as to all Lots in Phase I on the first day of the month following the date of closing of the first sale of a Lot to the purchaser thereof. Declarant shall be obligated to pay to the Association the full assessment installment for each unsold Lot. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The commencement of assessment as to Lots or Condominium Units annexed to the property pursuant to Article II hereof shall commence as provided for in Section 2.2(d) hereof.

(c) Assessment Procedures. At least sixty (60) days in advance of each Assessment Period, the Board shall estimate the total Common Expenses to be incurred by the Association for such forthcoming Assessment Period and shall at that time determine and fix the amount of the Association Regular Assessments against each Condominium and Lot subject thereto for such Assessment Period. Written notice of such Association Regular Assessment shall be sent to every Owner subject thereto at least sixty (60) days in advance of each Assessment Period. Each Owner shall thereafter pay to the Association his Association Regular Assessment in the installments established by the Board; provided, however, that such installments shall be paid on a monthly basis until such

time as the Board determines otherwise. In the event the Board shall determine at any time that the Association Regular Assessments levied for a current Assessment period are, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the total Common Expenses and revise and fix the amount of the total Common Expenses and revise and fix the amount of Association Regular Assessments against each Owner. The assessment procedures set forth in this Section 5.3(c) shall also apply to the assessment and levy of Condominium Regular Assessments by the Board against Condominium Owners.

(d) Regular Assessment Limitations. No Association or Condominium Regular Assessment for an Assessment Period shall be in an amount which is more than twenty-percent (20%) greater than the Association or Condominium Regular Assessment, respectively, for the immediately preceding Assessment Period without the approval by vote or written consent of, with respect to Association Regular Assessments, a majority of each class of Members and, with respect to Condominium Regular Assessments, a majority of each class of Members who own Condominiums.

Section 5.4 Capital Improvement Assessments. In addition to the Regular Assessments, the Association may levy, for any Assessment Period, Capital Improvement Assessments, applicable to that Assessment Period only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a

described capital improvement upon the common Area, Recreation Area or Street Area to the extent the same is not covered by the provisions for Reconstruction Assessments herein, or any unexpected improvement to or maintenance of any Maintenance Area, including the necessary fixtures and personal property related thereto; provided that (i) any such Capital Improvement Assessments which relate to the Common Area and which in the aggregate exceed five percent (5%) of the budgeted Condominium Common Expenses for such Assessment Period shall have the approval by vote or written consent of a majority of each class of Members who own Condominiums; (ii) any such Capital Improvement Assessments which relate to the Recreation Area and which in the aggregate exceed five percent (5%) of the budgeted Common Expenses for such Assessment Period shall have the approval by vote or written consent of a majority of each class of Members; and (iii) any such Capital Improvement Assessments which relate to the Street Area and which in the aggregate exceed five percent (5%) of the budgeted Common Expenses for such Assessment Period shall have the approval by vote or written consent of a majority of each class of Members who own Lots. Capital Improvement Assessments shall be due and payable at the times and in the amounts fixed by the Board. Capital Improvement Assessments shall: (i) with respect to any Recreation Area, be levied upon all Owners and their Condominiums or Lots, as the case may be; (ii) with respect to Common Area, be levied only upon the Owners of Condominiums and their Condominiums; and (iii) with respect to the Street Area, be levied only upon the Owners of

Lots within the R-1 Property and their Lots.

Section 5.5 Special Assessments. Special Assessments may be levied (a) by the Board from time to time against Condominiums or Lots with respect to which particular costs or expenses have been incurred by the Association for materials or services furnished at the request, or with the consent, or the Owner of any such Condominium or Lot; or (b) by the Association in accordance with the provisions of this Declaration (including, without limitation, Section 17.4). Special Assessments levied by the Association shall be due and payable at the times and in the amounts fixed by the Board.

Section 5.6 Street Assessments. Street Assessments shall be levied by the Board only against the Owners of Lots within the R-1 Property. Street Assessments shall be levied for the same Assessment Period as the Regular Assessments. The amount and time of payment of the Street Assessments shall be determined by the Board after giving due consideration to the Street Expenses of the Association. In the event the amount budgeted to meet Street Expenses for an Assessment Period proves to be excessive in light of the actual Street Expenses the Board, in its discretion, may, by resolution, reduce the amount of the Street Assessments. Street Assessments for additional Lots annexed pursuant to Article II hereof shall commence as set forth in Section 2.2(d) hereof. At least sixty (60) days in advance of each Assessment Period, the Board shall estimate the total Street Expenses to be incurred by the Association for such forthcoming Assessment Period and shall at that time determine and fix the amount of

the Street Assessments against each Lot subject thereto for such Assessment Period. Written notice of such Street Assessment shall be sent to every Owner subject thereto at least sixty (60) days in advance of each Assessment Period. Each Owner of a Lot shall thereafter pay to the Association his Street Assessment in the installments established by the Board; provided, however, that such installments shall be paid on a monthly basis until such time as the Board determines otherwise. In the event the Board shall determine at any time that the Street Assessments levied for a current Assessment Period are, or will become, inadequate to meet all Street Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the total Street Expenses and revise and fix the amount of Street Assessments against each Owner of a Lot. No Street Assessment for an Assessment Period shall be in an amount which is more than twenty percent (20%) greater than the Street Assessment for the immediately preceding Assessment Period without the approval by vote or written consent of a majority of each class of Members who own Lots.

Section 5.7 Certificate of Payment. Upon demand, the Association shall furnish to any Owner liable for Assessments a certificate in writing signed by an officer or authorized agent of the Association setting forth whether said Assessments or any portions thereof have been paid. Such certificate shall be conclusive evidence of payment of any Assessments or portions thereof therein stated to have been paid. A reasonable charge may be made by the Board for the

issuance of any such certificate.

Section 5.8 Assessment of Condominiums and Lots Owned by Declarant. Without exception, each Condominium and Lot owned by the Declarant shall be subject to assessment to the same extent and in the same manner as any other Condominium or Lot owned by any Owner.

Section 5.9 Nonuse and Abandonment. No Owner may waive or escape personal liability for the Assessments provided for herein, nor release the Condominium or Lot owned by him from the liens and charges hereof, by nonuse of the Common Area, Street Area or Recreation Area or abandonment of his Condominium or Lot.

Section 5.10 Uniform Rate of Assessment. All Association Regular Assessments shall be fixed at a uniform rate for all Condominiums and Lots; Capital Improvement, Street and Reconstruction Assessments which relate to Street Areas shall be fixed at a uniform rate for all Lots and Capital Improvement and Reconstruction Assessments which relate to the Recreation Area shall be fixed at a uniform rate for all Lots and Condominiums; and all Condominium Regular Assessments and Capital Improvement Assessments which relate to the Condominium Common Area shall be fixed at a uniform rate for all Condominiums.

Section 5.11 Exempt Property. The following property subject to this Declaration shall be exempt from the Assessments, charges and liens created herein: (a) all properties dedicated to, and accepted by, a public authority; (b) all Recreation Area and Street Area; and (c) all

properties exempted from taxation by the laws of the State of California, upon the terms and to the extent of such legal exemption. Notwithstanding any provision in this Section, no real property or improvements devoted to residential dwelling use shall be exempt from said Assessments, charges or liens.

Section 5.12 Offsets. All Assessments shall be payable in the amount specified in the Assessment levied by the Association and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

ARTICLE VI

NON-PAYMENT OF ASSESSMENTS

Section 6.1 Delinquency and Remedies of Association. If any Assessment, or any portion thereof, is not paid on the date when due, then such Assessment or portion thereof shall become delinquent and shall, together with interest and costs of collection as provided below, thereupon become a continuing lien on the Condominium or Lot against which such Assessment was made as more particularly described in Section 5.1. If the Assessment, or any portion thereof, is not paid within thirty (30) days after the delinquency date, a late charge of Ten Dollars (\$10.00) may be levied by the Board and the Assessment shall bear interest from the date of delinquency at a rate set by the Board, which rate shall not exceed the maximum permitted by law. In addition to all other legal and equitable rights or remedies which it may have, the Association may, at its option, bring an action at law against

the Owner personally obligated to pay such Assessments, and/or upon compliance with the notice provisions set forth in Section 6.2, bring an action to foreclose the lien against the Condominium or Lot, and there shall be added to the amount of such Assessment or any portion thereof, and interest thereon, the late charge and all costs and expenses, including reasonable attorneys' fees, incurred by the Association in collecting the delinquent Assessment. Each Owner vests in the Association, and its successors or assigns, the right and power to bring all actions at law or lien foreclosure against such Owner or other Owners for purposes of collecting delinquent Assessments.

In lieu of judicially foreclosing the lien, the Association, at its option, may foreclose such lien by proceeding under a power of sale as provided below in Section 6.3, such a power of sale being given to the Association as to each and every Condominium and Lot, for the purpose of collecting delinquent Assessments.

Section 6.2 Notice of Assessment and Notice of Delinquent Assessment. No action shall be brought to foreclose the lien, or to proceed under the power of sale, sooner than thirty (30) days after the date that, with respect to any Condominium, a notice of assessment (or such other document or instrument as may then be permitted or required by law) executed by a duly authorized representative of the Association, is recorded with the County Recorder. No action shall be brought to foreclose the lien, or to proceed under the power of sale, sooner than thirty (30) days after the date

that, with respect to any Lot, a notice of delinquent assessment (or such other document or instrument as may then be permitted or required by law) executed by a duly authorized representative of the Association, is recorded with the County Recorder. Each such notice shall set forth the amount claimed to be delinquent (which may include the late charge, interest and costs of collection, including reasonable attorneys' fees), a good and sufficient legal description of the Condominium or Lot being assessed, the name of the record Owner or reputed Owner thereof, and the name and address of the Association as claimant. A copy of said notice shall be deposited in the United States mail, certified or registered, and postage prepaid, to the Owner of the Condominium or Lot.

Section 6.3 Foreclosure Sale. Any such sale under the power of sale provided for above shall be conducted in accordance with the provisions of Sections 2924, 2924b, and 2924c of the Civil Code of the State of California, applicable to the exercise of powers of sale in deeds of trust, or in any other manner permitted or provided by law. The Association, through its duly authorized agents, shall have the power to bid on the Condominium or Lot at foreclosure sale, using Association funds or funds borrowed for such purpose, and to acquire and hold, lease, mortgage and convey the same.

Section 6.4 Curing of Default. Upon the timely curing of any default for which a notice of assessment or notice of delinquent assessment, as the case may be, was recorded by the Association, any officer of the Association is hereby authorized to file or record, as the case may be, an

appropriate release of such notice, upon payment by the defaulting Owner of a fee to be determined by the Association, but not to exceed a reasonable fee, to cover the costs of preparing and filing or recording such release together with the payment of such other charges, costs, interest or fees as shall have been incurred.

Section 6.5 Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to, and not in substitution for, all other rights and remedies which the Association and its successors and assigns may have hereunder and by law.

Section 6.6. Subordination of the Lien of Mortgages. The lien of the assessments provided for in Articles V and VI hereof shall be subordinate to the lien of any first deed of trust or first mortgage. Sale or transfer of any unit shall not affect the assessment lien, provided, however, that the transfer of any unit as a result of the exercise of a power of sale or judicial foreclosure involving a default under any first deed of trust or first mortgage shall extinguish the lien of such assessment as to payments which become due prior to such transfer. No such transfer shall relieve such unit from the liability for any assessment thereafter becoming due or from the lien thereof.

Section 7.1 Architectural Approval for Projects.

Notwithstanding anything contained in this Section 7.1, the provisions of this section shall not apply to the Recreation Area, the R-1 property or to any owner of a lot within the R-1 property and the Condominium Architectural Committee shall have no power or authority with respect to the R-1 property or Recreation Area, except as provided in Section 7.3. No fence, wall or other structure shall be commenced, erected or maintained on the property nor shall any exterior addition to or change or alteration therein, including patio covers be made, until the plans and specifications therefor shall have been submitted to and approved in writing as to harmony or external design and location in relation to the surrounding structures and topography, by an Architectural Committee, initially to be appointed by the Declarant (the "Condominium Architectural Committee"). The Condominium Architectural Committee shall have the right, but not the obligation, to require any member to remove, trim, top or prune any shrub, tree, bush, plant or hedge which such Committee reasonably believes materially obstructs the view of any unit. The Declarant shall not be required to comply with any of the provisions of this Section 7.1; provided, however, that if Declarant sells a condominium and thereafter purchases such condominium,

the Declarant shall comply with the provisions of this Section 7.1 as such provisions apply to such condominium. Notwithstanding the foregoing, the owner of a condominium may install landscaping within the area of his patio without obtaining the approval of the Condominium Architectural Committee, however, patio covers, fences and other structures may not be erected within a patio or area without the prior approval of the Architectural Committee pursuant to this Article.

Section 7.2 Architectural Approval for R-1 Property. No fence, wall, building, sign or other structure (including basketball standards) or exterior addition to or change or alteration thereof (including painting) or landscaping, shall be commenced, constructed, erected, placed, altered, maintained or permitted to remain on the R-1 Property, or any portion thereof, until plans and specifications shall have been submitted to and approved in writing by an architectural committee, initially to be appointed by the Declarant (the "R-1 Architectural Committee"). All such plans and specifications shall be prepared by a duly licensed architect or other persons approved by the R-1 Architectural Committee and shall be in compliance with Section 7.1. All such plans and specifications shall be submitted in writing over the signature of the Owner of the property or such Owner's authorized agent. Approval shall be based, among other things, upon the same factors set forth in Section 7.1. In any event, the R-1 Architectural Committee shall have the right, but not the obligation, to require any Member who owns a Lot within the R-1 Property to remove, trim, top or prune any shrub, tree, bush, plant or hedge, which such Committee reasonably believes materially obstructs the view of any Lot within the R-1 Property. The Declarant shall not be required to comply with any of the provisions of this Section 7.2; provided, however, if the Declarant sells a Lot and thereafter purchases such Lot, the Declarant shall comply with the provisions of this Section 7.2 as such provisions apply to such Lot.

Section 7.3 Architectural Approval for Recreation Area.

No fence, wall, building, sign or other structure (including basketball standards) or exterior addition to or change or alteration thereof (including painting) or landscaping, shall be commenced, constructed, erected, placed, altered, maintained or permitted to remain on the Recreation Area or any portion thereof, until the Association has submitted plans and specifications which have been approved in writing by an architectural committee consisting of the Condominium Architectural Committee and the R-1 Architectural Committee, acting as one architectural committee (the "Joint Architectural Committee"). All such plans and specifications shall be prepared by a duly licensed architect or other persons approved by the Joint Architectural Committee and shall be in compliance with Section 7.1. All such plans and specifications shall be submitted in writing over the signature of two authorized officers of the Association or the Association's authorized agent. The Declarant shall not be required to comply with any of the provisions of this Section 7.3.

Section 7.4 Number of Members and Term of Each of the Architectural Committees Appointed by Declarant. The term "Architectural Committee" as used in this Declaration shall mean and refer to the Condominium Architectural Committee and/or the R-1 Architectural Committee, as the case may be, and the term "Architectural Committee" shall mean and refer to both the Condominium and the R-1 Architectural Committee.

) Each Architectural Committee shall consist of not less than three nor more than five members. The Declarant shall have the right to appoint all of the members of each Architectural Committee and their replacements until the first anniversary of the issuance by the California Department of Real Estate of the original public report for Phase 1 (the "Anniversary Date"). After the Anniversary Date, the Declarant shall have the right to appoint a majority of the members of each such Committee and their replacements until ninety percent (90%) or more of the Lots and Condominiums within the Property have been sold, or until the fifth anniversary of the date of original issuance by the California Department of Real Estate of the final subdivision public report for Phase 1 (the "Fifth Anniversary Date"), whichever shall first occur. After ninety percent (90%) or more of the Condominiums and Lots within the property have been sold or after the Fifth Anniversary Date, whichever shall first occur, the Board shall appoint all of the members of each Architectural Committee. Those appointed to the Condominium Architectural Committee by the Board shall be Members who own Condominiums and those appointed to the R-1 Architectural Committee by the Board shall be Members who own Lots; the Declarant, however, need not appoint Owners to either Architectural Committee. Those Members of the Architectural Committees appointed by the Board may be dismissed and replaced at any time and from time to time as determined by the Board in its sole and absolute

discretion.

Section 7.5 Failure to Approve or Disapprove Plans and Specifications. In the event an Architectural Committee, or its representatives designated in accordance with Section 7.11, fails to either approve or disapprove such plans and specifications within thirty (30) days after the same have been submitted to it, it shall be conclusively presumed that such Architectural Committee has approved such plans and specifications. All improvement work approved by either Architectural Committee shall be diligently completed and constructed in accordance with approved plans and specifications.

Section 7.6 Appeal. In the event plans and specifications submitted to an Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board, which appeal shall be delivered to the Board not more than thirty (30) days following the decision of such Architectural Committee. The Board shall notify, in writing, such Architectural Committee of the appeal and such Architectural Committee shall deliver written recommendations to the Board within fifteen (15) days after receipt of such notification from the Board. Within forty-five (45) days following receipt of an appeal, the Board shall render its written decision and deliver a copy thereof to the party or parties submitting the appeal. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the party or parties submitting the appeal.

Section 7.7 No Liability. Neither the Declarant, the Association, the Architectural Committees, the Joint Architectural Committee, nor the members or designated representatives thereof shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of property affected by this Declaration by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications, or for any defect in any structure constructed from such plans and specifications. Such plans and specifications are not approved for engineering design. Every person or entity who submits plans and specifications to either Architectural Committee or the Joint Architectural Committee, for approval agrees, by submission of such plans and specifications, and every Owner or any of said property agrees that he will not bring any action or suit against the Declarant, the Association, such Architectural Committee, the Joint Architectural Committee, or any of the members or designated representatives thereof to recover any such damages.

Section 7.8 Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained in this Declaration, after the expiration of (a) one year from the date of issuance of a building permit by any municipal or other governmental authority for any improvements or (b) one year from the date of the commencement of construction within the Property of any improvements, said improvements shall, in

favor of 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 or noncompletion, executed by the Architectural Committee having jurisdiction or such Architectural Committee's designated representatives, shall appear of record in the office of the County Recorder, or unless legal proceedings shall have been instituted to enforce compliance or completion.

Section 7.9 Rules and Regulations. Each Architectural Committee and the Joint Architectural Committee may, from time to time, in its sole discretion, adopt, amend and repeal reasonable rules and regulations interpreting and implementing the provisions hereof and establishing reasonable architectural standards for that portion of the Property under each such Committee's jurisdiction.

Section 7.10 Variances. Where circumstances such as topography, location of property lines, location of trees, configuration of lots, or other matters require, each of the Architectural Committees, by the vote or written consent of a majority of their respective members, may allow reasonable variances as to any of the covenants, conditions or restrictions contained in this Declaration under the respective jurisdiction of each such Committee, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property.

Section 7.11 Appointment and Designation. Each

Architectural Committee and the Joint Architectural Committee may, from time to time, by a majority of the members thereof, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons who shall have full authority to act on behalf of such Committee in all matters delegated.

Section 7.12 Review Fee and Address. All plans and specifications required by Sections 7.1 and 7.2 shall be submitted in writing for approval together with a reasonable processing fee. The address of the Condominium Architectural Committee is 2333 Camino Del Rio South, Suite 300, San Diego, California 92108, or such other place as may from time to time be designated by such Committee by a written instrument recorded in the office of the County Recorder. The last instrument so recorded shall be deemed the Condominium Architectural Committee's proper address. Such address shall be the place where the current rules and regulations, if any, of such Committee shall be kept. The address of the R-1 Architectural Committee is 2333 Camino Del Rio South, Suite 300, San Diego, California 92108, or such other place as may from time to time be designated by such Committee by a written instrument recorded in the office of the County Recorder. The last instrument so recorded shall be deemed the R-1 Architectural Committee's proper address. Such address shall be the place for the submittal of plans and specifications and the place where the current rules and regulations, if any, of such Committee shall be kept. The address of the Joint Architectural Committee shall be the same as the R-1

Architectural Committee. Such address shall be the place for the submittal of plans and specifications and the place where the current rules and regulations, if any, of such Committee shall be kept.

Section 7.13 Inspection. Any member or agent of either Architectural Committee may, from time to time, at any reasonable hour or hours and upon reasonable notice, enter and inspect any property subject to the jurisdiction of such Architectural Committee as to its improvement or maintenance in compliance with the provisions hereof.

ARTICLE VIII

GENERAL RESTRICTIONS

Section 8.1 Except as provided in Section 17.10 and subject to the other terms and provisions of this Declaration, none of the Lots or Condominium Units within the property shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any such Lot other than a single family dwelling and no such building shall exceed the height above ground level of the original construction. Furthermore, no room additions (including the conversion of the garage area into a living area), patio covers, fences and/or walls may be made on any such Lot within the property without the prior written approval of the Architectural Committee as provided for in Article VII hereof. Any such alteration must be in compliance with the County of San Diego requirements and the terms of the permit for development of the property. No additional building structure or improvement shall be constructed,

erected, altered, placed or permitted to remain on any common area within any project other than one or more condominium buildings containing units and customary appurtenances designed for occupancy by not more than one family and such improvements as may be incidental with the social and recreational use of the common area.

Section 8.2 Neither the Property, nor any portion thereof, shall be used for any purpose tending to injure the reputation thereof, or to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance, or in violation of any public law, ordinance or regulation in any way applicable thereto or which would in any way increase the premiums for insurance carried pursuant to Article XII.

Section 8.3 None of the Lots or Condominiums shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such nonresidential purposes.

Section 8.4 Subject to the provisions of Section 4.3, the Recreation Area shall be used for recreational, special, pedestrian movement and other purposes authorized under this Declaration and such Supplementary Declarations as may be recorded pursuant to the provisions of Article II. No building, structure or other thing whatsoever shall be constructed, erected, placed or maintained on any Recreation Area other than such buildings, structures or other things permitted by Major Use Permit No. P77-48 issued by the Planning Commission of the County on July 22, 1977 and by

Major Use Permit No. P77-49 issue by said Planning Commission on July 22, 1977, as said Permits may be amended, modified or otherwise changed from time to time by said Planning Commission, the Board of Supervisors of the County and/or any other governmental body or agency (including public utilities) having jurisdiction.

Section 8.5 The Common Area of each project, other than the Condominium Buildings, shall be used for recreational, social and other purposes permitted or authorized by this Declaration. Any private streets, roads or driveways included within the Common Area shall be used only for vehicular and pedestrian traffic and for parking in designated parking areas, if any.

Section 8.6 With the exception of one or more chimneys and one or more vent stacks, no projections of any type shall be placed or permitted to remain above the roof of any Residential Dwelling, Condominium Building or any other building unless and until the same shall have been approved by the appropriate Architectural Committee. No outside television or radio pole or antenna or other electronic device shall be constructed, erected or maintained on any Residential Dwelling, Condominium Building, any other building within the Property or connected in such manner as to be visible from the outside of any such building unless and until the same shall have been approved by the appropriate Architectural Committee.

Section 8.7 No shed, tent or temporary building shall be erected, maintained or used within the Property; provided,

however, that temporary buildings for use and used only for purposes incidental to the construction of the Property may be erected, maintained and used, provided that such erection, maintenance and use has been approved by the appropriate Architectural Committee and provided further that said temporary buildings shall be promptly removed upon the completion of such construction work.

Section 8.8 When garages are not in use, garage doors shall be closed. Garages shall be used only for the purpose of parking automobiles and other vehicles and equipment and storing an Owner's household goods; provided, however, that all such uses shall be accomplished so that garage doors can be closed. No open carport, if any, shall be used for the storage of any item other than an automobile. The Association shall have the authority to adopt rules regulating all parking.

Section 8.9 No mobile home, boat, truck exceeding one ton, trailer, recreational vehicle of any kind or similar equipment shall be kept, stored, parked (other than temporarily), maintained, constructed or repaired, on the Property in such a manner as to be visible from any neighboring property; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs. Temporary parking shall mean parking of vehicles belonging to guests of Owners, delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services

to the Association or the Owners and parking of vehicles belonging to or being used by Owners for loading or unloading purposes.

Section 8.10 No privy shall be erected, maintained or used upon any portion of the Property, but a temporary privy may be permitted during the course of construction of a building, provided that such erection, maintenance or use has been approved by the appropriate Architectural Committee. Any lavatory, toilet or water closet which shall be erected, maintained or used upon any portion of the Property shall be enclosed and located within a building permitted under this Declaration to be erected within the Property, shall be properly conneted with the sewer system and shall be so constructed and operated that no offensive odor shall arise or otherwise escape therefrom.

Section 8.11 No animals, fowl, reptiles, insects or poultry shall be kept within the Property, except that domestic reptiles, dogs, cats, birds and fish may be kept as household pets upon said property, provided that they are not kept, bred or raised thereon for commercial purposes or in unreasonable quantities. All dogs permitted to be kept by this Section shall be kept on a leash within the Property when not within an enclosed area of a Lot or Unit.

Section 8.12 Except for a sign of customary and reasonable dimensions, the area of which shall not exceed four (4) square feet and advertising a Condominium or Lot for sale, lease or exchange, such sign to be located on such Lot or within the Unit of such Condominium, no sign or other

advertising device of any character shall be erected, maintained, or displayed upon any portion of the property; provided, however, that subject to the provision of Section 17.10 hereof, the Declarant, its agents and designees, may erect and maintain such signs and other advertising devices or structures as they may deem necessary or proper in connection with the conduct of the Declarant's operations for the development, improvement, subdivision and sale of the Condominiums and Lots within the Property. Declarant's rights pursuant to this section shall terminate on the third anniversary date of the issuance of the most recent public report for a phase of the Property.

Section 8.13 No weeds, rubbish, debris, objects or materials of any kind shall be placed or permitted to accumulate upon any portion of the Property which renders the Property unsanitary, unsightly, offensive or detrimental to any property in the vicinity thereof or to the occupants of any such property in such vicinity. Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. All service yards or service areas, clothesline areas, sanitary containers and storage piles on any portion of the Property shall be enclosed or fenced in such a manner that such yards, areas, containers and piles will not be visible from any neighboring property or street. Sanitary containers may be set out for a reasonable period of time before and after scheduled trash pick-up times.

Section 8.14 No plants or seeds infected with noxious insects or plant diseases shall be brought upon, grown or maintained upon any part of the Property.

Section 8.15 No noxious or offensive activity shall be carried on upon any part of the Property nor shall anything be done or maintained thereon which may be or become an annoyance

or nuisance to the neighborhood.

Section 8.16 All buildings and other structures upon the Property and each portion thereof shall at all times be maintained in good condition and repair and well and properly painted. No windows shall be covered, either inside or outside, with aluminum foil or any other similar material.

Section 8.17 No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any slope area or any other area within the Property which might damage or interfere with established slope ratios, create erosion or sliding problems, or interfere with established drainage systems or patterns. As used herein, the term "drainage pattern and system" includes, but is not necessarily limited to, underground drain pipes and patterns of drainage over Lots, Common Area, Recreation Area and Street Area. Any area drains, gutters, downspouts, berms, swales and other drainage facilities and systems not maintained by the Association shall be maintained by the Owner thereof in a neat, orderly, safe and sanitary condition and in such a manner as to facilitate the orderly discharge of water by means of same.

Section 8.18 All landscaping of every kind and character, including shrubs, trees, grass and other plantings shall be neatly trimmed, properly cultivated and maintained continuously by the Owner thereof, other than such landscaping, if any, within the Common Area and Recreation Area maintained by the Association, in a neat and orderly condition and in a manner to enhance its appearance.

Section 8.19 During reasonable hours and after not less than forty-eight (48) hours prior notice, the agents and designees of the Association shall have the right to enter upon and inspect any portion of the Property thereof and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be liable for or deemed guilty of trespass by reason thereof.

Section 8.20 Each Member shall be liable to the Association for any damage to the Common Area, Recreation Area, Street Area or any Maintenance Area under the Association's jurisdiction or to any of the equipment, furniture, furnishings or improvements thereon or therein which may be sustained by reason of the negligence or wilful misconduct of said Member or of his Family, relatives, guests or invitees, both minor and adult. The foregoing liability shall include, but not be limited to, paying an amount to the Association equal to any deductible under any insurance policy covering such damage within ten (10) days after receipt of a statement therefor from the Association.

Section 8.21 No portion of the Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbon minerals of any kind, gravel, earth or any earth substance or any other mineral of any kind. No machinery or equipment of any kind shall be placed, operated or maintained upon a project or Lot, except such machinery or equipment as is usual and customary in connection with the use or maintenance of a private residence.

Section 8.22 None of the restrictions contained within this Article shall limit or be deemed to limit the rights of Declarant provided for in Section 17.10.

Section 8.23 No structural alterations to the interior of any Unit shall be made, nor shall any plumbing, utility or electrical alteration within any bearing wall be made by any individual Owner of a Condominium without the prior written consent of the Condominium Architectural Committee.

Section 8.24 Subject to the terms and provisions of this Declaration, an Owner, at his sole cost and expense, may install Solar Equipment to service his Residential Dwelling or Unit, as the case may be, which Solar Equipment may, with respect to Condominiums, be installed on Common Area. The plans and specifications for such installation shall, with respect to any Solar Equipment to be installed on Common Area, require the approval of the Board in addition to the approval of the Condominium Architectural Committee.

Section 8.25 Each Owner of a Condominium shall, subject to the terms and provisions of this Declaration, including, but not limited to, those provisions pertaining to maintenance and repair by the Association and the Article hereof entitled "Architectural and Landscapign Control", and subject also to the terms and provisions of any Supplementary Declaration recorded in accordance with the terms and provisions of Article II:

(a) Maintain, repair, replace and restore the glass doors, if any, and windows (including window screens and cleaning the interior and exterior of the windows) enclosing

his Unit;

(b) Maintain, repair, replace and restore the plumbing, electrical, air conditioning (if any), cable television, utilities and heating systems servicing his Residential Element and located within or underneath the perimeter of the exterior bearing walls of said Residential Element, and all appliances and equipment located in said Residential Element including, without limitation, the damper and any other mechanical parts of the fireplace located therein;

(c) Maintain, repair, replace and restore Garage doors, including, without limitation, hinges, springs and other parts of the door mechanism (including, without limitation, all parts of any automatic Garage door opening and closing mechanism);

(d) Maintenance, repair, replace and restore all portions of his Unit, including, without limitation, the interior walls, ceilings, floors and doors of his Residential Element and Garage, and the floor and ground surfaces of his Patio in a clean, sanitary, neat, orderly and attractive condition;

(e) Maintain all plants and other growing things placed or located within the nonresidential elements of his Unit, and such plants or other growing things shall be permitted to encroach into or onto the Common Area;

(f) Maintain, repair and restore any drain located in his Garage in a neat, orderly, safe and sanitary condition and in such a manner as to facilitate the orderly discharge of

water by means of same;

(g) Maintain, repair, restore and replace all walls and fences which form the boundary of his Patio. The repair of any wall or fence separating the Patio elements of neighboring Condominiums shall be the joint responsibility of the Owners whose Condominiums are separated by such walls or fences, notwithstanding that such walls or fences may consist in part of Common Area. Such adjoining Owners shall share the expense of such repair equally, but if one such Owner refuses to join in such repair, the other may undertake such repair himself and his neighbor shall cooperate with such Owner and shall, within five (5) days after receipt of a bill therefor from such Owner setting forth such neighbor's share of the expense for such repairs, deliver to such Owner the amount set forth in such bill. In the event that such repair is required because of the acts or negligence of one of such adjoining Owners, or his Family, relatives, guests or invitees, such Owner at his sole expense as soon as reasonably possible after such acts or negligence and, in the event such Owner fails or refuses to effect such repair, his neighbor, upon ten (10) days' prior written notice, may do so and such Owner shall cooperate with such neighbor and all of the costs and expenses incurred by such neighbor shall be paid by such Owner to such neighbor within five (5) days after receipt of a bill therefor. Nothing contained in this subsection shall obligate any Owner to paint or maintain the surface of any such wall or fence except as such surface forms a portion of the boundary of his Patio;

(h) Maintain, repair, and restore any portion of any Solar Equipment which services such Owner's Residential Element. In the event that the Board shall determine that the Common Area or any Unit has been damaged by reason of a defect in or accident to any Solar Equipment, the Owner of the Condominium which is served by such Solar Equipment shall be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or the Condominium Architectural Committee shall from time to time adopt; and

(i) Maintain, below a height of eight (8) feet, those portions of the exterior surfaces of the Condominium Buildings forming a boundary of his Residential Element and Garage, which portions face each other and are separated by such Owner's Patio, as originally improved by the Declarant, or as may be further improved or modified with the consent of the Condominium Architectural Committee and the Board, in good condition and repair and in such a manner as to enhance their appearance and place such portions in an attractive, neat and orderly condition, including, without limitation, painting such portions.

(j) Maintain, repair, replace and restore all utility lines and systems located within such Owner's Patio, including, without limitation, all water, gas, electric and telephone lines. The foregoing obligation includes, but is not limited to, performing such maintenance, repair, replacement and/or restoration to such utility lines and systems as may be necessitated by the construction, installation, maintenance or alteration of any structure or

other improvement, including landscaping, to such Owner's Patio.

In the event such repair, maintenance, replacement or restoration is not so accomplished by any such Owner, the Association or its delegates shall have the right to effect such repair, maintenance, replacement or restoration (including, without limitation, the right to enter, at reasonable times, such Owner's Unit to effect such repair, maintenance, replacement or restoration) and the cost thereof shall be charged to the Owner of such Unit provided, however, that any such charge shall not be characterized as a special assessment which may become a lien against said Owner's unit.

ARTICLE IX

DUTIES AND POWERS OF THE ASSOCIATION

Section 9.1 General. In addition to the duties and power enumerated in its Articles and By-Laws, or elsewhere provided for in this Declaration, and without limiting the generalities thereof, the Association shall:

(a) Own, lease, maintain, control and otherwise manage, or cause to be managed, in a neat, safe, attractive, sanitary and orderly condition, the Recreation Area (including, without limitation, any natural areas, parks, cabanas, jacuzzies, badminton courts, par courses, pools, volleyball courts, playground equipment and pedestrian trails) and the Street Area (including, without limitation, all street lights located thereon) and all facilities, improvements, walls, fencing, buildings, utility facilities, parking area, drainage courses, patterns and systems and facilities and

landscaping thereon and thereunder, including (subject to the provisions of the Article hereof entitled "Destruction of Improvements") the reconstruction, repair or replacement thereof when necessary or appropriate, and all other real or personal property acquired by the Association.

(b) Maintain, control and otherwise manage, or cause to be managed, in a neat, safe, attractive, sanitary and orderly condition, the Common Area (including, without limitation, the exterior of all Condominium Buildings as further provided in subsection (k) below, any tot lot, playground equipment and private streets and driveways and all lights and lighting systems) of each project within the Property and all facilities, improvements, walls, fencing, buildings, fire hydrants, utility facilities, parking areas, drainage courses, patterns and systems and landscaping thereon and thereunder unless the maintenance, repair, replacement, restoration and/or management thereof is otherwise specifically provided for in this Declaration, including (subject to the provisions of the Article hereof entitled "Destruction of Improvements") the reconstruction, repair or replacement thereof when necessary or appropriate.

(c) Subject to the provisions of the Article hereof entitled "Insurance", maintain such policy or policies of insurance as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.

(d) Establish and maintain a working capital and contingency fund in an amount to be determined by the Board.

(e) Enforce the provisions of this Declaration by appropriate means, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, and the promulgation of the Association Rules by the Association.

(f) Maintain, or cause to be maintained, such Maintenance Areas as may be established from time to time by any Supplementary Declaration of Covenants, Conditions and Restrictions recorded in accordance with Article II or by contract between the Association and the Declarant or any public entity.

(g) Pay any real and personal property taxes, assessments, and other charges assessed against the Common Area, Recreation Area or Street Area, or some portion thereof, unless separately assessed to the Owners.

(h) Obtain, for the benefit of all of the Common Area, all telephone, water, gas and electric services and refuse collections, unless such services are separately charged to the Owners.

(i) Obtain, for the benefit of all of the Recreation Area, all telephone, water, gas and electric services and refuse collections.

(j) Subject to the limitations of Sections 4.3(d), 4.5(b)(iii) and 4.6(e), grant easements where necessary for utilities and sewer facilities over the Recreation Area, Street Area and Common Area, respectively, to serve the Property.

(k) Except as otherwise provided in Section 8.25(i),

maintain, or cause to be maintained, the exteriors of all Condominium Buildings as originally improved by the Declarant, or as may be further improved or modified with the consent of the Association and the Board, in good condition and repair and in such a manner as to enhance their appearance and place such exteriors in an attractive, neat and orderly condition, which maintenance shall include, but shall not be limited to, painting and repair and replacement of roofs, gutters, downspouts and exterior building surfaces.

(l) Maintain, or cause to be maintained, those portions of the Common Area dedicated to the County as "clear space" easements on Tract Map No. 3625-1, filed in the Office of the County Recorder on January 10, 1979, in accordance with the terms and provisions of said dedications and to conform to the inter-sectional sight distance criteria as provided by the American Association of State Highway Officials in the publication "Geometric Design for Local Roads and Streets-1971", as such criteria may be revised and approved by the County Department of Transportation or such other governmental body or agency as may, from time to time, have jurisdiction.

(m) The repair and maintenance obligations of the Association shall specifically exclude all Solar Equipment which is located in or on Common Area.

Section 9.2 Use of Agent and Duration of Contracts. The Board may employ a manager or other persons and may contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the

Association. Any agreement for professional management or any contract providing for services by the Declarant must provide for termination by either party without cause and without payment of a termination fee upon ninety (90) days' or less written notice thereof. Any such agreement or contract, and any other contract (except prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration where the policy permits short term cancellation by the insured) with a third person wherein the third person is to furnish goods or services for the Common Area, Recreation Area, Street Area or the Association, shall be limited to a duration of one (1) year; provided, however, that such contracts may be renewable for successive one-year periods with the approval for each such period, by vote or written consent of Members entitled to exercise not less than a majority of the voting power of each class of membership of the Association.

Section 9.3 Association Rules. The Association shall have the power, as provided in its By-Laws, to adopt, amend and repeal Association Rules. The Association Rules shall govern such matters in furtherance of the purposes of the Association as the Board shall deem appropriate, including, without limitation, the use and enjoyment of the Common Area, Recreation Area and facilities thereon and therein, if any; provided, however, that the Association Rules may not discriminate among Members and shall not be inconsistent with this Declaration, the Articles or By-Laws. A copy of the Association Rules, as they may from time to time be adopted,

amended or repealed shall be mailed or otherwise delivered to each Owner and a copy shall be posted in a conspicuous place within the Recreation Area. Upon such mailing or delivery and posting, the Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of any conflict between any such Articles or the By-Laws, the provisions of the Association Rules shall be deemed to be superseded by such other provisions to the extent of any such inconsistency.

Section 9.4 Entry and Emergency Powers. The Association or any person authorized by the Association may enter any Condominium or Lot in the event of any emergency involving illness or potential danger to life or property, or in nonemergency situations, after reasonable notice and at reasonable hours, for the purpose of performing its duties and exercising its powers as set forth in this Declaration (including entry when necessary in connection with construction, maintenance, or repair for the benefit of the Common Area, Recreation Area, Street Area or the Owners in common). Any damage caused by said entry shall be repaired at the cost of the Association.

Section 9.5 Sales of Association Property. No property of the Association shall, during any fiscal year, be sold which has an aggregate fair market value greater than five percent (5%) of the aggregate budgeted Common and Condominium Common Expenses for such fiscal year without the vote or written consent of a majority of each class of Members.

Section 9.6 Enforcement of Bonded Obligations. In the

event any Common Area, Recreation Area or Street Area improvements included within any portion of the Property have not been completed prior to the issuance under the California Real Estate Law of the final subdivision public report covering such portion and the Association is the obligee under a bond or other arrangement ("Bond") to secure the performance of the commitment of the Declarant to complete such improvements, the following actions shall be taken:

(a) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvement within the Common Area, Recreation Area or Street Area for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for that improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area, Recreation Area or Street Area improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of the extension.

(b) A special meeting of the Members may be held for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Bond or on the failure of the Board to consider and vote on the question. Declarant shall not vote at any such meeting. Such meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a

) petition for such a meeting signed by Members representing a percentage, to be prescribed by the Board, of not less than five percent (5%) nor more than ten percent (10%) of the total voting power of the Association.

(c) A vote of a majority of the voting power of the Association residing in Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE X

EASEMENTS

) Section 10.1 Encroachments. Declarant shall grant to each Owner an easement over all adjoining property (including Units, Lots, Recreation Area, Street Area and Common Area) for the purpose of:

(a) Accommodating trellises, eaves, overhangs, balconies and other similar projections created during the original construction of the Property or the reconstruction or repair of a Condominium Building or Residential Dwelling in accordance with plans and specifications approved by the appropriate Architectural Committee;

(b) Accommodating minor encroachments due to original engineering or surveying errors, errors in original construction, errors in reconstruction or repair in accordance with the plans and specifications approved by the appropriate Architectural Committee, or settlement or shifting or movement of a building or other structure; and

(c) Maintaining, repairing and reconstructing such trellises, eaves, overhangs, balconies, projections and encroachments.

Each Owner agrees, for himself and his heirs, successors, executors, administrators and assigns, and the Association agrees, for itself and its successors and assigns, that each will permit free access, at reasonable times and upon reasonable notice, by each Owner for whose benefit an easement shall be granted hereunder for the purpose of exercising his rights with respect to such maintenance, repair and/or construction.

Section 10.2 Maintenance Area, Recreation Area, Street Area and Common Area. The Association is hereby declared to have a license in favor of the Association, its agents and representatives, to traverse upon such property contiguous to Common Area, Recreation Area, Street Area or any Maintenance Area as shall be necessary to gain access to such areas. Each Owner agrees, for himself and his heirs, successors, executors, administrators and assigns, that he will permit free access by the Association and its authorized agents and representatives for the purpose of exercising its rights and duties with respect to Common Area, Recreation Area, Street Area and any Maintenance Areas.

Section 10.3 Ingress, Egress and Recreational Rights. Declarant hereby reserves to itself, its successors and assigns, and agrees that it will grant to all Owners of Condominiums, a nonexclusive easement for access, ingress and egress, pedestrian walkway, street, driveway and general

) recreational purposes (as such purposes may be designated in any such grant), over and upon the Common Area. Such easements shall be subject to the rights of the Association as set forth in Article IV.

ARTICLE XI

RESERVATION OF EASEMENTS BY DECLARANT

Section 11.1 Utilities. Easements over the Property for the installation, maintenance, service, repair, reconstruction and replacement of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities shown on the recorded tract map or maps and parcel map or maps of the Property are hereby reserved by the Declarant, together with the right to grant and transfer the same.

) Section 11.2 Common Area, Recreation Area and Street Area. There is hereby reserved by the Declarant, including, without limitation, its sales agents and representatives and prospective purchasers of Condominiums and Lots, together with the right in the Declarant to grant and transfer the same, over the Common Area, Recreation Area and Street Area as the same may from time to time exist, easements for construction, display, sales offices and incidental parking and exhibit purposes in connection with the construction, development and sale of Condominiums and Lots within the Property and for such other purposes and subject to such limitations as may be provided in Section 17.10; provided, however, that such use by the Declarant and others shall not unreasonably interfere with the reasonable use and enjoyment of the Common Area, Recreation Area or Street Area by the Members entitled to such

use and enjoyment.

Section 11.3 Discharge of Rights and Obligations. There is hereby reserved by the Declarant, together with the right to grant and transfer the same, easements over the property for the purpose of permitting the Association, the Board, the Architectural Committees, the Declarant, Owners and others to exercise their rights and discharge their obligations as described in this Declaration.

ARTICLE XII

INSURANCE

Section 12.1 Types. The Association shall obtain and continue in effect in its own name, for the benefit of the Owners, the following types of insurance:

(a) A comprehensive policy of public liability insurance insuring the Association, its agents and employees and the Owners against any liability incident to the ownership and use of the Common Area, Recreation Area and Street Area and including, if obtainable, a "severability of interest" endorsement which shall preclude the insurer from denying coverage because of negligent acts of the Association, the Board or other Owners. The limits of such insurance shall not be less than Five Hundred Thousand Dollars (\$500,000.00) for death of or injury to any one person in any one occurrence, Five Hundred Thousand Dollars (\$500,000.00) for death or injury to more than one person in any one occurrence, and Five Hundred Thousand Dollars (\$500,000.00) for property damage in any one occurrence. Such insurance shall include, but not be limited to, protection against water damage liability, liability for

nonowned and hired automobiles, liability for property of others and such other risks as shall customarily be covered with respect to similar developments in the area of the Property.

(b) A master or blanket policy of fire and casualty insurance with extended coverage endorsed for not less than one hundred percent (100%) of the current replacement cost, without deduction for depreciation, of all of the Condominium Buildings, including Units and all other improvements to the Common Area (but not including "tenant improvements" constructed or installed within Units by Owners or other occupants, as referred to in Section 12.8) and the Recreation Area and the Street Area and all improvements thereto (including all building service equipment and the like), and the landscaping, facilities and improvements upon any Maintenance Area required to be maintained by the Association, with an "agreed amount endorsement" or its equivalent and clauses waiving subrogation against Members and the Association and persons upon the Property with the permission of a Member. Such insurance shall afford protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, including, without limitation, loss or damage caused by sprinklet leakage, vandalism, malicious mischief, windstorm, water damage and covering the cost of demolition and debris removal and such other risks as shall customarily be covered with respect to similar developments in the area of the Property.

(c) Fidelity coverage against dishonest acts on the

part of directors, officers, employees, volunteers, trustees, managers or any other persons who handle the funds of the Association. Such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 12.2 Waiver By Members. As to each of said policies, which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of, or breach of any agreement by, said persons, but only to the extent of insurance proceeds received in compensation for such loss.

Section 12.3 Other Insurance; Annual Review. The Association may purchase such other insurance as it may deem necessary, including, but not limited to, plate-glass, workers' compensation, officers' and directors' liability, and errors and omissions insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Common Area, Recreation Area and Street Area and other area referenced herein in light of increased construction costs, inflation, practice in the area in which the Property is located, or any

other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 12.4 Premiums, Proceeds and Settlement.

Insurance premiums for any insurance coverage obtained by the Association pursuant to this Article shall be a Common Expense to be included in the Association Regular Assessments levied by the Association; provided, however, all premiums for insurance obtained pursuant to Sections 12.1(a) and 12.1(b) with respect to the Street Area shall be included within the Street Assessments levied by the Association and all premiums for insurance obtained pursuant to Section 12.1(a) and 12.1(b) with respect to the ownership or use of the Common Area or with respect to the Condominium Buildings, Units and other improvements to the Common Area shall be Condominium Common Expenses to be included in the Condominium Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article entitled "Destruction of Improvements" in this Declaration. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such

signatures shall be binding on the Association and the Members.

Section 12.5 Abandonment of Replacement Cost Insurance.

Unless at least two-thirds (2/3) of the First Beneficiaries (based on one (1) vote for each first deed of trust owned) or Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost) of the property insured.

Section 12.6 Requirements of FHLMC. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects and planned unit developments established by the Federal Home Loan Mortgage Corporation, so long as it is a First Beneficiary or Owner within the Property except to the extent such coverage is not available or has been waived in writing by the foregoing entity.

Section 12.7 Individual Casualty Insurance Prohibited.

Except as expressly provided in Section 12.8, no Owner of a Condominium shall separately insure his Condominium against loss by fire or other casualty covered by any insurance carried under Section 12.1. Should any Owner of a Condominium violate this provision, and should any loss intended to be

covered by insurance carried by the Association occur, and should the proceeds payable thereunder be reduced by reason of insurance carried by any Owner of a Condominium, such Owner shall assign the proceeds of such insurance carried by him, to the extent of such reduction, to the Board for application by the Board to the same purposes as the reduced proceeds are to be applied. In the event that such Owner has failed to pay such amount within thirty (30) days of a written demand therefor by the Association, the Board may levy a Special Assessment against such Owner and his Condominium for such amount. In the event such Special Assessment is not paid within thirty (30) days of its due date, the Board may effect the remedies of Article VI.

Section 12.8 Rights of Owners to Insure.

Notwithstanding the other provisions of this Article, an Owner of a Condominium shall be permitted to insure his personal property against loss by fire or other casualty and may carry public liability insurance covering his individual liability for damage to persons or property occurring inside his individual Unit. In addition, any improvements made by an Owner to his Unit, or by previous Owners or other occupants, may be separately insured by such Owner, provided such insurance shall be limited to the type and nature of coverage commonly known as "tenant's improvements" coverage. All such policies as may be carried by the Owners of Condominiums shall contain waivers of subrogation of claims against the Association, the Board, the Declarant and the agents and employees of each of the foregoing, with respect to any loss

covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only; provided, however, such other policies shall not adversely affect or diminish any coverage under any insurance obtained by the Association, and duplicate copies of certificates of such other policies shall be deposited with the Board. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by an Owner of a Condominium, such Owner shall pay to the Board, an amount equal to such reduction. In the event that such Owner has failed to pay such amount within thirty (30) days of a written demand therefor by the Association, the Board may levy a Special Assessment against such Owner and his Condominium for such amount. In the event such Special Assessment is not paid within thirty (30) days of its due date, the Board may effect the remedies of Article VI.

Section 12.9 Required Waiver. All policies of physical damage insurance obtained by the Association shall provide for waiver of the following rights to the extent such waivers are obtainable from the respective insurers:

(a) Subrogation of claims against the tenants of the Owners;

(b) Any defense based on co-insurance;

(c) Any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;

(d) Any invalidity, other adverse affect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any named insured or the respective agents, contractors or employees of any insured;

(e) Any right of the insurer to repair, rebuild or replace and, in the event any improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance policy the lesser of the replacement value of the improvements insured or the fair market value thereof;

(f) Notice of the assignment by any Owner of his interest in the insurance by virtue of a conveyance of any Condominium or Lot; and

(g) Any right to require any assignment of any deed of trust to the insurer.

Section 12.10 Notice of Cancellation, Amendment and Mortgagee Clause. Any policy of insurance described in this Article and obtained by the Association shall provide that such policy shall not be cancelled or materially amended or modified, nor shall the coverage thereof be reduced, without thirty (30) days' prior written notice to the Board, the Declarant (so long as Declarant is the Owner of a Condominium or Lot), and the Owners (provided that such Owners have filed written requests with the insurance carrier for such notice). All policies of hazard insurance for the Condominium Buildings, Units and other improvements to the Common Area shall contain or have attached thereto the standard mortgagee clause commonly accepted by private institutional mortgage

investors in the area of the Property. The mortgagee clause must provide that the insurance carrier shall notify the First Beneficiary (or trustee) named at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

Section 12.11 Insurance for Solar Equipment. The Board shall determine whether the premium for any policy of insurance maintained by the Association is more expensive because of the existence within any project of Solar Equipment. If so, the Board shall levy a Special Assessment against each Owner of a Condominium in such project whose Condominium is served by Solar Equipment in an amount equal to such increased premium divided by the number of Owners whose Condominiums are served by Solar Equipment.

Section 12.12 Indemnity for Solar Equipment. To the extent that any damage or injury to person or property arising out of Solar Equipment is not covered by insurance, the Owner of the Condominium or Residential Dwelling, as the case may be, which is served by such Solar Equipment shall indemnify and hold the Association and all other Owners, and the Families, guests, employees, agents and invitees thereof, entirely free and harmless from such damage or injury.

ARTICLE XIII

DESTRUCTION OF IMPROVEMENTS

Section 13.1 Destructions; Proceeds Exceed 85% of Reconstruction Costs. If there is a total or partial destruction of any Condominium Building or any portion of the Condominium Common Area and if the applicable proceeds of the

insurance are sufficient to cover not less than Eighty-Five percent (85%) of the cost of repair and reconstruction, the improvement shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, Members then holding at least Seventy-Five percent (75%) of the total voting power of each class of Members who are Owners of Condominiums and those Members only, determine that such repair and reconstruction shall not take place. If repair and reconstruction are to take place, the Board shall be required to execute, acknowledge and record in the Office of the San Diego County Recorder, not later than One Hundred Twenty (120) days from the date of such destruction a certificate declaring the intention of the Members to rebuild.

Section 13.2 Destruction; Proceeds Less Than 85% of Reconstruction Costs. If the proceeds of insurance are less than Eighty-Five percent (85%) of the costs of repair and reconstruction, the repair and reconstruction may nevertheless take place if, within ninety (90) days from the date of destruction, Members then holding at least Sixty-Six and Two-Thirds percent (66-2/3%) of the total voting power of each class of Members or owners of Condominiums and only such Members, determine that such repair and reconstruction shall take place. The Board shall be required to execute, acknowledge and record in the Office of the San Diego County Recorder, not later than One Hundred Twenty (120) days from the date of such destruction, a certificate declaring the

intention of the Members to rebuild.

Section 13.3 New Building Procedures. If the Members determine to rebuild, pursuant to Section 13.1 or 13.2, the Owner of each Unit located within a structure that has been totally or partially destroyed shall be obligated to contribute his proportionate share of the cost of reconstruction or restoration of the structure contained in his Unit, over and above the available insurance proceeds. All Owners of Condominiums shall contribute and be assessed their proportionate share of the cost of reconstruction or restoration of any portion of the Condominium Common Area not comprised in the structure within which a Unit is located. The proportionate share of each Owner shall be the ratio of the square footage of the floor area of each Unit to be assessed to the total square footage of the floor area of all Units to be assessed. If any Owner fails or refuses to pay his proportionate share, the Board may levy a special assessment against the Condominium of such Owner which may be enforced under the lien provisions contained in Articles V and VI hereof or in any other manner provided in this Declaration. If any Owner disputes the amount of his proportionate liability under this Section, such Owner may contest the amount of his liability by submitting to the Board, within ten (10) days after notice to the Owner of his share of liability, written objections supported by the cost estimates or other information that the Owner deems to be material and may request a hearing before the Board at which he may be represented by counsel. Following such hearing, the Board

shall give written notice of his decision to all Owners including any recommendation that adjustments be made with respect to the liability of any Owner. If such adjustments are recommended, the Board shall schedule a special meeting of Members for the purpose of acting on the Board's recommendation, including making further adjustments, if deemed by Members to be necessary or appropriate. All adjustments shall be affirmed or modified by a majority of the total voting power of each class of Members who are Owners of Condominiums. If no adjustments are recommended by the Board, the decision of the Board shall be final and binding on all Owners, including any Owner filing objections.

Section 13.4 Rebuilding Contract. If the Members determine to rebuild, the Board's authorized representative shall obtain bids from at least two reputable contractors and shall award the repair and reconstruction work to the lowest bidder. The Board shall have the opportunity to enter into a written contract with the contractor for such repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

Section 13.5 Rebuilding Not Authorized. If the Members determine not to rebuild, then, subject to the respective rights of mortgagees, any insurance proceeds then available for such rebuilding shall be distributed to the Owner of each

Condominium according to the respective fair market value of each Unit at the time of destruction as determined by an independent appraisal. The governing Board of the Association shall appoint an independent appraiser to determine the fair market value of the Units affected as of the date of destruction. The proceeds of said insurance shall then be distributed to affected Owners and their mortgagees in proportion to the values so determined. All costs incurred for said appraisal are to be paid by the Association from the insurance proceeds before the same are distributed.

Section 13.6 Minor Repair and Reconstruction. In any case, the Board will have the duty to repair and reconstruct improvements, without the consent of Members and irrespective of the amount of available insurance proceeds, and in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Forty Thousand Dollars (\$40,000.00). The Board is expressly empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are available, such assessment to be levied as described in Section 13.3 (but without the consent or approval of Members despite any contrary provision) in this Declaration.

Section 13.7 Revival of Right of Partition. In the event a Certificate of Intention to Reconstruct is not recorded pursuant to Section 13.1 or 13.2 hereof, the right of any Owner to partition through legal action is described in Article XVI hereof shall revive immediately.

Section 13.8 Amendment of Condominium Plan. In the

event that reconstruction is to take place pursuant to Section 13.1 or 13.2, the Board shall have the power to record an Amendment to the Condominium Plan of the project so that the Condominium Plan conforms to the Condominium Buildings as designated to be reconstructed; provided, however, the Board shall not file an Amendment to the Condominium Plan without the prior authorization of the Beneficiary of a deed of trust encumbering any Condominium, the plan of which Condominium will be altered by such Amendment. In the event that the Board, together with said beneficiaries, if appropriate, decide to record such Amendment to the Condominium Plan, all owners whose Units would be affected by the Amendment to the Plan and the Beneficiaries of deeds of trust encumbering said Units shall execute and acknowledge said Amendment so that it will comply with Section 1351 of the California Civil Code or any similar statute then in effect. Said owners and Beneficiaries shall execute such other documents or take such other actions as required to make such Amendment effective. Notwithstanding any term of this Section, so long as the Federal Home Loan Mortgage Corporation is an Owner of a Condominium covered by said Condominium Plan or a first beneficiary under a deed of trust encumbering such Condominium, no such Amendment may be made unless at least two-thirds (2/3) of the First Beneficiaries under deeds of trust encumbering Condominiums which will be affected by such Amendment have given their prior written approval to said Amendment and at least two-thirds (2/3) of the Owners of the individual Condominiums to be affected by said Amendment have

given their prior approval to said Amendment. The foregoing requirement may be waived in writing by the Federal Home Loan Mortgage Corporation.

Section 13.9 Destruction of Recreation Area. In the event of partial or total destruction of the Recreation Area (including any improvements thereon), it shall be the duty of the Association, subject to the terms and provisions of this Section, to restore and repair the same to their former condition as promptly as is practical and in a lawful and workmanlike manner. The proceeds of any insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of beneficiaries of deeds of trust whose interests may be protected by said policies. The Recreation Area shall be restored and repaired unless the Owners, by vote at a meeting or by written consent, of not less than sixty-six and two-thirds percent (66-2/3%) of such Owners based on one (1) vote for each Lot or Condominium, determine not to proceed with the restoration and repair. If restoration and repair is so to proceed, the Board shall levy a uniform Reconstruction Assessment against each Owner at such time and in such amount as the Board shall determine is necessary to cover the costs of restoration and repair in excess of insurance proceeds. In the event of a determination not to replace or restore the Recreation Area, the Recreation Area shall be cleared and landscaped for community park use; provided, however, that there shall exist in such Recreation Area adequate vehicular and pedestrian rights-of-way for the Owners to insure legal access thereto, and the costs thereof

shall be paid for with the insurance proceeds, and any deficiency may be raised by the levy of uniform Reconstruction Assessments in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board shall retain such sums in the general funds of the Association for the benefit of the Owners. Notwithstanding anything to the contrary contained in this Section, the distribution of any insurance proceeds for any damage or destruction to the Recreation Area shall be subject to the prior rights of beneficiaries under deeds of trust.

Section 13.10 Destruction of Street Area. In the event of partial or total destruction of the Street Area (including any improvements thereon), it shall be the duty of the Association to restore and repair the same to their former condition as promptly as is practical and in a lawful and workmanlike manner. The proceeds of any insurance maintained pursuant to this Declaration shall be used for such purpose, subject to the prior rights of beneficiaries of deeds of trust whose interests may be protected by said policies. In the event that the proceeds of such insurance are less than the amount necessary to accomplish such restoration and repair, the Board shall levy a uniform Reconstruction Assessment against the Owners of Lots to provide the additional necessary funds for such restoration and repair.

ARTICLE XIV

EMINENT DOMAIN

Section 14.1 Definition of Taking. The term "taking" as used in this Article (other than Sections 14.9 and 14.10)

shall mean condemnation by eminent domain, or sale under threat thereof, of all or part of any project within the Property.

Section 14.2 Representation by Board in Condemnation Proceeding Involving Projects. In the event of a taking involving a project, the Board shall, subject to the right of all beneficiaries who have requested the right to join the Board in the proceedings, represent all of the affected Owners of Condominiums in such project in an action to recover all awards. No Owner shall challenge the good faith exercise of the discretion of the Board in fulfilling its duties under this Article. The Board is further empowered, subject to the limitations herein, to act as the sole representative of the Owners, in all aspects of condemnation proceedings not specifically covered herein.

Section 14.3 Procedure on Taking Involving Projects. In the event of a taking involving a project, the Board shall distribute the award forthcoming from the taking authority according to the provisions of this Section after deducting therefrom fees and expenses related to the condemnation proceeding including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners of Condominiums affected by such taking and their respective beneficiaries, the Board shall distribute the amount remaining after such deductions among such Owners and beneficiaries on the allocation basis set forth in such judgment. In the event that the taking is by

sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Board shall distribute the award among the Owners of Condominiums in the project in which the taking occurs and their respective beneficiaries, as their interests may appear, based upon the relative values of the Condominiums affected by such taking as determined by: (i) the appraised value of each Condominium prior to the taking as determined by a qualified real estate appraiser hired by the Board at the expense of the Association (such appraisal to be treated by the Association as a Condominium Common Expense) and (ii) the degree to which each Condominium has been affected by the taking as determined by such appraiser. The determination by such appraiser as the value of each Condominium prior to the taking and the degree each Condominium has been affected by the taking shall be final and binding on all Owners and beneficiaries. Nothing contained herein shall entitle an Owner to priority over a beneficiary of his Condominium as to the portion of the condemnation award allocated to his Condominium. In no event shall any portion of such award be distributed by the Board to an Owner and/or the beneficiaries of his Condominium in a total amount greater than the portion allocated hereunder to such Condominium.

Section 14.4 Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 14.5 Revival of Right to Partition. Upon a

taking which renders more than fifty percent (50%) of the Condominiums in any project incapable of being restored to at least ninety-five percent (95%) of their floor area and substantially their condition prior to the taking, the right of any Owner within such project to partition through legal action as described in the Article hereof entitled "Limitations Upon the Right to Partition and Severance" shall forthwith revive. The determination as to whether Condominiums partially taken are capable of being so restored shall be made by the Board, whose decision shall be final and binding on all Owners and beneficiaries.

Section 14.6 Awards for Members' Personal Property and Relocation Allowances. Where all or part of a project is taken, each Member shall have the exclusive right to claim all of the award made for his personal property, and any relocation, moving expenses, or other allowance of a similar nature designed to facilitate relocation. Notwithstanding the foregoing provisions, the Board shall represent each Member in an action to recover all awards with respect to such portion, if any, of Member's personal property as is at the time of any taking, as a matter of law, part of the real property comprising any Condominium, and shall allocate to such Member so much of any award as is attributed in the taking proceedings, or failing such attribution, attributed by the Board, to such portion of Members' personal property.

Section 14.7 Notice to Members. The Board, immediately upon having knowledge of any taking or threat thereof with respect to a project or any portion thereof, shall promptly

notify all affected Members.

Section 14.8 Change of Condominium Interest. In the event of a taking, the Board may amend the Condominium Plan or Condominium Plans of the project or projects affected by the taking to reflect the change in such project or projects. In the event that the Board decides to record such amendment to such Condominium Plan or Plans, all Owners within such project or projects and the beneficiaries of deeds of trust encumbering property in such project or projects shall execute and acknowledge said amendment so that it will comply with Section 1351 of the California Civil Code or any similar statute then in effect. Said Owners and beneficiaries shall also execute such other documents or take such other actions as are required to make such amendment effective. The Board shall cause a notice of change in such Condominium Plan or Plans to be sent to each Owner and beneficiary in such project or projects within ten (10) days of the filing of such amendments in the County Recorder's Office. Notwithstanding anything in this Section to the contrary, so long as the Federal Home Loan Mortgage Corporation is an Owner of a Condominium covered by any such Condominium Plan or a First Beneficiary under a deed of trust encumbering any such Condominium, no such amendment may be made to such Condominium Plan unless one of the following shall first occur;

(a) At least two-thirds (2/3) of the First Beneficiaries under deeds of trust encumbering Condominiums in the project covered by such Condominium Plan (based upon one vote for each first deed of trust owned) have given their

prior written approval to said amendment;

(b) At least two-thirds (2/3) of the Owners (other than Declarant) of the individual Condominiums covered by such Condominium Plan have given their prior written approval to said amendment covered by such Condominium Plan; or

(c) The requirements of either (a) or (b) above have been waived in writing by the Federal Home Loan Mortgage Corporation.

Section 14.9 Recreation Area. The term "taking" as used in this Section shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Recreation Area, the Members of the Association hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Subject to the prior rights of beneficiaries of deeds of trust, if any, any awards received on account of the taking shall be paid to the Association for the benefit of the Members. In the event of taking of less than all of the Recreation Area, the rules as to restoration and replacement of the Recreation Area and the improvements thereon shall apply as in the case of destruction of the Recreation Area as provided in Section 13.9. In the event of a total taking, the Board shall retain any award in the general funds of the Association for the benefit of the

Members.

Section 14.10 Street Area. The term "taking" as used in this Section shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Street Area, the Members of the Association hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Subject to the prior rights of beneficiaries of deeds of trust, if any, any awards received on account of the taking shall be paid to the Association for the benefit of the Members who own Lots. In the event of a taking of less than all of the Street Area, the rules as to restoration and replacement of the Street Area and the improvements thereon shall apply as in the case of the destruction of the Street Area as provided in Section 13.10. In the event of a total taking, the Board shall retain any award in the general funds of the Association for the benefit of Members who own Lots.

ARTICLE XV

RIGHTS OF LENDERS

Section 15.1 Filing Notice; Notices and Approvals. A beneficiary shall not be entitled to receive any notice which this Declaration requires the Association to deliver to beneficiaries unless and until such beneficiary, or its mortgage servicing contractor, has delivered to the Board a

written notice stating that such beneficiary is the holder of a deed of trust encumbering a Condominium or Lot within the Property. Such notice shall state whether such beneficiary is a First Beneficiary. Wherever the approval of all or a specified percentage of beneficiaries is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage of only those beneficiaries which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a beneficiary under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a beneficiary must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a beneficiary's rights pursuant to this Declaration, including, without limitation, the priority of the lien of such beneficiary's deed of trust over the lien of Assessments levied by the Association hereunder, shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a beneficiary shall remain effective without any further action by such beneficiary for so long as the facts set forth in such notice or request remain unchanged.

Section 15.2 Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions herein contained nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any

deed of trust made in good faith and for value encumbering any Condominium or Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Condominium or Lot.

Section 15.3 Curing Defaults. A beneficiary, or the immediate transferee of such beneficiary, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all beneficiaries.

Section 15.4 Relationship with Assessment Liens.

(a) The lien provided for in the Article hereof entitled "Non-Payment of Assessments" for the non-payment of Assessments shall be subordinate to the lien of any first deed of trust which was recorded prior to the date any such Assessment becomes due.

(b) If any Condominium or Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a deed of trust, the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such deed of trust and the foreclosure of the deed of trust or sale under a power of sale included in such deed of trust (such events being hereinbelow referred to as "Events of Foreclosure") shall not operate to

affect or impair the lien hereof.

(c) Any first beneficiary who obtains title to a Condominium or Lot pursuant to a judicial foreclosure or the exercise of the power of sale will not be liable for such Condominium's or Lot's unpaid Assessments which accrue prior to the acquisition of title to such Condominium or Lot by such beneficiary or purchaser, provided however, that a transfer as a result of a foreclosure or exercise of a power of sale shall not relieve the new owner, whether it be the former beneficiary of the first encumbrance or another person, from liability for any assessments thereafter becoming due or from the lien thereof.

(d) Nothing in this Section shall be construed to release any Owner from his obligation to pay any Assessment levied pursuant to this Declaration.

Section 15.5 Two-Thirds Vote of First Beneficiaries Or Owners Condominiums. Except as provided by statute in case of condemnation or substantial loss to the Units or Common Area, unless at least two-thirds (2/3) of the First Beneficiaries under deeds of trust encumbering Condominiums (based upon one vote for each first deed of trust owned), or Owners (other than Declarant) of the individual Condominiums have given their prior written approval, the Association shall not be entitled to do any of the following:

(a) By act or omission seek to abandon or terminate any project, or any part thereof.

(b) Change the pro rata interest or obligations of

any individual Condominium for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Condominium in the Common Area.

(c) Partition or subdivide a Unit or any elements thereof.

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Area shall not require such approval. This provision shall not restrict or otherwise prohibit an Owner from selling or encumbering his Condominium.

(e) Use hazard insurance proceeds for losses to any project (whether to Units or to Common Area) for other than the repair, replacement or reconstruction of such project.

Section 15.6 Two-Thirds Vote of First Beneficiaries or Owners--Lots. Unless at least two-thirds (2/3) of the First Beneficiaries under deeds of trust encumbering Lots (based upon one (1) vote for each first deed of trust owned), or Owners (other than Declarant) of the individual Lots have given their prior written approval, the Association shall not be entitled to do any of the following:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell, alienate or transfer the Street Area or any other property owned, directly or indirectly, by

the Association for the benefit of the Owners of Lots; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Street Area shall not require such approval.

(b) Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner of a Lot.

(c) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residential Dwellings, the exterior maintenance of Residential Dwellings, the maintenance of any common party walks or any common fences and driveways located within the R-1 Property or the Street Area, or the upkeep of lawns and plantings within the R-1 Property or the Street Area.

(d) Use hazard insurance proceeds for losses to Street Area for other than the repair, replacement or reconstruction of such Street Area.

Section 15.7 Two-Thirds Vote of First Beneficiaries or Owners--Lots and Condominiums. Unless at least two-thirds (2/3) of the First Beneficiaries (based upon one vote for each first deed of trust owned), or Owners (other than Declarant) have given their prior written approval, the Association shall not be entitled to do any of the following:

(a) Amend the following provisions of this Declaration: (i) the provisions of this Article, (ii) the provisions of the Article hereof entitled "Insurance", (iii)

any other rights granted specifically to beneficiaries pursuant to any other provisions of this Declaration, or (iv) any provision of this Declaration which is a requirement of the Federal Home Loan Mortgage Corporation.

(b) Effectuate any decision to terminate professional management and assume self-management of the Property.

(c) By act or omission change, waive, or abandon any scheme of regulations, or enforcement thereof, pertaining to the maintenance of any common party walks or any common fences and driveways located within the Recreation Area or the upkeep of lawns and plantings within the Recreation Area.

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell, alienate or transfer the Recreation Area or any other property owned, directly or indirectly, by the Association for the benefit of the Owners; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of the Recreation Area shall not require such approval.

(e) Use hazard insurance proceeds for losses to Recreation Area for other than the repair, replacement or reconstruction of such Recreation Area.

Section 15.8 Other Rights of First Beneficiaries. Any First Beneficiary shall, upon written request to the Association, be entitled to:

(a) Inspect the books and records of the Association during normal business hours; and

(b) Receive the annual audited financial statements

of the Association within one hundred twenty (120) days following the end of the Association's fiscal year; and

(c) Receive written notice of all annual and special meetings of the Members or of the Board, and First Beneficiaries shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give a First Beneficiary the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting.

Section 15.9 Beneficiaries Furnishing Information.

Beneficiaries are hereby authorized to furnish information to the Board concerning the status of any loan encumbering a Condominium or Lot.

Section 15.10 Notice to First Beneficiaries of Owner Default. Any First Beneficiary shall be entitled to written notification from the Association of any default in the performance of the obligations imposed by this Declaration or the By-Laws by the Owner whose Condominium or Lot is encumbered by such beneficiary's deed of trust, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to First Beneficiaries who have previously requested such notice in writing.

Section 15.11 Right of First Refusal. In the event this

Declaration is amended to provide for any right of first refusal in the Association, any First Beneficiary who comes into possession of a Condominium or Lot pursuant to the remedies provided in such beneficiary's deed of trust, a judicial foreclosure, a deed (or assignment) in lieu of foreclosure or a trustee's sale shall be exempt therefrom and no such right of first refusal shall impair the rights of any First Beneficiary to:

(a) Foreclose or take title to a Condominium or Lot pursuant to the remedies provided in any such First Beneficiary's deed of trust; or

(b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by the trustor under any such First Beneficiary's deed of trust; or

(c) Sell or lease a Condominium or Lot acquired by such First Beneficiary.

Section 15.12 Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 15.13 Notice of Destruction or Taking. In the event that any Unit, Common Area, Recreation Area or Street Area or any portion thereof is damaged or is made the subject of any condemnation proceeding in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any First Beneficiary affected by such destruction, taking or threatened taking. As used in this Section, "damaged" or "taking" shall mean damage or

taking to the Common Area, Recreation Area or Street Area exceeding Ten Thousand Dollars (\$10,000.00) or damage or taking to a Unit exceeding One Thousand Dollars (\$1,000.00). If requested in writing by a First Beneficiary, the Association shall evidence its obligations under this Section in a written agreement in favor of such First Beneficiary.

Section 15.14 Payments of Taxes or Premiums By First Beneficiaries. First Beneficiaries may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Recreation Area or Street Area and may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Recreation Area or Street Area and First Beneficiaries making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any first Beneficiary which requests the same to be executed by the Association.

Section 15.15 Damage and Condemnation -- Priority of First Beneficiaries. Notwithstanding any other term or provision of this Declaration, no Condominium Owner, or any other party, shall have priority over any rights of the First Beneficiary under the deed of trust encumbering such Owner's Condominium pursuant to such First Beneficiary's deed of trust in the case of a distribution to such Condominium Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Area.

ARTICLE XVI

LIMITATIONS UPON THE RIGHT TO PARTITION AND SEVERANCE

Section 16.1 No Partition. The right of partition is hereby suspended, except that the right to partition shall revive and any project may be sold as a whole when the conditions for such action set forth in the Articles hereof entitled "Destruction of Improvements" and "Eminent Domain" have been met; provided, however, notwithstanding the foregoing, any Owner of a Condominium may, upon the prior written approval of the First Beneficiary encumbering his Condominium, bring an action for partition by sale of the project in which his Condominium is located, as provided in Section 1354 of the Civil code of the State of California or any similar statute then in effect upon the occurrence of any of the events therein provided. Provided, further, that if any Condominium shall be owned by two (2) or more co-tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants.

Section 16.2 No Severance. The elements of a Condominium and other rights appurtenant to the Ownership of a Condominium are inseparable, and each Owner agrees that he shall not, while this Declaration or any similar declaration is in effect, make any conveyance of less than an entire Condominium and such appurtenances. Any conveyance made in contravention of this Section shall be void. The provisions of this Section shall terminate on the date that judicial partition shall be decreed.

Section 16.3 Proceeds of Partition Sale.

(a) Whenever an action is brought for the partition by sale of a project, whether upon the occurrence of any of the event provided in Section 1354 of the Civil Code of the State of California (or similar statute then in effect) or upon the revival of the right to partition pursuant to the Articles hereof entitled "Destruction of Improvements" and "Eminent Domain", a portion of the proceeds of such sale shall be allocated to each Condominium subject to such partition in accordance with an appraisal conducted by a qualified real estate appraiser hired by the Board at the expense of the Association (such appraisal to be treated by the Association as a Condominium Common Expense). Such allocation shall be final and binding upon the Association, all Owners and beneficiaries.

(b) The distribution of the proceeds of any such partition sale shall be adjusted as necessary to reflect any prior distribution of insurance proceeds or condemnation award as may have been made to Owners of Condominiums and their beneficiaries pursuant to the Articles hereof entitled "Destruction of Improvements" and "Eminent Domain". In the event of any such partition and sale, the liens and provisions of all deeds of trust or Assessment liens encumbering Condominiums within the project or projects so encumbered shall extend to each applicable Owner's interest in the proceeds of such partition and sale. The Owner's of a Condominium share of such proceeds shall not be distributed to such Owner except upon the prior payment of any deed of trust

or Assessment lien encumbering such proceeds as aforesaid.

ARTICLE XVII

GENERAL PROVISIONS

Section 17.1 Duration. The covenants, conditions, restrictions, easements, reservations, provisions, liens and charges of this Declaration shall run with and bind the Property and shall insure to the benefit of and be enforceable as provided herein by the Association, or the Owner, including Declarant, of any Condominium or Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, and are imposed upon the real property within the Property as a servitude in favor of each and every parcel of land therein as a dominant tenement, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions, restrictions, easements, reservations, provisions, liens and charges shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of Condominiums and Lots, has been recorded with the County Recorder, agreeing to change said covenants, conditions and restrictions in whole or in part. In the event a Condominium or Lot is owned by more than one Owner, any one of the Co-Owners may sign such instrument in writing on the behalf of all Co-Owners.

Section 17.2 Amendment. Subject to the other provisions of this Declaration, including, without limitation, the right of First Beneficiaries and/or beneficiaries pursuant to the Article hereof entitled "Rights of Lenders", this Declaration

may be amended only by an instrument in writing signed by not less than two-thirds (2/3) of each class of Members; provided, however, that (a) Sections 1.2(b), 1.6, 1.8, 1.9, 1.10, 1.11, 1.22, 1.23, 1.31, 4.6, 4.7, 7.1, 8.1, 8.5, 8.23, 8.25, 9.1(b), 13.1 through 13.8, inclusive, 14.1, 14.2, 14.3, 14.5, 14.6, 14.7, 14.8, 15.5, 16.1, 16.2, 16.3, those portions of Sections 1.2(a), 1.2(c), 5.1, 5.3, 5.4, 6.2 and 7.4 which relate to Condominiums, Common Area, Condominium Owners and/or Members who own Condominiums and this clause (a) may be amended, if the amendment pertains only to the subject matter of any such Sections, portions and/or clause, only by an instrument in writing signed by not less than two-thirds (2/3) of each class of Members who own Condominiums, provided however, until the conveyance of a Unit to an Owner other than Declarant, Declarant reserves the right to amend or revoke the foregoing sections in whole or in part, and (b) Sections 1.2(f), 1.17, 1.25, 1.26, 1.28, 1.29, 4.5, 5.6, 6.2, 7.2, 13.10, 14.1, 15.6, those portions of Sections 1.2(a), 1.2(c), 5.1, 5.4, 7.4 and 9.1(a) which relate to Lots, Street Area, Lot Owners and/or Members who own Lots and this clause (b), may be amended, if the amendment pertains only to the subject matter of any such Sections, portions and/or clause, only by an instrument in writing signed by not less than two-thirds (2/3) of each class of Members who own Lots. When the Class B membership becomes converted to Class A membership in accordance with the provisions of Section 3.3, this Declaration may be amended, subject to the other provisions of this Declaration, including, without limitation, the rights of First Beneficiaries and/or beneficiaries pursuant to the Article hereof entitled "Rights of Lenders", only by an instrument in writing signed by not less than (i) two-thirds

(2/3) of the Members, and (ii) a majority of the Members other than the Declarant; provided, however, that (a) Sections 1.2(b), 1.6, 1.8, 1.9, 1.10, 1.11, 1.22, 1.23, 1.31, 4.6, 4.7, 7.1, 8.1, 8.5, 8.23, 8.25, 9.1(b), 13.1 through 13.8, inclusive, 14.1, 14.2, 14.3, 14.5, 14.6, 14.7, 14.8, 15.5, 16.1, 16.2, 16.3, those portions of Sections 1.2(a), 1.2(c), 5.1, 5.3, 5.4, 6.2 and 7.4 which relate to Condominiums, Common Area, Condominium Owners and/or Members who own Condominiums and this clause (a) may be amended, if the amendment pertains only to the subject matter of any of such Sections, portions and/or clause, only by an instrument in writing signed by not less than (i) two-thirds (2/3) of the Members who own Condominiums, and (ii) a majority of such Members other than the Declarant, and (b) Sections 1.2(f), 1.17, 1.25, 1.26, 1.28, 1.29, 4.5, 5.6, 6.2, 7.2, 13.10, 14.10, 15.6, those portions of Sections 1.2(a), 1.2(c), 5.1, 5.4, 7.4 and 9.1(a) which relate to Lots, Street Area, Lot Owners and/or Members who own Lots and this clause (b), may be amended, if the amendment pertains only to the subject matter of any of such Sections, portions and/or clause, only by an instrument in writing signed by not less than (i) two-thirds (2/3) of the Members who own Lots, and (ii) a majority of such Members other than the Declarant. Any amendment must be properly recorded. In the event a Condominium or Lot is owned by more than one Owner, any one of the Co-Owners may sign such instrument in writing on behalf of all Co-Owners.

Section 17.3 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration

shall be in writing and shall be deemed to have been properly sent when delivered personally or mailed, postage prepaid, to the last known address of the person who appears as such a Member or Owner on the records of the Association at the time of such mailing. In the case of Co-Owners, any such notice may be delivered or sent to any one of the Co-Owners.

Section 17.4 Enforcement.

(a) The Association or the Owner of any Condominium or Lot, including the Declarant (so long as the Declarant is the Owner of any real property subject to this Declaration), shall have the right to enforce by proceedings at law or in equity all covenants, conditions, restrictions, easements, reservations, provisions, liens and charges now or hereafter imposed by this Declaration, the Articles and By-Laws, including, without limitation, the right to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of these covenants, conditions, restrictions, easements, reservations, provisions, liens or charges to enjoin or prevent them from doing so, to cause said violation to be remedied and/or to recover damages for said violation.

(b) Should any Owner fail to comply with the provisions of Article 8 and should any such failure continue for a period of thirty (30) days following written notice of such failure from the Association to the Owner, Association shall

have the right but not the duty to correct any such non-compliance, and the cost thereof shall be borne by any such Owner, provided, however, that such cost shall not be characterized nor treated as a special assessment which may become a lien against the Owner's unit. No one or more failure or refusal by the Association to accomplish such compliance which an Owner shall have failed to perform shall be deemed a waiver of the right and the Association to correct said noncompliance at a later time as to the same or different noncompliance.

(c) The result of every action or omission whereby any covenant, condition, restriction, easement, reservation, provision, lien or charge herein contained is violated in whole or in part is hereby declared to be and to constitute a nuisance, and every remedy allowed by law or equity against an Owner, either public or private, shall be applicable against every such result and may be exercised by the Association or any Owner, including the Declarant, subject to these restrictions.

(d) In any legal or equitable proceeding for the enforcement or to restrain the violation of these covenants, conditions, restrictions, easements, reservations, liens or charges or any provisions hereof, the losing party or parties shall pay the attorneys' fees of the prevailing party or parties in such amount as may be fixed by the court in such

proceedings. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

(e) Failure by the Declarant, the Association, or by any Owner to enforce any covenant, condition, restriction, easement, reservation, lien or charge herein contained shall in no event be deemed a waiver of any breach or violation or a waiver of the right to do so thereafter.

(f) Nothing contained herein shall be deemed to require the Declarant to enforce any covenant, condition, restriction, easement, reservation, lien, charge or provision hereof.

Section 17.5 Severability. Invalidation of any one or more of these covenants, conditions, restrictions, easements, reservations, provisions, liens or charges by judgment or court order shall not in any way affect any other provisions, which shall remain in full force and effect. The Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration.

Section 17.6 Headings, References and Exhibits. The Article and Section headings contained in this Declaration are for purposes of reference and convenience only and shall not limit or otherwise affect the meaning hereof. Unless otherwise indicated, all of the Article and Section references contained in this Declaration are references to Articles and Sections hereof. All of the exhibits attached hereto are incorporated herein by this reference.

Section 17.7 Number and Gender. Whenever the context of

this Declaration requires same, the singular shall include the plural and the masculine, feminine and neuter genders shall be deemed to include the other or others.

Section 17.8 Construction. The provisions of this Declaration shall be liberally construed to effectuate this Declaration's purpose of creating a uniform plan for the development of a residential community with private social and recreational areas and for the maintenance of such areas.

Section 17.9 Phased Development. It is the intention of the Declarant to develop the Property into a single interrelated and interdependent residential community in which the rights of all residents will be determined in substantially the same manner. The Declarant contemplates that it will construct the Property and/or cause it to be constructed in several phases and annex each phase to Phase 1 in accordance with Article II. Although the Declarant contemplates the construction of such additional phases, it shall in no way be obligated to do so.

Section 17.10 Construction by Declarant. Nothing in this Declaration shall limit the right of the Declarant to commence and complete construction of improvements to the Property (including, without limitation, constructing, maintaining and/or using temporary improvements during the course of such construction) or to alter the foregoing or the Condominiums, Lots, Recreation Area, Street Area or Common Area or to construct such additional improvements as the Declarant deems advisable prior to the completion and sale of the entire Property development. The Declarant may use any of

the property within the Property owned by it for model home sites and incidental parking and for any other purpose for which the Declarant may use the Condominiums, Lots, Recreation Area, Street Area or Common Area as Provided in this Section 17.10. The Declarant shall have the right and an easement to enter upon, use and enjoy and designate and permit others (including, without limitation, Declarant's agents, employees, representatives, contractors and prospective purchasers) to enter upon, use and enjoy the Recreation Area, Street Area or Common Area for any purpose in connection with or incidental to (a) the construction, development, sale, lease or other transfer of property within or adjacent to the Property (including, without limitation, the erection, construction and maintenance of displays, sales offices and incidental parking, exhibits, signs and other structures), (b) the management, operation or maintenance of the Property, and/or (c) the exercise of any rights or powers hereunder to the Declarant; provided, however, that the exercise of such right and easement shall not unreasonably interfere with the reasonable use and enjoyment of the Recreation Area, Street Area or Common Area by the Members entitled to such use. The Declarant reserves the right to alter its construction and development plans and designs as it deems appropriate. This Declaration shall not limit the right of the Declarant at any time prior to acquisition of title by a purchaser from the Declarant to establish on any Common Area, Lot, Recreation Area, Street Area or Condominium additional easements, licenses, reservations and rights-of-way to itself, to utility

companies, or to others as may from time to time be necessary or appropriate to the proper development and disposal of the Property. To the extent necessary, Declarant shall be deemed the agent of the Association for the limited purpose of recording notices of completion on Recreation, Common or Street Areas to the extent the improvements are complete subsequent to the transfer of said areas to the Association.

Section 17.11 Nonliability of Officials. To the fullest extent permitted by law, neither the Board, any committees of the Association nor any member thereof shall be liable to any Member or Owner or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committee, or member reasonably believed to be the scope of their duties.

Section 17.12 Obligation of Owners and Members. The terms and provisions set forth in this Declaration are binding upon all Owners of all Condominiums and Lots, the Association and all Members. In addition, both the Member and the Condominium or Lot owned shall be subject to the terms and provisions of the Articles and By-laws as the same may be amended from time to time.

Section 17.13 Leases of Condominiums or Lots. Any Owner who shall lease his Condominium or Lot to any person or entity shall be responsible for assuring compliance by any such person or entity with all of the covenants, conditions, restrictions, easements, reservations, provisions, liens and charges

of this Declaration. Any lease agreement between an Owner and a lessee must provide that the terms of the lease shall be subject in all respects to the provisions of this

Declaration, the Articles and By-Laws, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such leases shall be in writing. No Residential Dwelling or Unit shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever, if the occupants of the Residential Dwelling or Unit are provided customary hotel services, such as room service for food and beverages, maid service, laundry, linen or bellboy service.

Section 17.14 Mergers and Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may be transferred to the surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may, subject to the terms and provisions of this Declaration, administer the covenants, conditions, restrictions, easements, reservations, provisions, liens and charges established by this Declaration with respect to the Property together with the covenants, conditions, restrictions, easements, reservations, provisions, liens and charges established upon any other property, as one general plan and scheme or in such other plan of administration as the surviving or consolidated corporation deems reasonable.

Section 17.15 Assignment of Rights and/or Duties. Any

or all of the rights and/or duties, if any, of the Declarant herein may be assigned or delegated, respectively, to any other person or entity and upon any such assignment or delegation any such person or entity shall, to the extent of such assignment or delegation, have the same rights and/or duties as are given to and/or assumed by the Declarant herein, and, thereupon, the Declarant shall be relieved of the performance of any further duty, if any, hereunder.

ARTICLE XVIII

SIDE YARD EASEMENTS, PARTY WALLS AND SLOPE MAINTENANCE

SECTION 18.1 Side Yard Easements. There is hereby reserved to Declarant, its successors or assigns, together with the right to grant and transfer the same, side yard easements, as more particularly set forth in Exhibit "D" hereto, which easements shall be appurtenant to the Lots designated on said exhibit as dominant tenement, and which easement shall be exclusive and shall burden the Lots described on said exhibit as the servient tenement. Such easements shall be as follows:

(a) In favor of the dominant tenement over the servient tenement for the purposes of accommodating the natural settlement of structure; and

(b) For the purposes of landscaping, fencing, drainage, the establishment of a general recreation or garden area and purposes related thereto for the use and enjoyment of the dominant tenement, subject to the following provisions:

(i) The Owner of the servient tenement shall have the right at all reasonable time to enter upon the

easement area, including the right to cross over the dominant tenement for such entry, in order to perform work related to the use and maintenance of the servient tenement, but shall in no way interfere with the use and enjoyment of the easement by the dominant tenement; and

(ii) The servient tenement shall have the right of drainage over, across and upon the easement area for water drainage from any structure upon the servient tenement, or for drainage into and through the subsurface drainage facilities located within the easement area, the right to maintain eaves and appurtenances thereto and the portions of any structure upon the servient tenement as originally constructed or as constructed in accordance with Article VII hereof; and

(iii) The Owner of the dominant tenement shall not disturb the grading of the easement area or otherwise act with respect to the easement area in any manner which would damage a servient tenement; and

(iv) In exercising the right of entry upon the easement area as provided for above, the Owner of the servient tenement agrees to utilize reasonable care and not to damage any landscaping or other items existing in the easement area; provided, however, the Owner of the servient tenement shall not be responsible for damages to such landscaping or other items to the extent such damage cannot be reasonably avoided in connection with such entry upon the easement area for authorized purposes.

(c) As additional property is annexed pursuant to

Article II hereof, the Supplementary Declaration provided for in such Article may incorporate as appropriate, additional exhibits pertaining to the property being annexed showing such side yard easements as may be applicable to such property.

Section 18.2 Party Walls; General Rules of Law to Apply.

Each wall which is built as part of the original construction of the homes within the R-1 Property and placed on the dividing line between the Lots or upon the line of any side yard easement burdening such Lot pursuant to Section 18.1 hereof shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 18.3 Ownership and Use. Each party wall or portion thereof shall be owned by the Owner of the Lot on which the wall or portion thereof is located. Notwithstanding the Ownership of the walls, all walls of the type defined herein as party walls shall constitute party walls in which the adjoining Owners shall have the rights, benefits, burdens and obligations provided herein. Each Lot Owner shall maintain in good state of repair the side of each party wall facing his Lot and shall do nothing which may alter, damage, impair, or tend to alter, damage or impair the structural integrity of the wall. The Owner of a Lot adjoining a structural wall shall not drive any nails, screws, bolts or other objects into the structural wall.

Section 18.4 Sharing of Repair and Maintenance. If any

) party wall is damaged or destroyed through the act of a Lot Owner, whose Lot adjoins such wall, or any of his family, guests, or agents (whether such act is negligent or otherwise culpable), so as to deprive the other adjoining Lot Owner or Owners of the full use and enjoyment of such wall, then the first of the aforementioned Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly existed, without cost to the adjoining Owner or Owners.

Section 18.5 Destruction by Fire or Other Casualty. If any such party wall is damaged or destroyed by some cause including ordinary wear and tear and deterioration from lapse of time, other than the act of one (1) of the adjoining Lot Owners, his agents, guests or family, all Owners whose Lots adjoin such wall shall proceed forthwith to rebuild or repair the same to as good condition as formerly existed, at their joint and equal expense (provided that the Owner of the structure in which any damaged or destroyed structural wall is located shall bear all expenses of rebuilding or repairing all damaged portions of his structure other than the party wall).

Section 18.6 Other Changes. In addition to meeting the requirements of this Paragraph and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his residence in any manner which requires alterations to any party wall, shall first obtain the written consent of the adjoining Owner.

Section 18.7 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this paragraph shall be appurtenant to the land and shall pass

to such Owner's successors in title.

Section 18.8 Arbitration. In the event of any dispute, arising concerning a party wall, or, under the provisions of this Paragraph, each party shall choose an arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of said arbitrators shall be by a majority of all of the arbitrators and shall be final and conclusive upon the parties.

Section 18.9 Easement For Ingress and Egress. There is specifically reserved upon each structural party wall lot (servient tenement) for the benefit of the adjoining structural party wall lot (dominant tenement) an easement for ingress and egress from the dominant tenement Owner to pass on to the servient tenement to perform such work during daylight hours as may be necessary or advisable in connection with the maintenance, repair or restoration of the dominant tenement structural party wall and structure of which the party wall is a part.

Section 18.10 Slope Control Areas. In addition to the duties and powers enumerated in the Articles and By-Laws or elsewhere provided for in this Declaration, and without limiting the generalities thereof, the Association shall maintain or cause to be maintained, substantially as originally improved by the Declarant or as may be further improved or modified with the consent of the R-1 Architectural Committee and the Board, the Landscape Slope Areas (Landscape Slope Control Areas) or more particularly described in the Slope Control Area Easement Plan, attached hereto as Exhibit

"E" and incorporated herein by this reference and all landscaping and improvements thereon (including drainage or irrigation facilities and systems, any walls or fences), in a neat, sanitary and orderly condition (including the repair and replacement of landscaping improvements when necessary or appropriate) and in such manner as to enhance their appearance and to preserve established slope ratios, prevent erosion and sliding problems, and facilitate the orderly discharge of water through established drainage systems; provided, however,

(a) To the extent not covered by insurance carried by the Association, the cost of any Landscape Slope Control Areas maintenance services required to be performed by the Association which are caused by earthquake, fire, Acts of God, riot, civil insurrection or by any other cause, except ordinary wear, tear and deterioration or the negligence or wilful misconduct of the Association in the performance or non-performance of his duties hereunder shall be borne by the Owner for whose benefit the maintenance services were performed.

(b) The cost of any Landscape Slope Control Areas maintenance services required to be performed by the Association which are caused by the negligence or wilful misconduct of any Owner or his family, relatives, guests or invitees, both minor and adult, shall be borne entirely by such Owner.

(c) No Owner shall provide or cause to be provided any of the maintenance services required to be performed by

the Association pursuant to this Section unless the Board approves the Owner's performance to such services.

(d) Any of the costs required to be paid by the Owner hereunder, if not timely paid, shall be a special assessment against such Owner and his Lot.

Section 18.11 Easement and License. There shall be granted to the Association over the Landscaped Control Areas easement or easements for the purposes of maintenance of said areas in accordance with the provisions of this Section together with a License in favor of the Association, its agents and representatives, to traverse upon such additional contiguous property as shall be necessary to gain access to the Slope Control Areas and to gain access to any Recreation Area or other Maintenance Area. Each Owner agrees, from self and his heirs, successors, executors, administrators and assigns, that he will permit free access by the Association and its authorized agents and representatives for the purpose of exercising its rights and duties with respect to the Landscape Slope Control Areas, other Maintenance Area and Recreation Area. The Association shall have the right to alter, trend and otherwise modify and to maintain trees, plants, shrubs and other landscaping on the Landscape Slope Control Areas and no Owner shall alter, trend or remove trees, plants, shrubs or landscaping on the Landscape Slope Control Areas without the prior approval of the Board.

Section 18.12 Additional Slope Control Areas. As additional property is annexed pursuant to Article II hereof, the Supplementary Declaration provided for in such Article may incorporate as appropriate additional exhibits pertaining to

the property being annexed showing such Slope Control Maintenance Areas as may be applicable to such property.

Section 18.13 Wall Maintenance Areas. In addition to the duties and powers enumerated in the Articles and By-Laws or elsewhere provided for in this Declaration, and without limiting the generalities thereof, the Association shall maintain or cause to be maintained, substantially as originally improved by the Declarant or as may be further improved or modified with the consent of the R-1 Architectural Committee and the Board, the exterior portion of the perimeter Walls as more particularly depicted in the Wall Plan, attached hereto as Exhibit "F" and incorporated herein by this reference, in a neat, sanitary and orderly condition (including the repair and replacement when necessary or appropriate) and in such manner as to enhance the appearance; provided, however,

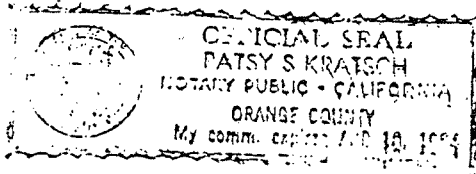
(a) To the extent not covered by insurance carried by the Association, the cost of any maintenance services required to be performed by the Association which are caused by earthquake, fire, Acts of God, riot, civil insurrection or by any other cause, except ordinary wear, tear and deterioration of the negligence or wilful misconduct of the Association in the performance or non-performance of its duties hereunder shall be borne by the Owner for whose benefit the maintenance services were performed.

(b) The cost of any maintenance services required to be performed by the Association which are caused by the negligence or wilful misconduct of any Owner or his family,

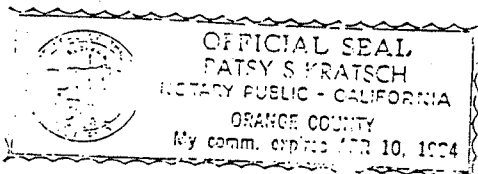
STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On 9 September 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared J.S.P. Swanson, known to me to be the President, and Judy Miller, known to me to be the Assistant Secretary of BARRATT NORTHERN CALIFORNIA, INC., the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Patsy S. Kratsch
Notary Public in and for
said County and State



SUBORDINATION AGREEMENT

BANK OF AMERICA, NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association beneficiary under that certain Deed of Trust dated May 17, 1982, and recorded May 26, 1982, with the Office of the County Recorder of San Diego County, California, as No. 82-160241, hereby declares that the lien and charge of said Deed of Trust is and shall be subordinate and inferior to the Declaration of Restrictions to which this Subordination Agreement is attached.

BANK OF AMERICA
National Trust and Savings Association

By *N. Abreu*
N. Abreu, Vice President

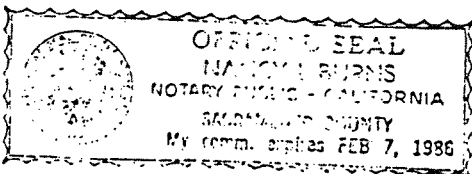
By *S. Baldassari*
S. Baldassari, Asst. Vice President

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On September 13, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared N. Abreu and S. Baldassari, known to me to be the Vice

President and Asst. Vice President of Bank o- America, National Trust and Savings Association that executed the within instrument on behalf of the banking association therein named, and acknowledged to me that such banking association executed the within instrument pursuant to its By-Laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Nancy Burns
Notary Public in and for said
County and State

SUBORDINATION AGREEMENT

Continental Auxfliary Company,
 a California Corporation, trustee under that certain
 Deed of Trust dated May 17, 1982, and recorded
May 26, 1982, with the Office of the
 County Recorder of San Diego County, California, as No.
82-160241, hereby declares that the lien
 and charge of said Deed of Trust is and shall be subordinate
 and inferior to the Declaration of Restrictions to which this
 Subordination Agreement is attached.

Continental Auxiliary Company,
 a California Corporation



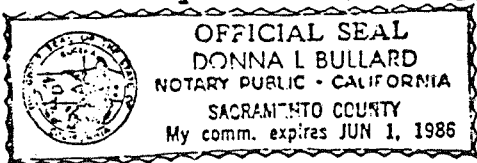
By David W. Brodie

By Steven M. Evans

STATE OF CALIFORNIA)
) ss.
 COUNTY OF Sacramento)

On September 13, 1982, before me, the undersigned,
 a Notary Public in and for said State, personally appeared
David W. Brodie known to me to be the
Assistant Secretary and Steven M. Evans
 known to me to be the Assistant Vice President of
 Continental Auxiliary Company, A Calif. Corp. that executed
 the within instrument on behalf of the banking association therein
 named, and acknowledged to me that such banking association
 executed the within instrument pursuant to its By-Laws or a
 resolution of its board of directors.

WITNESS my hand and official seal.



Donna I. Bullard
 Notary Public in and for said
 County and State

EXHIBIT "A"

PHASE I

R-1 Property

Lots 113 to 127, inclusive of Tract 3625-1 as per map No. 9082, filed January 10, 1979, in the office of the County Recorder of San Diego County.

Recreation Area Lots

Lot 131 and Lot 177 of Tract 3625-1 as per map No. 9082, filed January 10, 1979, in the office of the County Recorder of San Diego County.

Street Area Lot

Lot 141 of Tract 3625-1 as per map No. 9082, filed January 10, 1979, in the office of the County Recorder of San Diego County.

ANNEXABLE PROPERTY

Lots 1 through 112, inclusive, Lots 128 through 130, inclusive, Lot 132 through 140, inclusive, and Lots 178 through 181, inclusive, of Tract No. 3625-1, in the County of San Diego, State of California, according to Map No. 9082 thereof, filed January 10, 1979 in the Office of the County Recorder of San Diego County.

EXHIBIT "B"

EXHIBIT "C"

R-1 PROPERTY

Lots 1 to 127, inclusive, of Tract 3625-1, as per map No. 9082, filed January 10, 1979, in the office of the County Recorder of San Diego County.

SIDE YARD EASEMENTS

PHASE I

1. Easterly five (5[±]) feet of Lot 127 (servient tenement) in favor of Lot 126 (dominant tenement).
2. Easterly five (5[±]) feet of Lot 126 (servient tenement) in favor of Lot 125 (dominant tenement).
3. Easterly five (5[±]) feet of Lot 125 (servient tenement) in favor of Lot 124 (dominant tenement).
4. Easterly five (5[±]) feet of Lot 124 (servient tenement) in favor of Lot 123 (dominant tenement).
5. Easterly five (5[±]) feet of Lot 123 (servient tenement) in favor of Lot 122 (dominant tenement).
6. Easterly five (5[±]) feet of Lot 122 (servient tenement) in favor of Lot 121 (dominant tenement).
7. Easterly five (5[±]) feet of Lot 113 (servient tenement) in favor of Lot 114 (dominant tenement).
8. Easterly five (5[±]) feet of Lot 114 (servient tenement) in favor of Lot 115 (dominant tenement).
9. Easterly five (5[±]) feet of Lot 115 (servient tenement) in favor of Lot 116 (dominant tenement).
10. Easterly five (5[±]) feet of Lot 116 (servient tenement) in favor of Lot 117 (dominant tenement).
11. Easterly six (6[±]) feet of Lot 117 (servient tenement) in favor of Lot 118 (dominant tenement).
12. Easterly five (5[±]) feet of Lot 118 (servient tenement) in favor of Lot 119 (dominant tenement).
13. Easterly five (5[±]) feet of Lot 119 (servient tenement) in favor of Lot 120 (dominant tenement).

All of said easements shall be from the lot line to the side of the residential structure located on the servient tenement and shall run the entire length of the servient tenement. In the event the actual width of the side yard easement area as constructed varies from that set forth above, the actual width as constructed shall control.

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83-204672

Recording Requested by:

RECORDED
OFFICE RECORDER
OF SAN DIEGO COUNTY

530 JUN 17 AM 11:39

VERA L. GIBSON
COUNTY RECORDER

When Recorded Mail to:

J. MICHAEL ARMSTRONG
Attorney at Law
877 South Victoria Avenue
Suite 216
Ventura, California 93003

RF 24
MG 1

AMENDMENT OF DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR TRACT 8625-1

Pursuant to Section 17.2 of that certain Declaration of Covenants, Conditions and Restrictions recorded September 28, 1982, as Document No. 82-299487, in the Office of the County Recorder of San Diego County and as supplemented by a document recorded September 28, 1982, as Document No. 82-299488, in the Office of the County Recorder of San Diego County, and by a document recorded December 17, 1982, as Document No. 82-386109, in the Office of the County Recorder of San Diego County, the undersigned representing the owners of at least two-thirds of the lots and units comprising the property and further including a subgroup of at least two-thirds of the owners of lots and condominiums within the property other than the Declarant, hereby amend and supplement the aforementioned Declaration as

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follows:

On Page 2 of the aforementioned Declaration, Paragraph G is hereby added:

The development of the property described in Exhibit "A" hereto is the first phase of a 14 phase condominium and planned unit development. The first three phases have heretofore been annexed and made subject to this Declaration and consists of Lots 98 through 127 which are R-1 property as defined in the definitions contained in this Declaration; Lot 181 which contains 26 condominium units as defined in Section 1.8 hereof; Lots 140 and 141 are street area as defined herein and have been conveyed to the Seagate Village Community Association; and Lots 131 and 177 are recreation area as defined herein.

Declarant intends to develop the balance of the project in an additional 11 phases consisting of 97 additional patio homes and four additional Projects as defined herein containing an additional 52 condominium units located on Lots 128, 178, 179 and 180. Lots 134 through 139 shall be developed and improved as Street Area as defined herein, ultimately to be conveyed to the Association. Lots 129, 130 and 132 shall be improved as Recreation Area as defined herein and conveyed to the Association. The development of the property described in this Recital C will be consistent with the overall development plan submitted to the Veterans Administration.

2. Section 2.2(a) is hereby amended and supplemented

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as follows:

The period at the end of said Section is deleted and the following is added after "California Department of Real Estate": and the VA. Prior to any annexation under this Section 2.2, detailed plans for the development of the additional property must be submitted to the VA and the VA must determine that such detailed plans are in accordance with the general plan and so advise Declarant.

Section 2.2(d) is hereby amended and supplemented by the addition of the following paragraph:

Subject to the annexation of additional property as set forth in Section 2.2:

(i) Declarant hereby reserves for the benefit of and appurtenant to the lots and condominiums hereafter located on Phases I through XIV, and the respective owners, non-exclusive easements to use the Common Area (other than any buildings on condominium lots) in the property pursuant to and in a manner set forth in this Declaration, to the same extent and with the same effect as if each of the owners of a lot or condominium in Phases I through XIV own an undivided interest in the Common Area in the property.

(ii) Declarant hereby grants for the benefit of and appurtenant to each condominium in the property, and their owners, non-exclusive easements to use the Common Area (other than any buildings) in Phases I through XIV pursuant to the provisions and in a manner prescribed by this Declaration, to the same extent and with the same effect as if each of the owners of a lot or a condominium in the property owned an undivided interest in

in the Common Area of the property so annexed.

These reciprocal cross-easements shall be effective as to each phase, and as to property, only at such time as each phase has been annexed by the recordation of a Declaration of Annexation or a separate Declaration of Covenants, Conditions and Restrictions by Declarant. Prior to such action, neither the property nor Phases II through XIV shall be affected by these reciprocal cross-easements nor shall the owners of Phases II through XIV have rights in the Common Area within the property.

3. Section 4.3(c) is hereby revoked and replaced with the following:

(c) The right of the Association to suspend the voting rights and the right to use of the recreational facilities by an owner for any period during which any assessment against his condominium or lot remains unpaid; and for a period not to exceed 30 days for any infraction of its published rules and regulations after reasonable written notice and an opportunity for a hearing before the Board which satisfies the minimum requirements of Section 7341 of the California Corporations Code as set forth in Article V, Section 5.3 of the By-Laws.

4. Section 5.3(d) is hereby revoked and replaced with the following:

Until January 1st of the year immediately following the conveyance of the first lot or unit to an owner, the maximum annual association regular assessment for each lot or condominium shall be \$1430.00 and the maximum annual

condominium regular assessment shall be \$765.00 per unit.

(i) From and after January 1st of the year immediately following the conveyance of the first lot or unit to an owner, the maximum annual association regular assessment and condominium regular assessment may be increased each year by the Board without a vote of the membership of the Association or a vote of the members who own condominiums in an amount not more than the greater of (a) five percent (5%), or (b) a percentage by which the United States Bureau of Labor Statistics San Diego Area Consumer Price Index for all urban consumers has increased as of the date of the increase over the level of the index as of the date respective maximum assessments were last established, provided said increase shall not exceed twenty percent (20%) of the then maximum assessment.

(ii) From and after January 1st of the year immediately following the conveyance of the first lot or unit to an owner, the maximum annual association regular assessment and condominium regular assessment may be increased above the amount provided in (i) above by the vote or written assent of 51% of each class of members of the Association with regards to the association regular assessments and 51% of the members who own condominiums with regards to the condominium regular assessments; provided, however, that following the conversion of Class B membership to Class A membership, the maximum annual assessments noted above may not be increased more than the amount provided in (i) above by a vote or written assent of the majority of the respective

voting power of the Association and a majority of the voting power of the respective members of the Association other than Declarant.

(iv) The Board may fix the annual association regular assessment in an amount not in excess of the maximum.

5. Section 5.4 is hereby revoked and replaced with the following:

Section 5.4 Capital Improvement Assessments. In addition to the regular assessments, the Association may levy for any assessment period, Capital Improvement Assessments, applicable to that assessment period only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, Recreation Area or Street Area to the same extent the same is not covered by any of the provisions for reconstruction assessments herein, or any unexpected improvement to or maintenance of any maintenance area, including the necessary fixtures and personal property related thereto; provided that (i) any such Capital Improvement Assessments which relate to the Common Area shall have the approval by vote or written consent of a majority of each class of members who own condominiums; (ii) any such Capital Improvement Assessments which relate to the Recreation Area shall have the approval by vote or written consent of the majority of each class of members;

and (iii) any Capital Improvement Assessments which relate to the Street Area shall have the approval by vote or written consent of a majority of each class of members who own lots. Capital Improvement Assessments shall: (i) With respect to the Recreation Area, be levied on all owners and their condominiums or lots, as the case may be; (ii) with respect to Common Area, be levied only upon the owners of condominiums and their condominium units; and (iii) with respect to the Street Area, be levied only upon the owners of lots within the R-1 property and their lots.

6. Section 5.6 is hereby revised and amended as follows. The last sentence of said Section 5.6 on page 35 is deleted and replaced with the following: No street assessment for any assessment period shall be increased in an amount more than the greater of (i) five percent (5%), or (ii) the percentage by which the United States Bureau of Labor Statistics San Diego Area Consumer Price Index for all urban consumers has been increased as of the date of the increase over the level of the index as of the date the maximum assessment was last established, provided, said increase does not exceed twenty percent (20%) of the then maximum assessment; without the approval by vote or written consent of the majority of each class of members who own lots;

7. Article V of the Declaration is hereby supplemented by the addition of the following Section 5.13:

Section 5.13 Capitalization of the Association. Upon the acquisition of record title to a lot or condominium from Declarant, each owner shall contribute to the capital of the

Association in an amount equal to one-sixth (1/6th) of the amount of the then annual assessment for that lot or condominium as determined by the Board. This amount shall be deposited by Buyer into the purchase and sale escrow and distributed therefrom to the Association. Within sixty (60) days after close of the first sale escrow of a lot or condominium by Declarant, as seller, Declarant shall deposit into an escrow an amount equal to one-sixth (1/6th) of the then annual assessment for any and all lots and condominium units not yet sold. Escrow shall remit these funds to the Association. Upon the close of escrow of any lot or unit for which the capitalization fund was prepaid by Declarant, escrow shall remit the capitalization fee collected from the Buyer to the Declarant.

8. Section 6.1 is hereby revised and amended as follows. The second and third sentences of said section are hereby revoked and replaced with the following: If the assessment, or any portion thereof, is not paid within 30 days after the due date, it shall be delinquent and shall bear interest from the due date at the rate of six percent (6%) per annum. In addition to all other legal and equitable rights and remedies which it may have, the Association may, at its option, bring an action at law against the owner personally obligated to pay such assessments, and/or upon compliance with the notice provision set forth in Section 6.2, bring an action to foreclose the lien against the condominium or lot.

and there shall be added to the amount of such assessment or any portion thereof, and interest thereon, all costs and expenses, including reasonable attorney fees, incurred by the Association in collecting a delinquent assessment.

9. Section 6.2 is hereby revised as follows:

All references to late charges contained within said Section 6.2 are hereby deleted.

10. Section 6.6 is hereby revoked and replaced with the following:

Section 6.6 Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage upon any lot or condominium. Sale or transfer of any lot or condominium shall not affect the assessment lien. However, the sale or transfer of any lot or condominium pursuant to a judicial foreclosure of a first mortgage or the exercise of a power of sale contained in a first deed of trust shall extinguish the lien of such assessments as to the payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot or condominium from lien rights for any assessments thereafter becoming due. Where the mortgagee of a first mortgage or other purchaser of a lot or condominium obtains title to the same as a result of foreclosure, of a first mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of common expenses or assessments by which the Association chargeable to such lot or condominium

which become due prior to the acquisition of title to such lot or condominium by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the lots or condominiums including such acquirer, his successors and assigns.

11. Section 8.20 is hereby revoked and replaced with the following:

Section 8.20 Each member shall be liable for the Association, and such liability may be determined pursuant to the laws of the State of California, for any damage to the Common Area, Recreation Area, Street Area or any maintenance area under the Association's jurisdiction or to any of the equipment, furniture, furnishings or improvements thereon or therein which may be sustained by reason of the negligence or willful misconduct of said member or his family, relatives, guests or invitees, both minor and adult. The foregoing liability shall include, but not be limited to, paying an amount to the Association equal to any deductible under any insurance policy covering such damage within thirty days after receipt of the statement therefor from the Association. Each member shall be entitled to notice an opportunity for a hearing before the Board of Directors of the Association for the purpose of determining said member's liability for any damages provided herein.

12. Section 8.25(g) is hereby revised and amended as follows. Both references in said section to a period of five days is hereby revised to provide for a period of 30 days.

13. Section 8.25(j) is hereby amended and revised to provide the rights of the Association to effect the repair, maintenance, replacement or restoration of the systems provided for in this section, in the event it is not accomplished by an owner is conditioned upon the Association giving notice and an opportunity for a hearing before the Board of Directors to such an owner prior to the exercise of their rights pursuant to this section.

14. Section 9.1 is hereby amended and supplemented to include a subsection (I) which reads as follows:

(I). Make available to any prospective purchaser of a lot or condominium, any owner of the lot or condominium, any first mortgagee, and the holders, insurers and guarantors of a first mortgage on any lot or condominium current copies of the Declaration, the Articles of Incorporation, the By-Laws, the rules governing the lot or condominium and all other books, records and financial statements of the Association.

15. Section 9.2 is amended and revised to provide that, any agreement for professional management of the property, shall be terminable for cause upon thirty days written notice and without cause or a payment of a termination fee upon not more than 90 days written notice. Such agreements for professional management may be renewable with the consent of the Board and the managing agent. No contract with the Association negotiated by the Declarant shall exceed a term of one year.

16. Section 9.4 is hereby amended and revised to provide that the Association's right to enter any condominium or lot in a non-emergency situation is condition upon approval by a two-thirds (2/3rds) vote of the Board and after not less than three days notice.

17. Section 9.5 is hereby revoked and replaced with the following:

Section 9.5 Sales of Association Property. No property of the Association shall, during any fiscal year, be sold without the vote or written consent of a majority of each class of members.

18. Section 10.2 is hereby amended and supplemented by the addition of the following sentence: Any damage caused by the exercise of a license in favor of the Association, its agents and its representatives shall be repaired by the Association.

19. Article XI is hereby amended and supplemented to provide that, in exercising its rights thereunder, Declarant shall have the obligation to restore any portions of the Common Area, Recreation Area and Street Area which may be damaged by the exercise of the easements reserved herein by Declarant. Further, the easements reserved herein by Declarant shall terminate and be of no further effect on the sixth anniversary date of the recordation of this Declaration.

20. Section 12.4 is amended and revised to provide that any loss claim form executed by any two Directors of the Association shall be binding on the Association and the

members thereof with the exception of the Administrator of Veterans Affairs, an officer of the United States of America.

21. Section 15.5 is hereby amended and revised by deleting the first sentence thereof and placing it with the following: Provided that the mortgagee informs the Association in writing of its appropriate address and request in writing to be notified, neither the Association nor any owner shall do any of the following, except as provided by statute in case of condemnation or substantial loss to the units or common area, unless at least 67% of the first mortgagees of mortgages encumbering the condominiums (based upon one vote per each mortgage) has given their prior written approval:

22. Section 15.6 is hereby amended and revised by deleting the first sentence thereof and replacing it with the following: Provided that the mortgagee informs the Association in writing of its appropriate address and request in writing to be notified, neither the Association nor any owner shall do any of the following, unless at least 67% of the first mortgagees of mortgages encumbering lots (based upon one vote for each such mortgage) has given their prior written approval:

23. Section 15.7 is hereby amended and revised by deleting the first sentence thereof and replacing it with the following: Provided that the mortgagee informs the Association in writing of its appropriate address and request in writing to be notified, neither the Association nor any owner shall do any of the following, unless at least 67%

of the first mortgagees of mortgages encumbering lots and condominiums (based upon one vote for each such mortgage) has given their prior written approval:

24. Article XVI is hereby amended and supplemented by the addition of Section 16.4 as follows:

Section 16.4 Power of Attorney. The Association is hereby granted an irrevocable Power of Attorney to sell the condominium property for the benefit of all the owners thereof when the partition of the owner's interest in said condominium property may be had pursuant to Section 16.1 above. The Power of Attorney herein granted may be exercised upon the vote or written consent of owners holding in the aggregate at least two-thirds (2/3rds) of the interest in the common area by any two members of the Board who are hereby authorized to record a Certificate of Exercise in the Office of the County Recorder, San Diego County, which Certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith; provided, however, that said Power of Attorney shall not apply to the Administrator of Veterans Affairs, an Officer of the United States of America.

25. Section 17.2 is amended and revised to provide that the necessary vote, in order to amend the Declaration, shall be and is 75% of each class of members.

26. Section 17.10 is hereby amended and supplemented to provide that, in exercising its rights pursuant thereto, Declarant shall have the obligation to repair and restore any

portion of the common area, recreation area, or street area, damaged by Declarant's use thereof and to provide that any alteration of its construction and development plan and design must be submitted to the Veterans Administration which shall determine whether the alteration of its construction and development plan and design are consistent with the general plan approved by the Veterans Administration and so advise Declarant. Declarant's rights pursuant to Section 17.10 shall automatically terminate on the sixth anniversary date of the recordation of this Declaration.

27. Section 18.10(b) is hereby amended and supplemented by the addition of the following sentence: Provided, however, the Association must provide said owner with notice and an opportunity for a hearing before the Board of Directors prior to the levying of any special assessment against such owner.

28. Section 18.11 is hereby amended and supplemented by the addition of the following sentence: Any damage caused by the exercise of the easement and license in favor of the Association over the landscaped control areas must be repaired by the Association.

29. Section 18.13(b) is hereby amended and supplemented by the addition of the following sentence: Provided, however, the Association shall provide each owner with notice and an opportunity for a hearing before the Board of Directors prior to the levying of any special assessment pursuant to this

section.

30. Article XVIII is hereby amended and supplemented by the addition of the following Section 18.14:

Section 18.14 Approval of Veterans Administration.

So long as there is a Class B membership, the following actions will require the prior approval of the Veterans Administration: Annexation of additional properties, mergers and consolidations, dedication or mortgaging of the recreation area or common area, special assessments and any amendments to this Declaration.

IN WITNESS WHEREOF, the undersigned, representing at least two-thirds (2/3rds) of the owners of lots and two-thirds (2/3rds) of the owners of condominiums, both exclusive of the Declarant, have executed this instrument this 9th day of JUNE, 1983.

<u>Wayne James [Signature]</u> Unit 43	<u>Eric [Signature]</u> Unit 43
<u>[Signature]</u> Unit 117	<u>[Signature]</u> Unit 115
<u>Robert [Signature]</u> Unit 113	<u>[Signature]</u> Unit 45
<u>Janet [Signature]</u> Unit 117	<u>[Signature]</u> Unit 45
<u>Elizabeth [Signature]</u> Unit 113	<u>[Signature]</u> Unit 36
<u>Ann Marshall [Signature]</u> Unit 113	<u>[Signature]</u> Unit 36

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William #35
Jan Mitchell #36

IN WITNESS WHEREOF, the undersigned, being the
Declarant herein, has executed this instrument this 16th day
of JUNE, 1983.

BARRATT NORTHERN CALIFORNIA, INC.
A Delaware Corporation

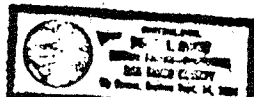
By George Szabo
GEORGE SZABO, Vice President

By Mary Johnson
MARY JOHNSON, Assistant Secretary

STATE OF CALIFORNIA San Diego
COUNTY OF June 16, 1983 before me, the undersigned, a Notary Public in and for
said State personally appeared George Szabo and
Mary J. Johnson, jointly known to me or proved to me on the
basis of satisfactory evidence to be the persons who executed the within instrument as
Vice President and Assistant Secretary on behalf of
Barratt Northern California, Inc.

The corporation herein named and acknowledged to me that
such corporation had used the within instrument pursuant to its
bylaws or a resolution of its board of directors.

WITNESSE my hand and official seal
Signature Dollie L. Adams
Dollie L. Adams



(This area for official notarial seal)

-17-

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STATE OF CALIFORNIA San Diego
COUNTY OF June 9, 1983 before me, the undersigned, a Notary Public in and for
said State personally appeared Warren Darrell Gref

personally known to me or proved to me on the basis of satis-
factory evidence to be the person whose name is set out
scribed to the within instrument and acknowledged to me that
he/she/they executed the same

WITNESSE my hand and official seal
Signature Dollie L. Adams
Dollie L. Adams



(This area for official notarial seal)

STATE OF CALIFORNIA San Diego
COUNTY OF June 9, 1983 before me, the undersigned, a Notary Public in and for
said State personally appeared Harold Norman Reed

personally known to me or proved to me on the basis of satis-
factory evidence to be the person whose name is set out
scribed to the within instrument and acknowledged to me that
he/she/they executed the same

WITNESSE my hand and official seal
Signature Dollie L. Adams
Dollie L. Adams



(This area for official notarial seal)

STATE OF CALIFORNIA San Diego
COUNTY OF June 9, 1983 before me, the undersigned, a Notary Public in and for
said State personally appeared Robert Edward Cadman

personally known to me or proved to me on the basis of satis-
factory evidence to be the person whose name is set out
scribed to the within instrument and acknowledged to me that
he/she/they executed the same

WITNESSE my hand and official seal
Signature Dollie L. Adams
Dollie L. Adams



(This area for official notarial seal)

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STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 15, 1983
 Kathleen Harle CHRISTENSEN

Signature: *Kathleen Harle Christensen*
 Witness: *Doyle L. Adams*

Notary Public for the State of California
 My commission expires on June 11, 1984



STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 15, 1983
 Chris Lewis CHRISTENSEN

Signature: *Chris Lewis Christensen*
 Witness: *Doyle L. Adams*

Notary Public for the State of California
 My commission expires on June 11, 1984



STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 16, 1983
 Curt Charles COURIAN

Signature: *Curt Charles Courian*
 Witness: *Doyle L. Adams*

Notary Public for the State of California
 My commission expires on June 11, 1984



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STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 16, 1983
 Don MITCHELL

Signature: *Don Mitchell*
 Witness: *Doyle L. Adams*

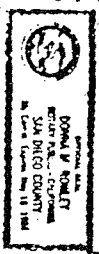
Notary Public for the State of California
 My commission expires on June 11, 1984



STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 14, 1983
 Peter ROBERT LEBBERG

Signature: *Peter Robert Leberg*
 Witness: *Donna M. Rowley*

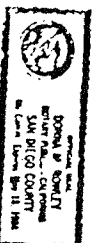
Notary Public for the State of California
 My commission expires on June 11, 1984



STATE OF CALIFORNIA
 COUNTY OF SAN DIEGO
 June 14, 1983
 Donna M. ROWLEY

Signature: *Donna M. Rowley*
 Witness: *Donna M. Rowley*

Notary Public for the State of California
 My commission expires on June 11, 1984



270

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STATE OF CALIFORNIA
COUNTY OF San Diego
On June 9, 1983
and State's attorney, Janet Louise Reed

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

WITNESSE my hand and official seal
this 9th day of June 1983
Deputy Pollic L. Adams



STATE OF CALIFORNIA
COUNTY OF San Diego
On June 9, 1983
and State's attorney, Elizabeth A. Cochran

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

WITNESSE my hand and official seal
this 9th day of June 1983
Deputy Pollic L. Adams



STATE OF CALIFORNIA
COUNTY OF San Diego
On June 9, 1983
and State's attorney, Aim Marshall Graf

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

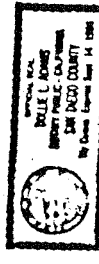
WITNESSE my hand and official seal
this 9th day of June 1983
Deputy Pollic L. Adams



STATE OF CALIFORNIA
COUNTY OF San Diego
On June 15, 1983
and State's attorney, Joaquin Vincent Wolff

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

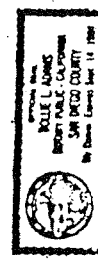
WITNESSE my hand and official seal
this 15th day of June 1983
Deputy Pollic L. Adams



STATE OF CALIFORNIA
COUNTY OF San Diego
On June 15, 1983
and State's attorney, Sally Lynn Wolff

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

WITNESSE my hand and official seal
this 15th day of June 1983
Deputy Pollic L. Adams



STATE OF CALIFORNIA
COUNTY OF San Diego
On June 15, 1983
and State's attorney, Sally Francis Chaffin

particulars herein to the defendant to be on the basis of which
defendant's answer to the petition shall be filed. It is further
ordered that the return and acknowledgment to the petition
be filed within the time specified herein.

WITNESSE my hand and official seal
this 15th day of June 1983
Deputy Pollic L. Adams



83-432338

RECORDED BY
OFFICIAL RECORDS
OF SAN DIEGO COUNTY, CA

NOV 30 AM 2:00

VERA L. LYLE
COUNTY RECORDER

WHEN RECORDED RETURN TO:

J. MICHAEL ARMSTRONG
Attorney at Law
877 South Victoria Avenue
Suite 216
Ventura, California 93003

EIGHTH
SUPPLEMENTARY DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
(PHASE IX)
ANNEXATION OF R-1 PROPERTY

The undersigned record owner of the following described
real property:

Lots 48 through 54, inclusive and Lots 72
through 74, inclusive, of Tract 3625-1 as
per Map No. 9082 filed January 10, 1979, in
the office of the County Recorder of San
Diego County.

does hereby annex and add said real property to the planned
development established by that certain "Declaration of Covenants,
Conditions and Restrictions Establishing a Planned Development",
recorded September 28, 1982, as Instrument No. 82-2992487,
Official Records, San Diego County, California (the "Declaration"),
which said Declaration is by this reference incorporated herein
and made a part hereof as if once again set forth at length
hereat, and the terms and provisions of which are hereby imposed
upon the above-described real property.

Pursuant to Section 2.2(a) of Article II of the

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Declaration, the following complementary additions and modifications are added:

(1) Declarant proposes to construct upon Lots 48 through 54 and 72 through 74, 10 single family dwellings and related improvements, all in accordance with plans and specifications therefore on file with the County of San Diego.

(2) The ninth phase of development (herein "Phase IX") is comprised of the above described real property.

(3) The payment of assessments as to all lots within Phase IX shall commence upon the first day of the month following the closing of the sale of the first lot in Phase IX.

(4) Declarant hereby reserves to itself, its successors and assigns, as may be necessary for the orderly development of the property, the right to reserve grant and transfer side yard easements as to each lot within Phase IX as the same are described in Article XVIII of the Declaration and shall be governed by the terms and conditions as set forth in said Article XVIII. Additionally the Slope Control Areas as shown on Exhibit "A" hereto shall be subject to the terms and conditions set forth in Sections 18.10, 18.11 and 18.12 of the Declaration.

(6) Until the closing of the sale of the first lot in Phase IX to a purchaser who intends to reside thereon, this Supplementary Declaration Re Annexation may be amended or revoked by an instrument executed by the undersigned alone and recorded in the Official Records of San Diego County, California.

This annexation effectuated hereby is made pursuant to the Declaration, for the purpose of annexing the above-described

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SUBORDINATION AGREEMENT

BANK OF AMERICA, NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association, beneficiary under that certain Deed of Trust dated May 17, 1982, and recorded May 26, 1982, with the Office of the County Recorder of San Diego County, California, as No. 82-160242, hereby declares that the lien and charge of said Deed of Trust is and shall be subordinate and inferior to the Declaration of Restrictions to which this Subordination Agreement is attached.

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BANK OF AMERICA
National Trust and Savings Association

By Marlene Sharland
Marlene Sharland, Assistant Vice President

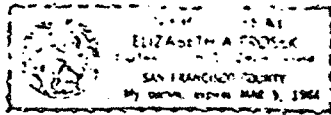
By Sunny Wood
Sunny Wood, Assistant Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF San Francisco)
On November 9, 1983

CORPORATE ACKNOWLEDGMENT

State of California)
County of San Francisco) ss.
On this 9th day of November, in the year 1983, before me Elizabeth A. Brock, a Notary Public in and for the San Francisco County, personally appeared Marlene Sharland, Assistant Vice President and Sunny Wood, Assistant Secretary.
 personally known to me proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as _____ or on behalf of the Corporation herein named and acknowledged to me that the Corporation executed it

(SEAL)



WITNESS my hand and official seal,
Elizabeth A. Brock
Notary Public in and for the San Francisco, California, County and State
My commission expires 3-9, 1984

P 1634 1082 (0-0-1)

SUBORDINATION AGREEMENT I

BANK OF AMERICA, NATIONAL TRUST AND SAVINGS ASSOCIATION,
a national banking association, beneficiary under that certain
Deed of Trust dated May 17, 1982, and recorded May 26, 1982, with
the Office of the County Recorder of San Diego County, California,
as No. 82-160242, hereby declares that the lien and charge of
said Deed of Trust is and shall be subordinate and inferior to
the Declaration of Restrictions to which this Subordination
Agreement is attached.

BANK OF AMERICA
National Trust and Savings Association

By Marlene Sharland
Marlene Sharland, Assistant Vice President

By Sunny Wood
Sunny Wood, Assistant Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF San Francisco)

On November 9, 1983, before me, the undersigned, a
Notary Public in and for said State, personally appeared
Marlene Sharland and Sunny Wood
known to me to be the Assistant Vice President and
Assistant Secretary of Bank of America, National Trust
and Savings Association that executed the within instrument on
behalf of the banking association therein named, and acknowledged
to me that such banking association executed the within instrument
pursuant to its By-Laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public in and for said
County and State

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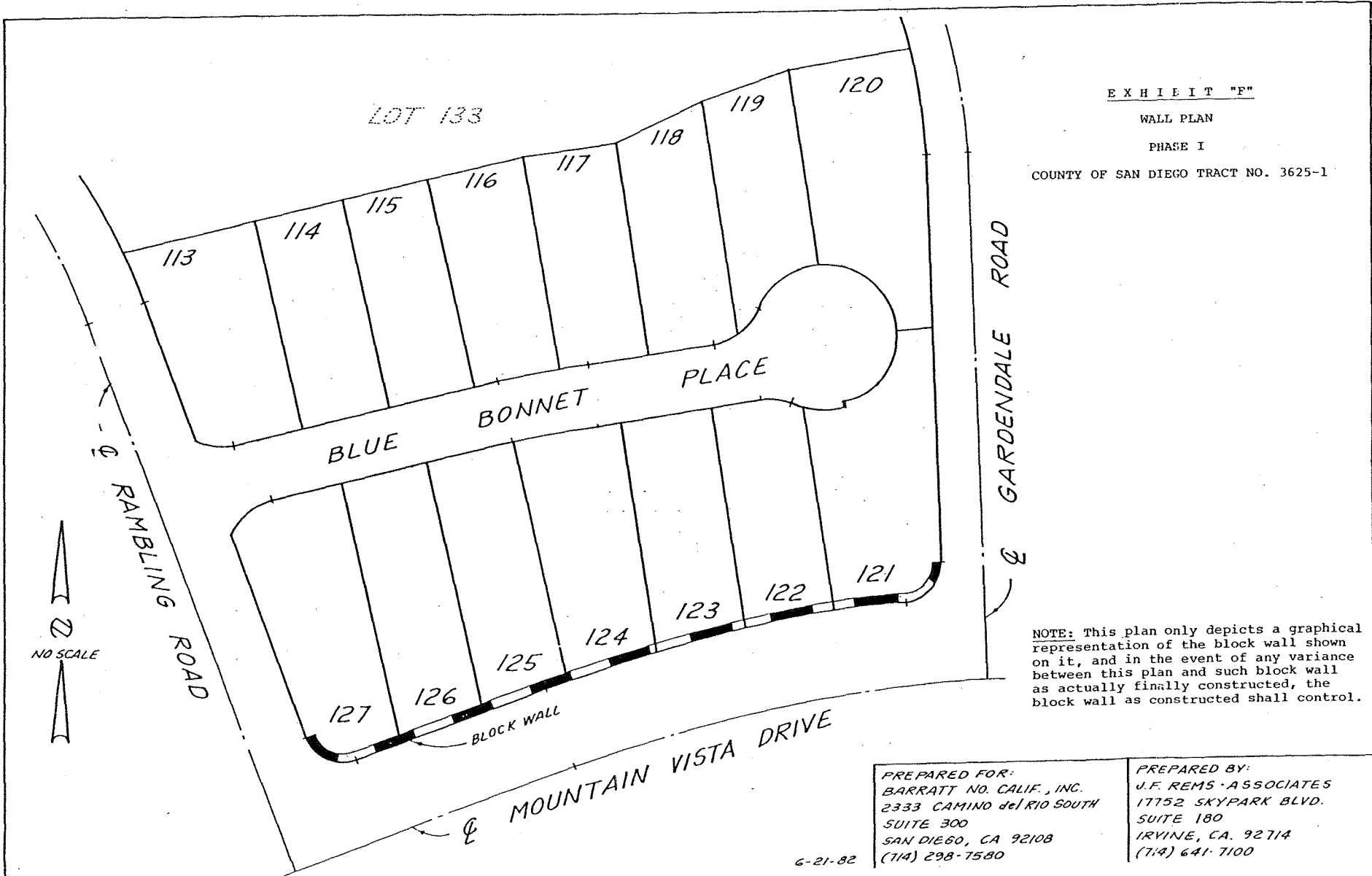


EXHIBIT "F"

WALL PLAN

PHASE I

COUNTY OF SAN DIEGO TRACT NO. 3625-1

NOTE: This plan only depicts a graphical representation of the block wall shown on it, and in the event of any variance between this plan and such block wall as actually finally constructed, the block wall as constructed shall control.

PREPARED FOR:
 BARRATT NO. CALIF., INC.
 2333 CAMINO del RIO SOUTH
 SUITE 300
 SAN DIEGO, CA 92108
 (714) 298-7580

PREPARED BY:
 J.F. REMS ASSOCIATES
 17752 SKYPARK BLVD.
 SUITE 180
 IRVINE, CA. 92714
 (714) 641-7100

EXHIBIT "E"

SLOPE CONTROL AREAS

Westerly six (6) feet of Lot 113 as per map No. 9082, filed January 10, 1979, in the office of the County Recorder of San Diego County.

In the event of any variance in the size of the slope control area set forth hereinabove and the slope area as actually finally graded, the slope area as finally graded shall control.

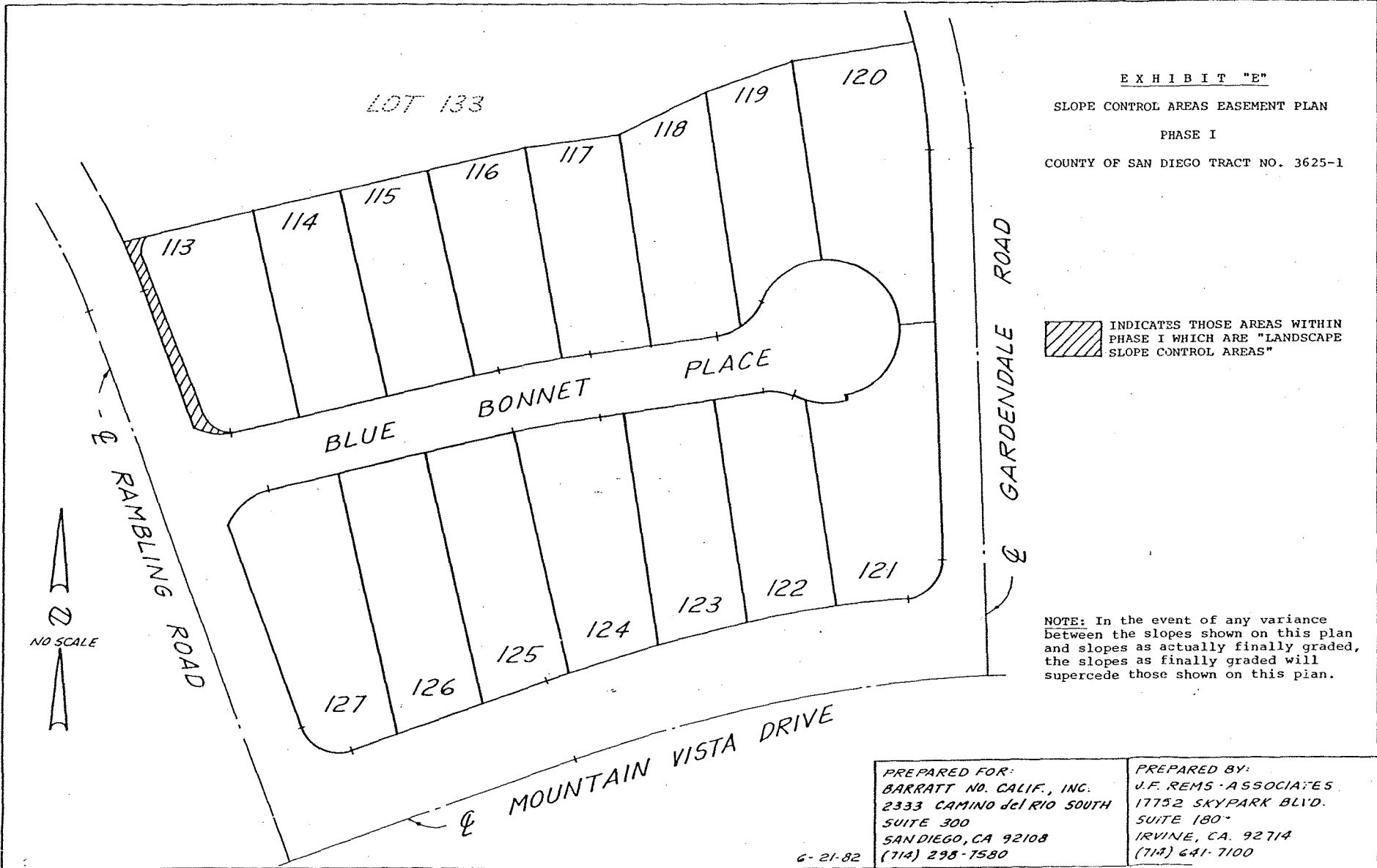



EXHIBIT "E"
 SLOPE CONTROL AREAS EASEMENT PLAN
 PHASE I
 COUNTY OF SAN DIEGO TRACT NO. 3625-1

 INDICATES THOSE AREAS WITHIN PHASE I WHICH ARE "LANDSCAPE SLOPE CONTROL AREAS"

NOTE: In the event of any variance between the slopes shown on this plan and slopes as actually finally graded, the slopes as finally graded will supercede those shown on this plan.

PREPARED FOR:
 BARRATT NO. CALIF., INC.
 2333 CAMINO del RIO SOUTH
 SUITE 300
 SAN DIEGO, CA 92108
 (714) 298-7580

PREPARED BY:
 J.F. REMS ASSOCIATES
 17752 SKYPARK BLVD.
 SUITE 180
 IRVINE, CA. 92714
 (714) 641-7100

6-21-82

EXHIBIT "D"
SIDEYARD EASEMENT PLAN

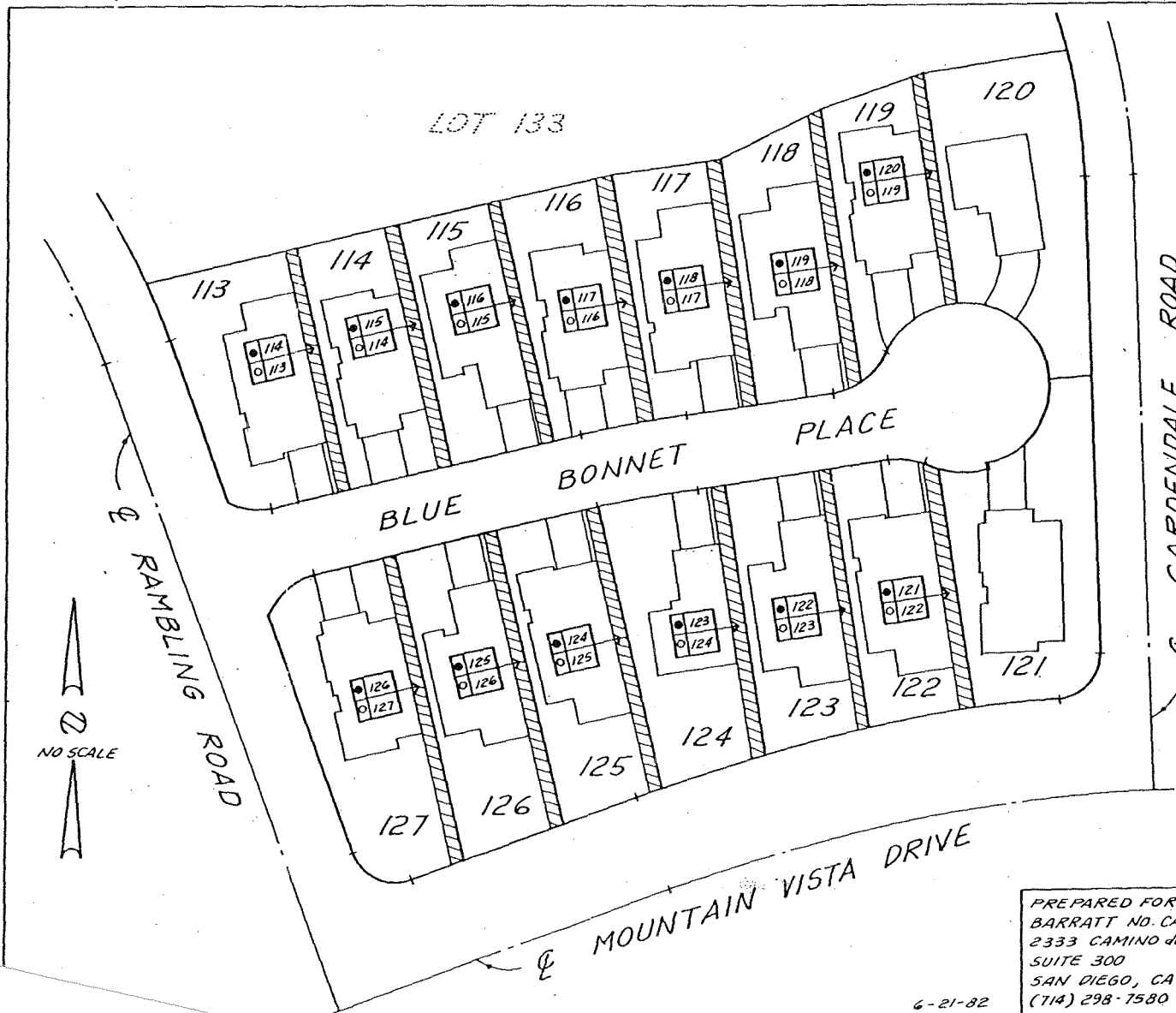
PHASE I

COUNTY OF SAN DIEGO TRACT NO. 3625-1

||||| INDICATES 5'+ SIDEYARD EASEMENT

● 117 ← "DOMINANT TENEMENT" LOT NUMBER
○ 116 ← "SERVIENT TENEMENT" LOT NUMBER

NOTE: The width of each such easement is the distance between the exterior of the structural wall of the residential dwelling which abuts such easement and the adjacent lot line between the lot on which such residential dwelling is located and the lot benefited by such easement. The configuration of the dwellings shown on this plan are for illustrative purposes, and the configurations of the dwellings as actually constructed may be different than as shown on this plan.



PREPARED FOR:
BARRATT NO. CALIF., INC.
2333 CAMINO DEL RIO SOUTH
SUITE 300
SAN DIEGO, CA 92108
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PREPARED BY:
J.F. REMS ASSOCIATES
17752 SKYPARK BLVD.
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(714) 641-7100