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San Diego, CA 92108
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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EXHIBITS

- A DESCRIPTION OF PROPERTY FOR FUTURE ANNEXATION
- B FLOOR AREA OF UNITS

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

BEACON STREET CONDOMINIUMS

A Condominium Project

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made August 9, 1982, by SUNBELT PROPERTIES, LTD., a limited partnership (hereinafter called the "Grantor"), who is the owner of real property located in the City of El Cajon and County of San Diego, State of California, described as follows:

Lots 1, 2 and 3 of Beacon Street Subdivision, according to Map thereof No. 10285, recorded December 15, 1981, in the Office of the County Recorder, County of San Diego, California (hereinafter called the "Subject Real Property").

WHEREAS, the Subject Real Property is a "Project" within the meaning of the California Civil Code Section 1350(3) and is subject to the provisions of the California Condominium Act (Title 6, Part 4, Division II, of the California Civil Code) and it is the desire and the intention of the Grantor to divide the Project into Condominiums by means of deeds (hereinafter called the "Deed") in conjunction with the diagrammatic Condominium Plan (hereinafter called the "Plan"), as defined in California Civil Code Section 1351 and recorded in the Office of the San Diego County Recorder concurrently herewith.

WHEREAS, it is Grantor's intention to impose upon the Subject Real Property mutually beneficial covenants, conditions, restrictions, reservations, easements and liens under a general plan of improvement for the benefit of all Condominiums and the future Owners of all Condominiums;

WHEREAS, it is the intention of the Grantor to develop Lot No. 1 of the Subject Real Property into 68 Units and related Common Area, to develop Lot No. 2 of the Subject Real Property as a Recreational Lot containing a swimming pool, jacuzzi, restrooms and other related facilities, and to develop Lot No. 3 of the Subject Real Property as a Recreational Vehicle Storage Lot. Title to Lots No. 2 and No. 3 will be held by the Association; and each Owner, as a Member of the Association will have the same rights to use and enjoy said Lots 2 and 3 as they do with the Common Area; and

WHEREAS, it is Grantor's intention to designate the real property described on Exhibit "A" attached hereto as property which may be annexed to the Project and made subject to this Declaration pursuant to the provisions of ARTICLE 19 herein;

NOW, THEREFORE, the Grantor declares that the Project is held and shall be held, conveyed, hypothecated, encumbered,

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leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants, and conditions, all of which are declared and agreed to be in furtherance of a general plan for the improvement of the Subject Real Property and the division thereof into Condominiums and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project and every part thereof. All of the limitations, covenants, restrictions and conditions shall run with the Subject Real Property and shall be binding upon all parties having title or interest therein or in any part thereof and shall be for the benefit of each Owner of any portion of the Project or any interest therein and shall inure to the benefit of and be binding upon each successor in interest of the Owners thereof. This Declaration is made by the Grantor pursuant to the provisions of Section 1355 of the California Civil Code.

ARTICLE 1

DEFINITIONS

1.1 Definitions. For the purposes of this Declaration and the Deed, the terms used herein shall have the following meanings, except as expressly otherwise provided herein:

1.1.1 Subject Real Property or Project shall mean the entire parcel of real property legally described above. The Subject Real Property is divided into Condominiums, including all improvements thereon.

1.1.2 Condominium shall mean the entire right, title and interest in and to the Subject Real Property conveyed by the Deed to a Grantee as defined in Section 783 of the California Civil Code, consisting of (i) a fee simple absolute ownership interest in a Unit, (ii) an undivided fractional ownership interest in the Common Area, (iii) a membership in the Association (as hereinafter defined), and (iv) in some instances, a right to use an Exclusive Use Area.

1.1.3 Unit shall mean the elements of a Condominium which are not owned in common with the Owners of other Condominiums, consisting of a Living Area, a Patio and/or a Balcony, a covered Garage. The boundaries of each Unit are as shown on the Condominium Plan. In some instances a portion of the Common Area roof may encroach upon the various Patio or Balcony air spaces so described.

1.1.4 Common Area means the entire Project excluding all Units (as indicated on the diagrammatic Condominium Plan) and excluding the Recreational Lot and Recreational Vehicle Storage Lot, but including all land, and all portions of the Project not located within any Unit, including without limitation, the following to the extent contained in the Project: television antenna, common utility installations, equipment and components (except for the outlets located within the boundaries of the Units), bearing walls, columns, floors, roofs, foundations, pipes, conduits, wires, wiring, trees, maintenance facilities, Common Access Driveway, driveways, pavement, sidewalks, curbs, attics, crawl spaces,

open parking spaces, landscaping, open areas and all other facilities owned in common which are now or hereafter located upon the real property constituting the Project. Such Common Area shall be owned in common by all Owners and shall be controlled by the Association, such control to commence with the recordation of sale of the first Unit. Grantor's conveyance to the Owners of undivided interests in the Common Area is subject to the easements, rights, conditions, covenants, and restrictions contained in the Declaration; and subject to the reservation of right to grant exclusive use easements in a portion of the Common Area pursuant to ARTICLE 16 hereof. Each Unit's utilities, except water, shall be metered separately and shall be the obligations of the individual Owners.

1.1.5 Owner or Owners shall mean the holder or holders of record title to a Condominium; provided, however, that such term shall also include the resident contract purchaser or purchasers of a Condominium under a bona fide, duly recorded contract of purchase and not the fee owner thereof.

1.1.6 Mortgage shall mean and include a deed of trust as well as a mortgage in the conventional sense.

1.1.7 Mortgagee shall mean a beneficiary under a deed of trust, or an assignee thereof, as well as a mortgagee in the conventional sense.

1.1.8 Board or Board of Directors shall mean the Board of Directors of the Association.

1.1.9 Declaration shall mean this Declaration of Covenants, Conditions and Restrictions duly recorded.

1.1.10 Grantor shall mean the party identified on page one of this Declaration, its successors and assigns, if such successors and assigns acquire or hold title to any portion of the Project for development purposes.

1.1.11 Association shall mean the Beacon Street Condominium Owners Association, a California nonprofit corporation, its successors and assigns.

1.1.12 Member shall mean and refer to every person or entity which holds a membership in the Association, which shall be the same persons and entities as the Owners. If a Unit is owned jointly or in common by two or more persons or entities, all such joint or common owners together shall be regarded as the single Member from said Unit.

1.1.13 Exclusive Use Area shall mean the Tandem Parking Spaces within the Common Area over which an easement for exclusive use is granted, subject to the provisions of ARTICLE 16 hereof.

1.1.14 Map shall mean the final subdivision Map or Parcel Map covering the Subject Real Property recorded in the Office of the San Diego County Recorder.

1.1.15 Plan shall mean the Condominium Plan as described on page one of this Declaration.

1.1.16 Deed shall mean the general form of deed as referenced on page one of this Declaration.

1.1.17 Recreational Lot shall refer to Lot No. 2 of the Subject Real Property. The Recreational Lot shall contain a swimming pool, jacuzzi, restrooms and other related facilities.

1.1.18 Recreational Vehicle Storage Lot shall refer to Lot No. 3 of the Subject Real Property. The Recreational Vehicle Storage Lot shall be used for the storage of recreational vehicles pursuant to the conditions contained in ARTICLE 16.

1.1.19 Common Access Driveway shall refer to the designated driveways in the Project as set forth on the Condominium Plan.

1.1.20 Annexed Property shall mean any real property which is, from time to time, annexed under this Declaration pursuant to ARTICLE 19.

1.1.21 FHA shall mean and refer to the Federal Housing Administration.

1.1.22 VA shall mean and refer to the Veterans Administration.

ARTICLE 2

PURPOSE

2.1 Nature and Purpose of Declaration. This Declaration is for the benefit of all Condominiums into which the Project shall be divided and may be enforced by the Grantor, the Board and any Owner and shall be a burden upon and benefit to not only the original Owners but also to all grantees and subsequent Owners. This Declaration is binding upon Owners, joint owners, lessees, tenants, occupants, encumbrances and all other persons claiming any right, title or interest in and to any portion of the Project and is declared to be a covenant running with the land and/or an equitable servitude on the land, as the case may be.

ARTICLE 3

OWNERS' RIGHTS IN COMMON AREA AND OTHER LOTS

3.1 Common Area. The Common Area located within the Subject Real Property, is and shall be owned by the Owners of Units within the Subject Real Property as tenants-in-common, in equal, undivided 1/68 interests. A transfer or conveyance (by operation of law or otherwise) of a Unit shall transfer or convey the entire Condominium, including, but not limited to, the interest of the Owner of such Unit in and to the Common Area, any Exclusive Use Area appurtenant to the Unit, and the membership in the Association.

3.2 Personal Property. The beneficial interest in personal property acquired by the Association (including but

not limited to, (i) that acquired pursuant to the ARTICLE 6 and (ii) funds acquired pursuant to the ARTICLE 7) shall be shared by the Owners in equal interests. A transfer or conveyance (by operation of law or otherwise) of a Condominium shall transfer or convey the transferor's beneficial interest in such personal property. The transfer of such personal property by the Association pursuant to the ARTICLE 6 shall transfer title thereto free and clear of any claim on the part of any Owner. Except as set forth in this paragraph, the beneficial interest of any Owner in such personal property shall not be transferable.

3.3 Right of Use. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area (except such as is designated as Exclusive Use Area described in ARTICLE 16 hereof) and such easement shall be appurtenant to each Condominium, subject to the following:

3.3.1 The right of the Association to limit the guests of Owners.

3.3.2 The right of the Association to establish rules and regulations relating to the use of the Common Area.

3.3.3 The right of the Association to borrow money for the purposes of improving the Common Area and the facilities therein.

3.3.4 The right of the Association to charge fees and dues for the use of any portion of the Common Area.

3.3.5 The right of the Association to temporarily suspend an Owner's right to use any portion of the Common Area because of such Owner's failure to abide by the rules and regulations adopted by the Board or the Owner's failure to pay the fees and dues levied by the Association for the use of any such portion of the Common Area, and/or the Owner's failure to pay any assessment levied by the Association; subject however to the Owner's right to a hearing as set forth in Paragraph 14.2 hereof.

3.3.6 The right of the Grantor and its agents or employees to the nonexclusive use of the Common Area and the facilities thereon for all purposes relating to the sales of Condominiums within the Project, which right the Grantor reserves for a period of not to exceed three (3) years from and after the date of recordation of this Declaration; provided, however, such right ceases at the time Grantor no longer has title to any Units. Grantor, in exercising his rights under this paragraph, shall not unreasonably interfere with the use of the Common Area by the Owners.

Any Owner may delegate his right of enjoyment to the Common Area and the facilities located thereon to the members of his family, his tenants or contract purchasers who reside in the Project.

3.3.7. The right of the Grantor and its agents or employees of ingress and egress for the purpose of construction of additional phases of the Project on the Subject Real Property or the Annexed Property, which right the Grantor

reserves for a period not to exceed ten (10) years from and after the date of recordation of this Declaration.

3.4 Suspension of Rights. The Association shall only be entitled to suspend an Owner's rights under the terms of Paragraph 3.3.5 for a period of not to exceed thirty (30) days for any single infraction of the Association's rules and regulations or any single failure to pay the appropriate fees and dues and only after a hearing by the Board held after reasonable notice has been given as set forth in Paragraph 14.2 hereof.

3.5 Recreational Lot and Recreational Vehicle Storage Lot. The Recreational Lot and the Recreational Vehicle Storage Lot shall be owned by the Association. Each Owner, as an incident of membership in the Association, shall have the same rights to use and enjoy the Recreational Lot and the Recreational Vehicle Storage Lot as that Owner has to use and enjoy the Common Area, subject to the same limitations as apply to the Common Area as set out herein, and subject further to the provisions of this Declaration and any rules or regulations adopted from time to time by the Board in regard to the use thereof. The powers and duties and limitations of the Association in regard to such Lots shall likewise be the same as set out in this Declaration in regard to the Common Area. A transfer or conveyance (by operation of law or otherwise) of a Condominium shall transfer or convey the transferor's rights to use and enjoy the Recreational Lot and the Recreational Vehicle Storage Lot. The transfer of said Lots by the Association shall transfer title thereto free and clear of any claim on the part of any Owner.

3.6 Common Access Driveway. The Common Access Driveway shown on the Condominium Plan is Common Area which shall be used for ingress, egress and utilities for the mutual and nonexclusive benefit of all Owners in the Project and for Lot No. 4 of Map No. 10285, recorded December 15, 1981.

ARTICLE 4

THE ASSOCIATION: MEMBERSHIP

4.1 Purpose. The Association has been created to serve as a "management body" to provide for the management, maintenance and preservation of the Common Area and to provide for ownership of the Recreational Lot and the Recreational Vehicle Storage Lot, all as more specifically set forth in this Declaration, and the Articles of Incorporation, Bylaws and the rules and regulations from time to time adopted by the Association.

4.2 Compliance With the Articles and Bylaws. Each Owner shall be obligated to promptly, fully and faithfully comply with and conform to each and every term and provision of the Articles of Incorporation and Bylaws of the Association. Additionally, by acceptance of a Deed for a Unit herein, each Owner covenants and agrees to fully and faithfully comply with and conform to each and every rule and regulation promulgated by the Board and each Owner will promptly pay in full all dues, fees and assessments levied by the Association on its Members

regardless of whether such dues, fees or assessments were levied prior to or subsequent to the date of acquisition of the Condominium by any such Owner.

4.3 Membership Rights. Except with respect to voting rights, the rights, interests and privileges of each Owner in good standing shall be equal. Each Owner shall be and become a Member of the Association contemporaneously with his acquisition of a Unit without further documentation of any kind. No such membership may be severed or separated from its Unit. Any sale, transfer, encumbrance or conveyance of the Unit shall operate to transfer or encumber the appurtenant membership without the requirement of express reference thereto. No Owner may avoid the obligation incidental to his membership (including the payment of any assessments) by nonuse of the Common Area or abandonment of his Unit. Upon conveyance, sale or assignment of a Unit to a new Owner, the former Owner shall not be liable for any assessment levied after the date of recording the conveyance evidencing such sale of the Unit. The rights, duties, privileges and obligations incidental to membership shall be exercised and imposed in accordance with the provisions of this Declaration, and with the Articles of Incorporation and the Bylaws of the Association. Each Owner, tenant, or occupant of a Unit shall comply with this Declaration, the Articles of Incorporation, and the Bylaws, and failure to comply shall be grounds for an action by the Association to recover sums due for damages to it or to its Members or for injunctive relief as the Association may deem proper. Each membership shall represent an underlying equal beneficial interest in any and all property owned by the Association. The only qualification for membership is that the Member own a Unit, and no person not owning a Unit may be a Member. As to membership arising out of ownership of a Unit within any Annexed Property, no rights or obligations arising therefrom shall attach until the recordation of sale of the first Unit in said Annexed Property.

ARTICLE 5

THE ASSOCIATION: BOARD OF DIRECTORS

5.1 Number, Qualification and Office. The number of Directors, qualification of Directors, and all other matters concerning the make-up and operation of the office of a Director and of the Board shall be as set forth in the Bylaws of the Association.

5.2 Certificate of Identity of Board. From time to time hereafter, a certificate of identity of the persons constituting the Board may, but need not, be filed for record. The latest of such certificates appearing of record shall be conclusive evidence of such identity in favor of any person relying thereon in good faith, providing the same shall be executed and acknowledged by (i) at least two persons, each of whom is identified as a Director by the next last previous such certificates appearing of record (or, in the case of the first such certificate filed for record after the date hereof, such two signatories may be from among the persons named in the original Articles of Incorporation of the Association), or (ii) the record Owners of at least two Condominiums.

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ARTICLE 6

THE ASSOCIATION: POWERS OF THE BOARD

6.1 Powers of the Board. In addition to the rights and powers enumerated in its Articles of Incorporation and Bylaws, and the general duties and powers conferred by law, and without limiting the generality thereof, all actions and powers relating to the management, operation, administration and maintenance of the Project shall be exercised by the Association acting through the Board. Without constituting a limitation on the foregoing, but as examples thereof, the Board shall have the following powers:

6.1.1 To select and remove officers, agents, and employees of the Association; to prescribe such powers and duties for them as may not be inconsistent with this Declaration; to fix their compensation and to require from them security for faithful service; and to delegate powers of the Board to committees, officers and employees; provided, however, any compensation to an officer or Director in excess of reimbursement for actual expenses shall be subject to the prior approval of at least a majority of the voting power of the Owners, excluding the Grantor;

6.1.2 To conduct, manage, administer and control the affairs and business of the Association and the Project and to make such rules and regulations relating to the use of the Common Area and the Units not inconsistent with this Declaration as it may deem best;

6.1.3 To appoint an executive committee and any other committees and to delegate to such committees any of the powers and authority of the Board in the management of the business and the affairs of the Association and the Project;

6.1.4 To levy fees, dues and assessments for the maintenance and operation of the Association and the Project;

6.1.5 To enter upon any Unit to the extent such entry is necessary to carry out any maintenance or repairs as specified by this Declaration;

6.1.6 To enforce the provisions of this Declaration; provided that nothing contained in this paragraph shall be construed to prohibit enforcement of this Declaration by any Owner;

6.1.7 To contract for and maintain fire, casualty, liability, workmen's compensation, medical, hospital and other insurance insuring Owners and Directors, or some of them, and other persons;

6.1.8 To contract, provide and pay for (i) maintenance, utility, gardening and other services benefitting the Common Area, (ii) employment of and living quarters for persons necessary for operations of the Project, or any part thereof, (iii) legal and accounting services, and (iv) related matters; provided, however, the terms of any service contract shall be limited to a duration of one year, except with the approval of a majority of the Owners, excluding the Grantor;

6.1.9 To contract for and purchase tools, equipment, materials, supplies and other personal property and services for (i) maintenance and repair of the Common Area, and (ii) improvements to the Project;

6.1.10 To contract and pay for reconstruction of any portion or portions of the Project damaged or destroyed;

6.1.11 To pay taxes which would be a lien upon the entire Project or the Common Area, and to pay and discharge any lien or encumbrance levied against the entire Project or the Common Area;

6.1.12 To sell, at such price and terms as the Board may determine, the entire Project for the benefit of all of the Owners and Mortgagees thereof, as their interests shall appear. Said power to sell shall be exercisable only (i) when partition of the Project may be had under California Civil Code Section 1354, and (ii) after recordation of a certificate by those holding such power that said power is properly exercisable;

6.1.13 To prosecute or defend, under the name of the Association, any action affecting or relating to the Association, the Common Area or the personal property of the Association or any action in which all of the Owners have an interest in the subject of the action or in whom any right to relief in respect to or arising out of the same transaction or series of transactions is alleged to exist;

6.1.14 To appoint an Architectural Committee consisting of not less than three (3) nor more than five (5) persons, each of whom is also a member of the Board and an Owner, which Committee may be empowered with such of the powers of the Board as the Board may so delegate to establish, supervise, control and enforce reasonable rules and regulations for construction, improving, altering, repairing, maintaining or removing improvements of all types, including, without limitation, recreational improvements, areas and facilities, outdoor lighting facilities, fences, outbuildings of all types, hedges, trees or landscaping on the Project;

6.1.15 To regulate and control use of and access to the common access driveways and parking areas within the Project;

6.1.16 To grant easements and licenses affecting the Project;

6.1.17 To encumber or dispose by sale or otherwise of lawn or patio furniture, maintenance equipment or other property, real or personal, acquired by the Association; provided that, if during a fiscal year the aggregate current fair market value of the property to be encumbered or disposed of is greater than five percent (5%) of the budget gross annual expenses of the Association for such year, or if the value of any property to be so encumbered or disposed of is in excess of \$2,000; any such encumbrance or other disposition or sale shall be subject to the prior approval of a majority of the voting power of the Owners, excluding the Grantor;

6.1.18 Provided further, however, notwithstanding anything contrary contained herein, the Board shall not have the power to enter into any contract for services for the Common Area or the Association having a duration of more than one year, without obtaining the prior vote of approval from at least a majority of the voting power of the Owners, excluding the Grantor.

6.2 Standard of Performance. No right or power conferred on the Board in Paragraph 6.1 shall be construed as a duty or obligation charged upon the Board or any Director; but if any right or power herein granted is exercised, Directors so exercising or voting for such exercise shall be held to the same standard of care as would a member of a board of directors of a California corporation.

6.3 Duties of the Board. The Board, acting in the name of and on behalf of the Association, shall have the duty to acquire and pay for out of the maintenance fund hereinafter provided for all of the following:

6.3.1 Water, sewer, garbage, electrical, gas and other necessary utility services for the Project, except to the extent that such services are separately metered or charged to the Units, in which event each Unit Owner shall pay the amount charged to him;

6.3.2 A policy or policies of fire insurance and extended coverage endorsement for at least ninety percent (90%) of the full insurable replacement value of the Project (exclusive of personal furnishings, fixtures and equipment which is the property of the respective Owners, and personal property of the Owners stored on the Recreational Vehicle Storage Lot, which items may be insured in the discretion of the Board) or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners and their Mortgagees as their respective interests may appear. Such coverage shall be reviewed at least annually by the Board and increased or added to at its discretion. The policy or policies shall provide for separate loss payable endorsements in favor of the Mortgagee or Mortgagees of each Condominium, if any. Copies of all insurance policies carried by the Association (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by Owners at all reasonable times, and a copy of the relevant policy or policies of insurance or certificates thereof shall be furnished by the insurance company or companies to each first Mortgagee of a Condominium Unit. All such insurance policies shall provide that they shall not be cancellable by the insurer, nor coverage reduced, without first giving at least ten days' prior notice in writing to the Association and to each first Mortgagee of a Condominium Unit;

6.3.3 A policy or policies of Comprehensive Public Liability and Property Damage coverage with a Personal Injury Liability endorsement insuring the Association, as well as each Owner as to his joint liability with other Owners by reason of his common ownership in the Project, against any liability to the public or to the Owners and their invitees or tenants incident to the ownership and/or use of the Project.

Limits of liability under such insurance shall not be less than \$10,000 for any one person injured and not less than \$30,000 for any one accident, and not less than \$5,000 for property damage (such limits and coverage to be reviewed at least annually by the Board and increased or added to in its discretion). Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insureds under the policy or policies shall not be prejudiced as respects his, hers or their action against another named insured;

6.3.4 Workmen's Compensation Insurance to the extent necessary to comply with the applicable laws of the State of California;

6.3.5 Legal and accounting services necessary and proper in the operation of the Project or for the enforcement of this Declaration;

6.3.6 The painting, maintenance, replacement, repair, supplies, equipment, labor, services and landscaping of the entire Common Area as the Board shall determine necessary and proper;

6.3.7 Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Board is required to secure pursuant to the terms of this Declaration of which in the opinion of the Board shall be necessary, proper or desirable for the operation and maintenance of the Project or for the enforcement of this Declaration; provided, however, that if any such materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for a particular Condominium or Condominiums, the cost thereof shall be specially assessed to the Owner or Owners thereof and shall be collected as provided in ARTICLE 7 hereof.

6.3.8 The Board shall also pay any amount necessary to discharge any lien or encumbrance levied against the Project, or any part thereof, which may, in the opinion of the Board, constitute a lien against the Common Area rather than merely against the interest therein of a particular Owner or Owners. Where one or more Owners are responsible for the existence of such lien, he or they will be jointly and severally liable for the cost of discharging same, and any costs incurred by the Board by reason of such lien or liens shall be specifically assessed to such Owner or Owners and shall be collected as provided for in ARTICLE 7 hereof.

6.3.9 The maintenance and repair of any Unit, if such maintenance or repair is: (a) reasonably necessary in the discretion of the Board to protect the Common Use Area or to preserve the appearance and value of the Project, and (b) the Owner or Owners of such Unit or Units have failed or refused to perform such maintenance or repairs after notice provided for in ARTICLE 7 hereof. The Board shall levy a special assessment against the Condominium of such Owner or Owners for the cost of such maintenance and repair. The same shall be collected in the manner provided for in ARTICLE 7 hereof.

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6.4 Limit on Contracts.

6.4.1 Grantor and Initial Board. Prior to the first meeting of Members, the Grantor or the initial Board may enter into contracts and exercise the powers of the Board; provided, however, anything in this Declaration to the contrary notwithstanding, the Grantor and the initial Board may not enter into any contract or exercise any powers binding for a term longer than one year from the effective date thereof unless such contract contains reasonable provisions for the termination thereof by said initial Board or a successor Board.

6.4.2 Longer Than One Year. Except with the vote or written consent of a majority of the Members, excluding the Grantor, the Board shall be prohibited from entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year, with the following exceptions: (a) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration, (b) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate, or (c) prepaid casualty and/or liability insurance policies of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.

6.5 Contracts. The Association shall have the exclusive right to contract for all goods, services, materials, insurance, repairs, rebuilding and replacement, payment for which is to be made from the maintenance fund or any insurance proceeds received in the event of damage or destruction of the Common Area. In respect to each contract made by the Association for repainting or repair of the Common Area or for work and/or materials relating to the maintenance, repair, rebuilding or replacement of any buildings, structure or other improvements situated in the Common Area for which the amount to be paid by the Association exceeds One Thousand Dollars (\$1,000.00), the Association shall secure at least two (2) bids from responsible contractors and shall accept the bid it considers most desirable. The Association may require from each contractor which it engages, a surety bond assuring the completion of the work and satisfactory evidence that adequate workmen's compensation and liability insurance is carried with respect to the employees and activities of such contractor. In cases where a completion bond is not required, the Association shall require labor and materials releases to be furnished by the contractor unless the Board makes a specific determination that such requirement is impractical or unnecessary to afford protection against liens.

6.6 Additions to Common Area. There shall be no structural alterations, capital additions or capital improvements to the Common Area (other than for repairing or replacing damaged or destroyed portions of the Common Area) requiring an expenditure in excess of One Thousand Dollars (\$1,000.00), or 5% of the gross annual current budget, whichever is less, without the prior approval of Owners holding a majority of the voting power, excluding

Notwithstanding the foregoing, Grantor shall have the right, at any time, without the necessity of obtaining approval of the Owners, to make, at its own expense, structural alterations, capital additions, or capital improvements to the Common Area which are required by or consistent with Grantor's building permits, conditional use permits, and subdivision map agreements for the Project.

6.7 Accounting. The Board shall cause the Association to maintain books of account of all its receipts and expenditures. Each Owner shall be entitled at reasonable times to inspect the books of the Association, and to have such books examined at said Owner's expense by an attorney, accountant, or other person representing such Owner, and may make excerpts or copies of such books or portions thereof, and each such Owner, at his own expense, shall have the right to have such books independently audited by a public accountant. The Board shall cause to be prepared and distributed to all Members regardless of the number of Members or the amount of assets of the Association the following financial statements:

(a) A pro forma operating budget for each fiscal year shall be distributed at least 60 days prior to the commencement of the fiscal year.

(b) A balance sheet as of an accounting date which shall be the last day of the month closest in time to six months from the date of closing of the first sale of a Unit in the Project and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date shall be distributed within 60 days after the aforesaid accounting date. The operating statement for the first six months accounting period shall include a schedule of assessments received or receivable itemized by Unit number and by the name of the person or entity assessed.

(c) An annual report consisting of the following shall be distributed within 120 days after the close of the fiscal year: (i) a balance sheet as of the end of the fiscal year; (ii) an operating (income) statement for the fiscal year; (iii) a statement of changes in financial position for the fiscal year; and (iv) any information required to be reported under Section 8322 of the Corporations Code of the State of California.

At the discretion of the Board, the financial statements of the Corporation shall be prepared by an independent public accountant; provided, however, preparation by an independent public accountant shall be required for any annual report referred to in Subparagraph (c) above for any fiscal year in which the gross income of the Corporation exceeds \$75,000. If such report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

ARTICLE 7

THE ASSOCIATION: ASSESSMENTS FOR MAINTENANCE FUND

7.1 Power of Assessment. Pursuant to California Civil Code Sections 1355(3) and 1356 and Paragraph 6.1.4 above, the Association, acting through the Board, has and shall have the right and power to make from time to time reasonable assessments upon the Condominiums to establish a maintenance fund from which the Board may expend funds in connection with the exercise of any or all of the right, powers or duties of the Board as provided in this Declaration, and to change from time to time the amount, installments and/or frequency of payment of such assessments.

7.1.1 Prior to First Meeting of Members. Prior to the first annual meeting of Members of the Association (as provided in the Bylaws), all Owners shall pay to the Association the monthly assessments established by the Grantor. The assessments for each Unit shall be comprised of two components:

(i) The following expenses of the Association (the "Unequal Component"): insurance premiums paid by the Association for fire, theft, public liability and property damage insurance; expenses for domestic water supplied to the Project, exclusive of irrigation water; reserve funds for roof replacement and repainting of the exterior of buildings located in the Project.

(ii) All other anticipated expenses and reserve funds of the Association (the "Equal Component").

The Equal Component of the assessments shall be allocated equally among all Units. The Unequal Component of the assessments shall be allocated among the Units on the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of the floor area of all of the Units to be assessed. The square footage of the floor area of each Unit is set forth in the attached Exhibit "B." The Association shall establish a separate account for, and deposit therein, all such payments so received. Each Owner shall commence paying such monthly assessments on the first day of the calendar month after the Owner acquires title to a Unit. Assessments shall commence on all Units within the Subject Real Property (including those owned by the Grantor) on the first day of the month following the close of the first sale escrow. Grantor shall pay the monthly assessment on each Condominium owned by Grantor from the date assessments commence for the first Owner other than Grantor of a Unit and continuing until Grantor sells such Condominium and records a grant deed therefor. The Grantor shall, at the first meeting of Owners, provide the duly elected Board with an accounting of the assessments so received by the Association and the funds so disbursed by the Association.

7.1.2 Regular and Special Assessments and Budgets. Prior to each annual meeting of Members (as provided in the Bylaws), the Board shall prepare a written budget setting forth an estimate of the amount to be paid into the maintenance fund to cover all expenditures for the forthcoming year, including

reasonable provisions for contingencies, replacements and reserves as the Board deems appropriate to minimize fluctuations in the maintenance fund, less any expected income and any surplus from the prior year's fund, and, in addition, an adequate reserve fund for maintenance, repairs and replacement of all Common Area or other improvements which must be replaced on a periodic basis. The estimated annual cash requirement for the maintenance fund as so determined shall be assessed to the Owners, including the Grantor, separately for each Unit in the same ratio as in the formula set forth in Paragraph 7.1.1 above. One-twelfth (1/12th) of the amount assessed to each Owner (hereinafter called the "regular assessment") shall be due and payable on the first day of each calendar month during such year or at such other time as the Board may designate. Provided, however, such regular assessment may not exceed the regular assessment for the prior fiscal year by more than 20% without the prior vote or written consent of a majority of the voting power of the Owners, excluding the Grantor. If, in the discretion of the Board, the estimated annual cash requirement for any given year proves inadequate for any reason, including without limitation (i) the nonpayment of any assessment by an Owner or Owners, (ii) the need to make capital improvements or repairs, or (iii) the need to make up a deficiency in insurance proceeds, the Board may at any time levy an additional assessment (hereinafter called "special assessment"), provided that if the amount of such special assessment exceeds five percent (5%) of the original estimated annual cash requirement for the year in question, or \$1,000, whichever is less, such special assessment shall not be levied without the prior approval of the Owners entitled to exercise a majority of the voting power, excluding the Grantor. Every special assessment shall be levied upon the same basis as prescribed for the levying of regular assessments except: (1) a special assessment against the Owners to raise funds for the rebuilding or major repair of a portion of the structural Common Area of the Project, which assessment shall be levied upon the basis of the ratio of the square footage of the floor area of a Unit to be assessed to the total square footage of the floor area of all Units to be assessed, and (2) where the special assessment is assessed against a Member as a remedy utilized by the Board of Directors solely to reimburse the Association for costs incurred in bringing the Member and his Unit into compliance with provisions of this Declaration or the Articles of Incorporation, or Bylaws of the Association or rules or regulations from time to time adopted by the Association or is assessed as a reasonable late payment penalty for delinquent payments of assessments and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments as set forth herein. All funds collected hereunder shall be expended only for the purposes set forth in this Declaration and any purposes reasonably incidental thereto.

7.1.3 Notice. On or before the annual meeting of the Owners, the Board shall give each Owner written notice of the amount of the estimated annual cash requirement as set forth in the above-described budget and any special assessments, the amount thereof assessed to each such Owner, and the date or dates upon which such amount or portions thereof shall be due and payable. Said notice may be mailed by regular United States Mail, postage prepaid, addressed respectively to each Condominium.

7.1.4 No Waiver. No Owner may waive or otherwise avoid personal liability for such assessments by nonuse of the Common Area or by the abandonment of his Condominium.

7.1.5 Certificate of Payment. The Board shall, upon demand, furnish to any Owner and/or Owners liable for any of the above-described assessments, a certificate in writing setting forth whether regular and special assessments on a specific Condominium have been paid and the amount of any delinquencies. Such certificate shall be conclusive evidence of payment of any regular and special assessment therein stated to have been paid.

7.2 Default in Payment of Assessments.

7.2.1 Delinquency. Each regular assessment and each special assessment shall be a separate, distinct and personal debt and obligation of the respective Owner and/or Owners against whom the same are assessed, and the fact that such assessments may be paid initially by others shall not relieve an Owner and/or Owners for his or their obligation to pay such assessments. In the event any regular assessment or special assessment shall be unpaid and not otherwise satisfied within ten (10) days after the same has become due and payable, such regular or special assessment shall be deemed delinquent and shall remain delinquent until the amount thereof, together with all costs, attorneys' fees, penalties and interest as hereinafter provided shall be fully paid or otherwise satisfied.

7.2.2 Legal Proceedings. Any such delinquent assessment, at the discretion of the Board, acting in the name of and on behalf of the Association, may be collected by means of a suit or suits at law in courts of appropriate jurisdiction. Any judgment rendered in any such proceedings shall include, where permissible, a sum for costs and reasonable attorneys' fees as the court shall determine.

7.2.3 Recording Notice. At any time after a regular or special assessment has become delinquent, alternatively the Board, acting in the name of and on behalf of the Association, may elect to file for record in the office of the San Diego County Recorder a Notice of Delinquency as to the Owner and/or Owners and the Condominium in question, which notice shall state the following: (1) the name of the record or reputed record Owner of such Condominium; (2) the legal description of the Condominium in respect to which the delinquent assessment is owned; (3) all amounts which have become delinquent with respect to such Condominium, the costs, including attorneys' fees, penalties and interest which have accrued thereon; and (4) the amount of all regular or special assessments relating to such Condominium which are due and payable although not delinquent. Such notice shall be signed by any two (2) officers of the Association. In the event the delinquent regular or special assessment, together with all costs including attorneys' fees, penalties and interest which have accrued on such amount and all regular or special assessments due and payable are fully paid or otherwise satisfied prior to the completion of any foreclosure or exercise of the power of sale to foreclose the lien provided for below, the Board shall record a further notice similarly

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signed, stating the satisfaction of all amounts due and the releasing of the lien against the Condominium, if any. Unless sooner satisfied and released or the enforcement thereof initiated as herein provided, such lien shall expire and be of no further force or effect one year from the date of recordation of said notice of assessment; provided, however, that said one year period may be extended by the Association for not to exceed one additional year by recording a written extension thereof.

7.2.4 Lien. Immediately upon the recording of the notice of delinquency as provided for in Paragraph 7.2.3 above, all delinquent amounts, as well as any amounts then due and payable although not delinquent as set forth in such notice, together with the costs including attorneys' fees, penalties and interest accruing thereon, shall become a lien upon the Condominium therein described, which lien shall also secure all other assessments which shall become due and payable prior to foreclosure of such lien with respect to such Condominium following such recording, and all costs, including attorneys' fees, penalties and interest accruing thereon. Such lien shall continue until all amounts secured thereby are fully paid or otherwise satisfied.

7.2.5 Foreclosure. Each lien established pursuant to Paragraph 7.2.4 hereof shall be foreclosed either in the same manner provided for the foreclosure of a mortgage upon real property by means of the exercise of a power of sale pursuant to Sections 2924, 2924(b), and 2924(c), and 1355 of the California Civil Code, or in any other manner permitted by law. The Association shall have the power to bid for the Condominium at the foreclosure sale and to hold, lease, mortgage, and convey the same in the name of the Association.

7.2.6 Interest and Penalties. Interest shall accrue at the rate of nine percent (9%) per annum on all delinquent regular and special assessments from the date of delinquency thereof. The Board shall be entitled to collect all costs incurred by it in connection with the collection of delinquent assessments, including, but not limited to, all recording and filing fees, all attorneys' fees and court costs.

7.2.7 Homesteads. Any homestead declared pursuant to Title V, Part IV, Division Second of the California Civil Code or any other applicable provisions, by an Owner against his Condominium shall be subordinate and subject to the charge of the lien described in Paragraph 7.2.4 above.

7.3 Mortgage Protection. Notwithstanding all the other provisions of this Declaration, the lien for regular or special assessments against any Owner and the Owner's Condominium shall be subordinate to the lien of any first mortgage or first deed of trust encumbering the Condominium of the Owner, or any part thereof. The transfer of a Condominium as the result of the exercise of a power of sale or a judicial foreclosure involving a default under a first mortgage or first deed of trust shall extinguish the lien of assessments which were due and payable prior to the transfer of the Condominium; provided, however, no transfer of a Condominium as a result of a foreclosure or exercise of a power of sale shall relieve the transferee, whether it be the former beneficiary of the first

mortgage or first deed of trust or another person, from liability for any assessments thereafter becoming due or from the lien thereof.

7.4 Rights Upon Payment of Assessments. Payment to the Association of regular and special assessments established for his Unit shall entitle the Owner to the right to use the Common Area, the Recreational Lot and the Recreational Vehicle Lot subject to the restrictions set forth herein, including ARTICLE 3 and ARTICLE 16, and the rules and regulations established by the Association.

ARTICLE 8

MANAGER

8.1 Delegation of Duties to a Manager. Subject to the limitation of Section 6.1.19, the Board, acting in the name of and on behalf of the Association may delegate any or all duties, powers or functions to any person or firm to act as manager of the Project, provided that any such delegation shall be revocable upon written notice given by the Board. The members of the Board shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by the Board. The duties, powers and function delegated to the manager shall be contained in a written instrument executed by a majority of the members of the Board.

8.2 Limitations on Management Contract. Any agreement for professional management of the Project, or any contract providing for services of the Grantor, may not exceed three (3) years. Any such agreement must further provide for termination by either party without cause and without payment of a termination fee on ninety (90) days' or less written notice.

ARTICLE 9

USE

9.1 Use of Units and the Common Area. The Units and the Common Area shall be occupied and used by the Owners as follows:

9.1.1 Residence. Each Unit shall be improved, used and occupied only for private dwelling purposes of a single family or of not more than two unmarried persons, and for no other purposes. Units may be rented for such residential purposes, but Units shall not otherwise be used for any business purpose.

9.1.2 Insurance. No Unit or improvement situated thereon shall be occupied or used for any purpose or in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form or cause any policy or policies representing such insurance to be cancelled or suspended or the company issuing

the same to refuse the renewal thereof, or cause the premium for such insurance to be increased.

9.1.3 Pets. Each Owner may keep and maintain in his Unit no more than (a) one domesticated dog, cat or other commonly accepted household pet not weighing over thirty (30) pounds each, (b) caged birds, and (c) fish in a household aquarium; provided that the same (i) are kept for noncommercial purposes and (ii) shall not in the Board's opinion create an unreasonable annoyance or nuisance to the Owners. The same shall not be permitted in the Common Area except as allowed by rules and regulations adopted by the Board. No other animals shall be kept, maintained or permitted on or in the Project without the express written consent of the Board or pursuant to regulations adopted by the Board.

9.1.4 Interference. No Unit shall be used in such a manner as to obstruct or interfere with the enjoyment of the Owners or occupants of other Units or annoy them by unreasonable noises or otherwise, nor shall any nuisance or immoral or illegal activity be permitted to occur in any Unit.

9.1.5 Signs. No signs shall be erected or displayed on any Unit except house numbering devices and signs of a customary and reasonable dimension giving notice that the property is for sale or lease. No signs shall be erected or displayed in the Common Area except signs placed by the authority of the Board for the purpose of identifying the Common Area and the Common Access Driveway and the walkways therein, signs giving notice of rules relating to the use of the Common Area and improvements situated thereon and signs for such other purposes as the Board shall consider to require the use of such signs. The Grantor and its successors and assigns, however, reserve the right to erect, post or display such signs and other devices as it deems necessary and desirable in connection with the sale, transfer or rental of any of the Units owned by the Grantor or its successors or assigns or in which the Grantor or its successors and assigns have a security interest; provided, however, use of the Project for sales purposes by Grantor as set forth herein shall be limited to a period ending (i) five (5) years from the date of recordation of this Declaration, or (ii) upon closing of the last sale of a Unit within the Project, whichever first occurs. Such use by Grantor shall further be limited to the sales of Units within the Project.

9.1.6 Nuisance. No noxious or offensive activities shall be carried on in any Unit or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the Owners. Nothing shall be done in any Unit or in, on or to the Common Area which will impair the structural integrity of any improvements except as is otherwise provided for herein. No drilling or mining operations of any kind shall be permitted upon or in any Unit or in the Common Area. Nothing shall be altered or constructed in or removed from the Common Area except upon written direction and consent of the Board. All equipment, garbage cans, wood piles, and storage piles shall be kept screened and sealed from the view of neighboring Units, the common access driveways and the Common Area. All rubbish, trash or garbage shall be regularly removed from each Unit and shall not be

allowed to accumulate thereon or on the Common Area. No fences, hedges or walls shall be erected or maintained upon such Units except as are installed in accordance with the initial construction of the improvements located thereon or as provided by the Board. No exterior clotheslines shall be erected or maintained, except as allowed by the Board.

9.1.7 Windows and Doors. No shutter, blind, drape or appurtenance visible from any Common Area or public street shall be constructed, permitted or maintained in or on any window or door without the express written consent of the Board; excepting only such items as may be installed or permitted initially by the Grantor, and comparable replacements thereof.

9.1.8 Vehicles. Except with the written consent of the Board, no Owner shall be permitted to have or maintain more vehicles within the Project than there are parking spaces granted to such Owner. The Owners and their guests and invitees shall not park any motor vehicles in the Common Area, except in the parking areas provided for such use, subject to regulations by the Board and the provisions of ARTICLE 16 hereof. Owners shall not use spaces designated as guest parking for parking of their own vehicles, except as set forth in ARTICLE 16 hereof. No boat, trailer, recreational vehicle, or equipment shall be stored at any time within the Project without the written consent of the Board, except in the Recreational Vehicle Storage Lot in accordance with rules and regulations of the Board. No power equipment, hobby shops or carpenter shops or other workshop shall be maintained in any parking area or other Common Areas without the written consent of the Board. No automobile overhaul or maintenance work, other than emergency repair work, shall be permitted in the Common Area without the written consent of the Board.

9.1.9 Common Area Uses. The Common Area (excepting the Exclusive Use Area as described in ARTICLE 16) shall be improved and used only for the following purposes:

- (i) vehicular and pedestrian movement within the Project, including access to the Units;
- (ii) recreational use by the Owners and occupants of the Units in the Project and their guests, subject to the rules and regulations established by the Board;
- (iii) beautification of the Project and providing privacy to the Owners thereof through landscaping and such other means as the Board shall deem appropriate;
- (iv) ingress, egress and support throughout the Common Area for each Unit, and the Common Area is and shall be subject to a nonexclusive easement therefor.

9.1.10 Prohibited Activities. No part of the Common Area shall be obstructed so as to interfere with its use for the purposes hereinabove permitted; nor shall any part of

the Common Area be used for storage purposes (except as incidental to one of the permitted uses) or in a manner which shall increase the rate charged for insurance against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form or Public Liability or Property Damage Liability covering the Common Area and improvements situated thereon, or in a manner which shall cause said premises to be uninsurable against such risk or cause any policy or policies representing such insurance to be cancelled or suspended or the company issuing same to refuse renewal thereof.

9.1.11 No Alterations of Common Area. No Owner, tenant, occupant or resident of a Unit shall make any alteration or improvement to the Common Area or remove any planting, structure, furnishing or other object therefrom except with the written consent of the Board.

9.1.12 Liability. The Owner of each Unit shall be legally liable to the Association for all damages to the Common Area or to any improvement, facility or landscaping located thereon caused by such Owner, tenant, occupant or resident of such Owner's Unit or any guest of an Owner. No Owner shall have the right to improve, decorate, remodel, alter, landscape or adorn the Common Area without the written consent of the Board. Any such action shall be subject to the rules and regulations established by the Board.

9.1.13 Antennas. No Owner shall place or maintain any outside television or radio antenna any place within the Project, including the Owner's own Unit. The Association shall place and maintain one or more antennas within the Project or may install cable television facilities within the Project as may be necessary to provide television and radio service to the Owners.

ARTICLE 10

REPAIRS AND MAINTENANCE

10.1 Owner's Obligation to Repair. Each Owner at his expense shall be responsible for the maintenance and repair of the interior of his Unit, his Exclusive Use Area, the windows of his Unit, the appliances and equipment located in his Unit, and the plumbing and any heating and cooling systems servicing his Unit, whether such systems are located within the Unit or underneath, above or within the exterior or interior bearing walls of such Unit. The Association shall be responsible for the maintenance and repair of any of the above-described systems if such work would affect the structural integrity of any portion of the Common Area; or if such work involves equipment or facilities used in common by all or many of the Owners; provided, however, that in the event such maintenance or repair is attributable to the extraordinary use or abuse of an Owner or a few Owners, the cost of such work may be assessed to such Owner or Owners in the manner provided for in ARTICLE 7 hereof.

10.1.1 Right to Decorate. Each Owner shall have the right at his sole expense to maintain, repair, paint,

paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim, perimeter walls of the Units and surfaces of the bearing walls and the partitions located within such Unit. Each Owner shall also have the right to substitute new finished surfaces in place of those existing on the ceilings, floors and walls. The Owner shall have the right to maintain, repair, paint, finish, alter, substitute and add or remove any fixtures attached to such ceiling, floors and walls.

10.1.2 Rights of the Association. In the event an Owner fails to perform any maintenance or repair for which he is responsible, the Association, in order to preserve the attractive appearance of the Project and the value thereof may, through the Board, given written notice to such Owner stating with particularity the work of maintenance or repair which the Board, acting in the name of and on behalf of the Association, finds to be required, and requesting that the same be carried out within the period specified by the notice. If the Owner fails to timely comply with such request, the Board may cause such work to be done and shall assess the cost thereof to the responsible Owner in the manner provided for in ARTICLE 7 hereof.

10.2 Association's Obligation to Repair. The Association shall, pursuant to its duty as specified in Paragraphs 6.3.6 and 6.3.7 maintain and repair the Common Area and all improvements, landscaping, equipment, furnishings and facilities thereon, except the Exclusive Use Area for which the Owner has the duty to maintain and repair.

10.3 Right of Entry for Maintenance and Repairs. The Association and its agents shall have the right to enter upon any Unit to the extent that such entry is necessary to carry out the repair and maintenance of the Common Area or to perform any work reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as not to interfere with the possession and enjoyment of the Owner and/or Owners of such Unit as little as is reasonably possible and shall be preceded by reasonable notice wherever the circumstances permit.

ARTICLE 11

BREACH

11.1 Breach and Remedies. A breach of any of the covenants contained in this Declaration which is not cured within a period of fifteen (15) days from the date of written notice of such breach given by the Association (such notice to set forth: (i) the facts constituting such breach, (ii) a description of the Unit or the Common Area upon which such breach occurred, and (iii) the name of the Owner and/or Owners of such Unit) to the Owner and/or Owners upon whose Unit such breach occurred or whose act or omission constituted such breach, shall permit the Association, the Grantor or any Owner the right to enjoin, abate or remedy by all appropriate legal and equitable proceedings the occurrence of such breach. It is

hereby agreed that damages at law for any such breach will and shall be inadequate.

11.2 Nuisance. The result of every act or omission whereby any of the covenants contained in this Declaration are breached either in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be appropriate and applicable against every such result and may be exercised by any Owner, the Grantor or the Board.

11.3 Waiver. The remedies herein provided for the breach of the covenants contained in this Declaration shall be deemed to be cumulative, and none of such remedies shall be deemed to be exclusive. The failure of the Grantor, the Association or any Owner to enforce any covenants contained in this Declaration shall not constitute a waiver of the right to enforce such covenant thereafter, nor shall such failure result in or impose any liability on the Grantor or the Association.

11.4 Limitation on Remedies of Association. The Association shall not be empowered to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Unit on account of the failure by such Owner to comply with provisions of this Declaration, the Articles or the Bylaws or of duly enacted rules for the Common Area except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of such Owner to pay assessments duly levied by the Association. Moreover, a monetary penalty imposed by the Association as a disciplinary measure for failure of an Owner to comply with the provisions of this Declaration, the Articles or the Bylaws or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to the Common Area for which such Owner was allegedly responsible or in bringing an Owner and his Unit into compliance with this Declaration, the Articles or Bylaws shall not be an assessment which may become a lien against such Owner's Unit and shall not be enforceable by a sale of such Unit in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the California Civil Code; provided, however, such limitation shall not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments, all as more fully set forth herein.

11.5 Notice and Hearing. Notwithstanding anything to the contrary contained in this Declaration, the Articles or the Bylaws, there shall not be any monetary penalty assessed against an Owner, there shall not be any suspension of voting rights or other privileges or rights of an Owner, and there shall not be any suspension of an Owner's right and privilege to use the Common Area or the property of the Association on account of the Owner's breach of the Rules and Regulations of the Association, the Bylaws, or this Declaration without the Board first giving the Owner fifteen days' prior notice of the suspension or other penalty and the reasons therefor and an opportunity to be heard, orally or in writing, not less than five days before the effective date of the suspension or other

penalty, by the Board of Directors or a committee authorized by the Board to decide that the proposed suspension or other penalty not take place, and such other rights as are required by Corporations Code Section 7341. The notice shall be given personally to the Owner or by first-class or registered mail to the last address of the Owner shown on the Association's records. If the Owner so presents his position and defense, the Board shall give it fair consideration in determining what penalty or other disciplinary action to impose, if any.

11.6 Mortgages. A breach of the covenants contained in this Declaration shall not affect or impair the lien or charge of any bona fide first Mortgage made in good faith for value on any Unit; provided, however, that any subsequent Owner of such Condominium shall be bound by this Declaration, whether such Owner's title was acquired at a foreclosure or Trustee's Sale or otherwise. Any person who acquires title either by foreclosure sale or Trustee's Sale of a first Mortgage or first deed of trust, shall not be required to cure any breach of the covenants contained in this Declaration which has occurred prior to the acquisition of title, although he will be required to cure any breach occurring thereafter. The Owner or holder of any first Mortgage made in good faith and for value, and any corporation insuring the lien or charge of any such mortgage, may conclusively presume that no breach exists under this Declaration, provided such mortgage was recorded prior to the commencement of any action to establish or cure any such breach.

ARTICLE 12

NOTICES

12.1 Notice to Owner. In each instance in which a notice is given to an Owner and/or Owners, the same shall be in writing and may be delivered personally, in which case personal delivery of such notice to one or two or more co-Owners or to any general partner of a partnership owning a Condominium shall be deemed delivery to all the co-Owners or to the partnership, as the case may be, and personal delivery of the notice to any officer or agent for the service of process of a corporation owning such Condominium shall be deemed to be delivery to the corporation or such notice may be delivered by regular United States mail, postage prepaid, addressed to the Owner and/or Owners at the most recent address furnished by such Owner to the Association; or if no such address shall have been furnished, then to the street address of such Unit. Such notice shall be deemed to be delivered 48 hours after the time of such mailing, except for notice of a meeting of Members or Directors in which case the notice provisions of the Bylaws shall control.

12.2 Notice to Association. Any notice to be given to the Association may be delivered personally to any member of the Board or delivered by United States mail, postage prepaid, addressed to the Board at such address as it shall fix from time to time and circulate to all Owners. Such notice shall be deemed to be delivered 48 hours after the time of such mailing.

12.3 Notice to Grantor. Notice to the Grantor shall be delivered by United States mail, postage prepaid, addressed

to the Grantor at the address shown on the signature page of this Declaration, or such other address as it shall designate to the Board from time to time. Such notice shall be deemed to be delivered 48 hours after the time of such mailing.

ARTICLE 13

DAMAGE AND DESTRUCTION OR CONDEMNATION

13.1 Damage and Destruction. In the event of damage to or destruction of any building, improvement, structure or equipment situated in or constituting part of the Common Area, or in the event of damage to or destruction of the exterior or interior of any Unit (excluding furnishings and equipment located therein) which loss is covered by the fire insurance acquired by the Association out of the maintenance fund, the Board shall cause such damage or destruction to be repaired or rebuilt in accordance with the original plans and specifications to the extent practical and to the extent of available insurance proceeds or other funds. In the event the costs of said repairs exceed \$1,000, the Board shall utilize a construction fund control agent or trustee for disbursing said funds. In the event the cost of such repair, rebuilding or replacement exceeds the insurance proceeds payable by reason of such damage or destruction, at the option of the Board, the amount of the difference shall constitute a special assessment which shall be levied upon the basis of the ratio of the square footage of the floor area of a Unit to be assessed to the total square footage of the floor area of all Units to be assessed and assessed to such Owners pursuant to the provisions of ARTICLE 7 hereof; provided, however, that in the event such damage or destruction is attributable to the improper or negligent action or omission of an Owner or of Owners, the special assessments for repairing such damage or destruction shall be made only against such Owner or Owners. In the event the amount of such insurance proceeds exceeds the cost of repair, rebuilding or replacement, the surplus shall be added to the maintenance fund and such addition shall be taken into consideration in determining the next annual budget. If, however, three-fourths (3/4) or more of the Project is destroyed or substantially damaged and the Owners holding in the aggregate more than fifty percent (50%) interest in the Association are opposed to the repair, rebuilding or replacement thereof, then the Association shall, as an agent for all the Owners, sell the entire Project, including all Units and the Common Area in its then present condition, free from the effect of this Declaration, upon terms satisfactory to the Board. In respect to each Condominium subject to the lien or charge of a mortgage, the vote of the Owner and/or Owners of such Condominium not to repair, rebuild or replace shall be deemed ineffective unless the Mortgagee shall have consented in writing thereto. The vote of the Grantor shall be excluded for the purpose of voting on whether or not to rebuild.

13.2 Liquidation of Association. Upon the occurrence of such sale, the Association shall wind up its affairs and liquidate and distribute its assets in accordance with the laws of the State of California. The proceeds available to Members on dissolution shall be distributed to the Owners and to the Mortgagees of such Owners, as their interests may appear, in

proportion to the respective fair market values of the Units destroyed at the time of destruction, as determined by an independent appraiser hired by the Board.

13.3 Condemnation. If an action for condemnation of all or a portion of the Project is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and after written notice to all Mortgagees, the Project, or a portion of it may be sold. On such a sale occurring, the proceeds shall be distributed to the Owner or Owners and the Mortgagees of each Unit as their respective interests may appear pursuant to affected Owners, or, if there is no such agreement, then in proportion to the respective fair market values of the Units condemned as determined by an independent appraiser hired by the Board. If the Project or a portion of it is not sold but is instead taken, the judgment of condemnation shall by its terms apportion the award among the Owners and their respective Mortgagees. Should such judgment fail to do so, the award shall be distributed as set forth herein for a sale.

ARTICLE 14

RULES AND REGULATIONS

14.1 Rules and Regulations. The Board, in the name of and acting on behalf of the Association, shall have the right to adopt reasonable rules and regulations not inconsistent with the covenants contained in this Declaration and to amend the same from time to time relating to the use of the Common Area and the property of the Association and the facilities situated thereon by Owners and by their tenants and guests, and the conduct of such persons within a Unit if such conduct constitutes a nuisance to other Owners, and the conduct of such persons with respect to automobile parking, outside storage, boats and trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might detract from the appearance of the Project or offend or cause inconvenience or danger to persons occupying or visiting therein. Such rules may provide that the Owner and/or Owners of a Condominium whose occupant leaves property on the Common Area in violation of the rules and regulations may be assessed to cover the expense incurred by the Association in removing such property and storing or disposing of same. A copy of such rules and of all amendments thereto shall be mailed to each Owner and a copy shall be maintained in one or more places in the Project where the same may be conveniently inspected upon request.

ARTICLE 15

COVENANT AGAINST PARTITION

15.1 Individual Condominiums. The component interests which comprise the Condominium received by each Owner shall not and cannot be partitioned or otherwise separated. No Owner may sell, assign or convey his parking or storage space,

interest in the Common Area, or membership in the Association separate and apart from his Unit. Any attempted severance, partition, separation or conveyance in violation of this Paragraph 15.1 shall be null and void. Each Owner covenants and agrees that the Condominium conveyed hereunder shall not be separated or separately conveyed and that any transfer or conveyance of a Unit shall be presumed to and shall transfer and convey the entire Condominium interest. Where a Condominium shall be owned by two or more Owners as co-tenants, tenants in common or joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants.

15.2 Partition of Project. An action may be brought by one or more of the Owners for judicial partition of their respective interest by sale of the entire Project free of this Declaration; provided, however, that such partition shall only be made upon a showing of the occurrence of any of the conditions as set forth in Section 1354 of the Civil Code, including the following:

(i) Three (3) calendar years have elapsed after the date of damage or destruction to the Project which renders a material part thereof unfit for its use prior thereto, and that the Project has not been rebuilt or repaired substantially to its state existing prior to the date of such damage or destruction; or

(ii) That three-fourths (3/4) or more of the Project has been destroyed or substantially damaged and that the Owners holding in the aggregate more than a fifty percent (50%) interest in the Association are opposed to repair or restoration of the Project; or

(iii) That more than fifty (50) years have elapsed from the date of recording of this Declaration and that the Project is obsolete and uneconomic and that the Owners holding in the aggregate more than a fifty percent (50%) interest in the Common Area are opposed to the repair or restoration of the Project.

Except as hereinabove provided, no Owner shall seek judicial partition of the Common Area or any part thereof so long as this Declaration shall remain in effect.

15.2.1 In connection with the vote of Owners pursuant to Paragraph 15.2, in each instance where a Condominium is subject to the lien or charge of a first Mortgage, the vote of the Owner of such Condominium not to repair or restore shall be deemed ineffective unless the first Mortgagee shall have consented in writing thereto.

15.3 Power of Attorney. The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all Owners thereof when partition of the

Owner's interests in said Project may be had pursuant to Paragraph 15.2 hereof, or the Owners elect not to repair any damage or destruction to the Project as set forth in Paragraph 13.1 hereof. The power of attorney herein granted shall be exercised by the Board, which is hereby authorized to record in the Office of the County Recorder of San Diego County, a certificate of exercise which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE 16

PARKING SPACE AREAS

16.1 Tandem Parking Space. As used in this Declaration the term "Tandem Parking Space" shall mean a marked outdoor, open parking space adjacent to the Garage of some of the Units, as shown on the Condominium Plan. For those Units which have such a Tandem Parking Space, the Owner of such Unit shall have an exclusive appurtenant easement to use the Tandem Parking Space adjacent to his Garage, and such easement shall be specifically described in the Grant Deed for such Unit. The general location and numerical designation of the Tandem Parking Spaces are set forth on the Condominium Plan. Such exclusive easement shall be subject to the terms of this paragraph and to this Declaration. Tandem Parking Spaces may be used only for parking motor vehicles in accordance with the uses permitted in Paragraph 9.1.8 hereof, except as is otherwise provided in said paragraph. Each Owner shall be obligated to maintain and repair his Tandem Parking Spaces as set forth in Paragraph 10.1 hereof.

16.2 Visitors Parking. In addition to the Tandem Parking Spaces described in Paragraph 16.1 above, the Project has been designed to include 47 extra parking spaces for visitors of the Owners. Said spaces shall be marked for visitors and shall be subject to reasonable rules and regulations established from time to time by the Association. Unless such a space is assigned to an Owner, no Owner may use any visitor space or extra space for parking of his own vehicles, except on an emergency or temporary basis, and subject to the rules and regulations adopted from time to time by the Association.

16.3 Recreational Vehicle Storage Lot. The Recreational Vehicle Storage Lot shall be used solely for the storage of recreational vehicles, trailers and boats, and shall not be used for any other purpose, including, without limitation, the repair, maintenance or construction of recreational vehicles, trailers or boats, or automobile repair, maintenance or construction.

16.3.1 Rules and Regulations; Fees. Use of the Recreational Vehicle Lot shall be subject at all times to the rules and regulations enacted from time to time by the Board of Directors relating to such use. Use of the Recreational Vehicle Storage Lot shall be subject to a charge of seventy-five cents (75¢) per lineal foot of storage space for each calendar month or portion thereof, until such time as the Board of Directors adopts a new fee schedule.

16.3.2 Indemnification. Use of the Recreational Vehicle Storage Lot is at the risk of the user. The Association will not provide security for said lot nor will it insure the personal property stored thereon. Users agree to carry policies of insurance adequate to cover any loss to their property stored on the Recreational Vehicle Storage Lot and agree to indemnify and hold the Association and its agents and members harmless from any loss, lawsuit or threatened lawsuit which might arise from any act or omission of the user.

16.4 Roadside Parking. There shall be no roadside parking of any vehicle along the Common Access Driveway or along any other road or street within the Project.

16.5 Risk. Use of the parking space Common Area is at the risk of the user. The Association will not provide security for said parking spaces, nor will it insure the personal property located thereon. The Association and its agents and members will not be liable for any theft or damage or loss occurring to property in the parking spaces.

16.6 Income. No parking spaces may be retained by the Grantor for the purpose of production of income nor may any Owner use any parking space for production of income.

ARTICLE 17

ENCROACHMENT EASEMENT

17.1 Encroachment Easement. Each Condominium within the Project is hereby declared to have an easement over all adjoining Condominiums for the purpose of accommodating any encroachment due to engineering errors, errors in original construction settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Condominium agree that minor encroachments over adjoining Condominium shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

ARTICLE 18

GENERAL PROVISIONS

18.1 Amendment. At any time(s), and from time to time hereafter, this Declaration may be amended in the following fashion: if the two-class voting structure set forth above is still in effect for the Association, then this Declaration may be amended only upon the vote or written assent of seventy percent (70%) of the voting power of each class of membership; if the two-class structure is no longer in effect, this Declaration may be amended only upon the vote or written assent of the members representing both seventy percent (70%) of the voting power of the Association and seventy percent (70%) of the votes of Members other than the Grantor. Provided, however, that no material amendment to this Declaration shall be made without the written assent or vote of

seventy-five percent (75%) of the holders of each first mortgage or deed of trust encumbering (as of the time of recording such amendment) each Condominium obtained prior to the recording of such amendment. As used in this paragraph, the term "material amendment to this Declaration" shall mean amendments to provisions of this Declaration governing the following subjects:

- (a) The percentage interest of the Owners in the Common Area;
- (b) The fundamental purpose for which the Project was created (such as a change from residential use to a different use);
- (c) Voting;
- (d) Assessments, assessment liens, and subordination thereof;
- (e) The reserve for repair and replacement of the Common Area;
- (f) Property maintenance obligations;
- (g) Casualty and liability insurance;
- (h) Reconstruction in the event of damage or destruction;
- (i) Rights to use the Common Area;
- (j) Annexation; and
- (k) Any provision, which by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

Each Owner approving the amendment shall certify under penalty of perjury as to the name of the holder of any first Mortgage or first deed of trust encumbering his Condominium, and if no such holder is identified, such Owner's vote or written consent shall conclusively be counted without consent from any other party. If any provision in this Declaration requires a higher percentage vote to amend such provision, such higher percentage shall be required to amend that provision. Upon obtaining the requisite vote or written consent for an amendment to this Declaration, the authorized officers of the Association shall execute on behalf of the Association such an amendment to this Declaration, and shall record such amendment in the office of the Recorder of San Diego County, California. Each such amendment shall become effective upon recording. Each amendment made pursuant to this Paragraph 18.1 shall, from and after its effective date, be as effective as this instrument as to all (i) the Common Area, (ii) the Units (iii) the Condominiums, (iv) the Project, and (v) the Owners (as of the effective date) and their successors-in-interest.

18.2 Severability. Should any of the covenants contained in this Declaration be held by a competent court to be void or unenforceable in law or in equity, the partial

invalidity or unenforceability of any one such provision shall not affect the validity or enforceability of any other provisions hereof.

18.3 Term. Subject to the provisions of Paragraph 18.1 hereof relating to amendments, this Declaration shall be in effect until 5:00 p.m. on December 31, 2036, and shall be automatically extended for successive periods of twenty (20) years each thereafter unless within six (6) months prior to the expiration of the initial term or of any succeeding twenty-year term a written agreement executed by Owners owning a majority of the Units, with the consent of such Owners' Mortgagees, shall be placed of record in the Office of the County Recorder of San Diego County terminating the effectiveness of this Declaration in whole or in part as to all or part of the Project.

18.4 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a residential condominium project. Failure to enforce any provisions hereof shall not constitute a waiver of the right to enforce such provision or any other provision hereof.

18.5 Rights of Grantor. Notwithstanding anything to the contrary contained in this Declaration, the Grantor shall have the absolute right to use one or more of the Condominiums prior to the sale thereof as sales offices and model Units for display to prospective purchasers until such time as all of the Condominiums owned by the Grantor have been sold. Additionally, the Grantor shall have the absolute right to post such signs, make such displays, and to conduct such sales activities normally carried on by developers of similar residential projects until such time as all Condominiums owned by the Grantor have been sold. The Grantor shall additionally have the absolute right, until the Project is completed, to carry on any and all necessary or desirable construction activities, including without limitation, the construction of buildings and improvements, the operation of machinery, equipment and earthmoving equipment, the erection of temporary and permanent utility facilities, the maintenance of construction site job shacks and any other similar activities which are normally carried on by developers of similar residential housing projects. Provided, however, the Grantor's use of the Common Area as provided herein shall not unreasonably interfere with the use of the Common Area by the Owners.

18.6 Attorneys' Fees. In the event any litigation is commenced to enforce any rights or obligations under this Declaration, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees from the other party or parties to the litigation.

18.7 Membership Approval. Any provision herein calling for membership approval of action to be taken by the Association shall be read as requiring the vote or written assent of the prescribed percentage of each class of membership during the time that there are two outstanding classes of membership.

18.8 Powers of the City. This Declaration is made for the benefit of the Subject Property and for the benefit of the public generally. Any provision hereof affecting the public interest, health, safety, or welfare may, at the discretion of the City Council of the City of El Cajon, be enforced civilly by the City of El Cajon as if said City were a party hereto. No use or alteration shall be made to the Common Area or the property of the Association which is contrary to the development plan approved by the City of El Cajon unless subsequent approval for such use or alteration is made by the City.

ARTICLE 19

ANNEXATION

19.1 Annexation. Grantor may annex to the Project the real property described on Exhibit "A" attached hereto, and located adjacent to the Subject Real Property. It is Grantor's present intention to develop the real property described on Exhibit "A" into 48 Units and related Common Area; although Grantor shall in no way be obligated to do so, said annexation is to be brought about, if at all, pursuant to the provisions of this Article; and upon annexation, the property so annexed will be subject to this Declaration to the same extent as the Subject Real Property, as more fully set out in this Article.

19.2 Procedure for Annexation. From time to time, all or any part of the real property described in Exhibit "A" attached hereto and incorporated herein by reference may be annexed to and become a part of the Project. To accomplish such annexation the following conditions precedent shall occur within three years of the original issuance of the most recently issued public report for the Project or within seven years after recordation of this Declaration, whichever occurs first:

19.2.1 A final subdivision map describing the property to be so annexed shall be duly approved in accordance with law and recorded.

19.2.2 Grantor, or Grantor's successor or successors in interest with respect to the property to be so annexed, shall cause to be recorded a Supplementary Declaration of Covenants, Conditions and Restrictions describing the property to be so annexed and declaring that upon the recording of a deed conveying the first lot in the tract to be so annexed, such tract shall be annexed under this Declaration.

19.2.3 A deed is duly recorded thereafter transferring fee title to one lot in the property so annexed from Grantor, or Grantor's successor in interest, to a grantee thereof.

19.3 Subject to Declaration. When said conditions have occurred, the property so annexed to the Project shall be subject to this Declaration for all purposes, and all Owners shall have the rights and duties of Owners provided for herein, including, without limitation upon the foregoing, membership in the Association, the right to vote, the right to use the Common

Area (whether such Common Area was included in the Project initially or included by annexation), the right to use the Recreational Lot and the Recreational Vehicle Storage Lot and the duty to pay maintenance charges.

19.3.1 Upon annexation, the interests of the Owners of the Subject Real Property shall not be affected; and the Owners of the property annexed shall have no title to the Subject Real Property. Likewise, the Owners of the Subject Real Property shall have no title to any of the property annexed; and all common area in the property annexed shall be held in equal, undivided 1/48 interests by the Owners of Units within the property annexed. Each Owner of a Unit in the Subject Real Property and the property annexed shall have and is hereby granted by incorporation of this Declaration in the Deed conveying his Unit a mutual reciprocal right and nonexclusive easement of enjoyment to the Common Area to which he does not have an ownership interest. By reason thereof, each Owner shall thereby be entitled to use all of the Common Area in the Subject Real Property and the annexed property to the same extent as though he had an ownership interest therein, subject to the terms, limitations, restrictions and conditions set forth in this Declaration. Said grant of the mutual and reciprocal nonexclusive easement shall be effective without the need for any additional evidence of conveyance thereof; nonetheless, however, Grantor reserves herein the right to grant nonexclusive rights and easements of enjoyment over all the Common Area, wherever situated, in favor of the Owner of any Unit now or hereafter subject to this Declaration in order to effectuate such intent.

19.3.2 Control by the Association of common area contained within the property annexed shall commence with the recordation of sale of the first Unit within the property annexed.

19.3.3 Assessments of Units within the property annexed shall commence on all Units contained therein (including those owned by Grantor or its successor in interest) on the first day of the month following the close of the first sale escrow of a Unit within the property annexed.

19.4 Supplementary Declaration. Supplementary Declarations contemplated above may contain such complementary 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 property to be annexed to the Project and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the conditions, covenants and restrictions established by this Declaration with respect to the initial tract, unless this Declaration be amended as hereinbefore provided.

19.5 Protection of Owners. Notwithstanding any of the foregoing, annexation of any real property shall require the vote or written assent of sixty-six and two-thirds percent (66 2/3%) of the Owners, other than the Grantor, unless (i) the proposed annexation is in substantial conformance with a detailed plan of phased development submitted to the Department of Real Estate with the application for a Subdivision Public

Report for the first phase of the Project, and (ii) the proposed annexation will not result in a substantial increase in assessments against the Owners which was not disclosed in the Subdivision Public Report for the phase of the Project in which the Owners purchased interests.

ARTICLE 20

PROTECTION OF MORTGAGEES

20.1 Restrictions on Certain Changes. Unless at least sixty-six and two-thirds percent (66 2/3%) of the first Mortgagees of Condominiums have given their prior written approval, neither the Association nor the Owners shall be entitled:

20.1.1 By act or omission to seek to abandon or terminate the Project, except for abandonment provided by statute in case of substantial loss to the Units and Common Area;

20.1.2 To change the pro rata interest or obligations of any Condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Condominium in the Common Area;

20.1.3 To partition or subdivide any Condominium;

20.1.4 By act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or other Owners shall not be deemed a transfer within the meaning of this clause;

20.1.5 To use hazard insurance proceeds for losses to Units or the Common Area or a portion thereof for other than the repair, replacement or reconstruction of improvements, except as provided by statute in case of substantial loss to the Units or Common Area of the Project.

20.2 Right to Examine Books and Records. First Mortgagees can examine the books and records of the Association or the Project and can require the submission of financial data concerning the Association or the Project, including annual audit reports and operating statements as furnished to the Owners, all subject to reasonable rules as established by the Board.

20.3 Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of first Mortgagees of Condominiums pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or the Common Area or a portion thereof. Any provision to the contrary in this Declaration, the Articles of Incorporation, the Bylaws or in any other documents relating to the Project is to such extent void. All applicable fire and

all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Mortgagees naming the Mortgagees, as their interests may appear.

20.4 Notices to Mortgagees of Record. On any loss to any Condominium covered by a Mortgage, if such loss exceeds One Thousand Dollars (\$1,000), or on any loss to the Common Area, if such loss exceeds Ten Thousand Dollars (\$10,000), or on any taking of the Common Area or a portion thereof, notice in writing of such loss or taking shall be given to each Mortgagee of record. Moreover, if any Owner is in default under any provision of this Declaration or under any provision of the Articles of Incorporation, the Bylaws or the rules and regulations adopted by the Association, which default is not cured within sixty (60) days, the Association shall give to the Mortgagee of record of such Owner written notice of such default and of the fact that said sixty (60) day period has expired, if such Mortgagee has requested that such notice be given.

20.5 Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage in good faith and for value, but all of the provisions contained herein shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

20.6 Non-Curable Breach. Any Mortgagee who acquires title to a Condominium by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is noncurable or of a type that is not practical or feasible to cure.

20.7 Loan to Facilitate. Any Mortgage given to secure a loan to facilitate the resale of a condominium after acquisition by foreclosure or by a deed in lieu of foreclosure or by assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of this ARTICLE 20.

20.8 Appearance at Meetings. Because of its financial interest in the Project, any Mortgagee may appear at meetings of the Association and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments. Upon request, all first Mortgagees will be entitled to written notice of the meetings of the Association.

20.9 Right to Furnish Information. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

20.10 Right of First Refusal. Any right of first refusal contained in this Declaration, or the Articles or the Bylaws of the Association shall be subordinate to the lien of a first Mortgagee and shall not impair the rights of a first Mortgagee to (i) foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage and by law, (ii) accept a deed in lieu of foreclosure in the event of default by the Owner of the Condominium subject to the Mortgage, or (iii) sell or lease (subject to the provisions on

leasing contained in this Declaration) a Condominium acquired by the Mortgagee.

IN WITNESS WHEREOF, the Grantor has executed this Declaration as of the date first set forth above.

GRANTOR:

SUNBELT PROPERTIES, LTD.,
a limited partnership
2731 Shelter Island Drive, Suite C
San Diego, California 92106

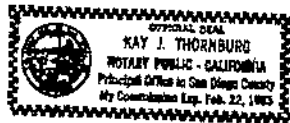
By: Richard Blair
Richard Blair,
General Partner

ACKNOWLEDGMENT PAGE

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

On August 9, 1982, before me, the undersigned, a Notary Public in and for said State, personally appeared RICHARD BLAIR, proved to me on the basis of satisfactory evidence to be a general partner of the limited partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.
WITNESS my hand and official seal.

Signature Kay J. Thornburg



47 82-
Nº 264287

DESCRIPTION OF PROPERTY FOR FUTURE ANNEXATION

Lot 4 of Beacon Street Subdivision,
according to Map thereof No. 10285,
recorded December 15, 1981, in the
Office of the County Recorder, County
of San Diego, California.

EXHIBIT "A"

47 82-
Nº 264287

FOOTAGE PER UNIT

PHASE I

| <u>LIVING AREA UNIT NO.</u> | <u>SQUARE FOOTAGE</u> |
|-----------------------------|-----------------------|
| 1 | 950 |
| 2 | 1,369 |
| 3 | 1,140 |
| 4 | 1,140 |
| 5 | 1,369 |
| 6 | 1,066 |
| 7 | 950 |
| 8 | 1,369 |
| 9 | 1,140 |
| 10 | 1,140 |
| 11 | 1,369 |
| 12 | 1,066 |
| 13 | 1,066 |
| 14 | 1,369 |
| 15 | 1,140 |
| 16 | 1,140 |
| 17 | 1,369 |
| 18 | 950 |
| 19 | 1,066 |
| 20 | 1,369 |
| 21 | 1,140 |
| 22 | 1,140 |
| 23 | 1,369 |
| 24 | 950 |
| 25 | 950 |
| 26 | 1,369 |
| 27 | 1,140 |
| 28 | 1,140 |
| 29 | 1,369 |
| 30 | 1,066 |
| 31 | 1,066 |
| 32 | 1,369 |
| 33 | 1,140 |
| 34 | 1,140 |
| 35 | 1,369 |
| 36 | 950 |
| 37 | 1,066 |
| 38 | 1,369 |
| 39 | 1,140 |

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82-
Nº 264287

EXHIBIT "B"

PHASE I (Page Two)

| <u>LIVING AREA UNIT NO.</u> | <u>SQUARE FOOTAGE</u> |
|-----------------------------|-----------------------|
| 40 | 1,140 |
| 41 | 1,369 |
| 42 | 950 |
| 43 | 1,227 |
| 44 | 1,140 |
| 45 | 1,369 |
| 46 | 1,066 |
| 47 | 1,227 |
| 48 | 1,140 |
| 49 | 1,369 |
| 50 | 1,066 |
| 51 | 950 |
| 52 | 1,369 |
| 53 | 1,140 |
| 54 | 1,140 |
| 55 | 1,369 |
| 56 | 1,066 |
| 57 | 1,066 |
| 58 | 1,369 |
| 59 | 1,140 |
| 60 | 1,140 |
| 61 | 1,369 |
| 62 | 950 |
| 63 | 950 |
| 64 | 1,369 |
| 65 | 1,140 |
| 66 | 1,140 |
| 67 | 1,369 |
| 68 | 1,066 |

EXHIBIT "B"

82-
Nº 264287

FOOTAGE PER UNIT

PHASE II

LIVING AREA UNIT NO. SQUARE FOOTAGE

| | |
|-----|-------|
| 69 | 1,066 |
| 70 | 1,369 |
| 71 | 1,140 |
| 72 | 1,140 |
| 73 | 1,369 |
| 74 | 950 |
| 75 | 1,066 |
| 76 | 1,369 |
| 77 | 1,140 |
| 78 | 1,140 |
| 79 | 1,369 |
| 80 | 950 |
| 81 | 1,066 |
| 82 | 1,369 |
| 83 | 1,140 |
| 84 | 1,140 |
| 85 | 1,369 |
| 86 | 950 |
| 87 | 1,066 |
| 88 | 1,369 |
| 89 | 1,140 |
| 90 | 1,140 |
| 91 | 1,369 |
| 92 | 950 |
| 93 | 1,066 |
| 94 | 1,369 |
| 95 | 1,140 |
| 96 | 1,140 |
| 97 | 1,369 |
| 98 | 950 |
| 99 | 1,066 |
| 100 | 1,369 |
| 101 | 1,140 |
| 102 | 1,140 |
| 103 | 1,369 |
| 104 | 950 |

82-
H7
No. 264287

EXHIBIT "B"

PHASE II (Page Two)

| <u>LIVING AREA UNIT NO.</u> | <u>SQUARE FOOTAGE</u> |
|-----------------------------|-----------------------|
| 105 | 1,066 |
| 106 | 1,369 |
| 107 | 1,140 |
| 108 | 1,140 |
| 109 | 1,369 |
| 110 | 950 |
| 111 | 1,066 |
| 112 | 1,369 |
| 113 | 1,140 |
| 114 | 1,140 |
| 115 | 1,369 |
| 116 | 950 |

EXHIBIT "B"

82-

47

No 264287

SUBORDINATION AGREEMENT

STATE SAVINGS AND LOAN ASSOCIATION, a Corporation, holder of the beneficial interest in that certain Note secured by Deed of Trust dated March 26, 1981 and recorded March 31, 1981 as File No. 81-097094, affecting that certain property known as:

Lots 1, 2, 3 and 4 of Beacon Street Subdivision, in the City of El Cajon, County of San Diego, State of California, according to Map thereof No. 10285, filed in the Office of the County Recorder of San Diego County on December 15, 1981,

does hereby subordinate its interest in said Note and Deed of Trust to that certain Declaration of Restrictions executed by Sunbelt Properties, Ltd., affecting said property, which Declaration of Restrictions are recorded concurrently herewith.

DATED this 2nd day of August, 19 82.

STATE SAVINGS AND LOAN ASSOCIATION, a Corporation

STATE OF CALIFORNIA

COUNTY OF San Joaquin

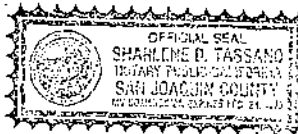
On August 2, 1982 before me, the undersigned, a Notary Public in and for said State, personally appeared RAYMOND J. GASKILL

known to me to be the Vice President, and JUDY MANDERS known to me to be Assistant Secretary of 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.

Sharlene D. Tassano
SHARLENE D. TASSANO



82-
47
No 264287

SUBORDINATION AGREEMENT

STATE SAVINGS AND LOAN ASSOCIATION, a Corporation, holder of the beneficial interest in that certain Note secured by Deed of Trust dated March 26, 1981 and recorded March 31, 1981 as File No. 81-097094, affecting that certain property known as:

Lots 1, 2, 3 and 4 of Beacon Street
Subdivision, in the City of El Cajon,
County of San Diego, State of Calif-
ornia, according to Map thereof
No. 10285, filed in the Office of the
County Recorder of San Diego County
on December 15, 1981,

does hereby subordinate its interest in said Note and Deed of Trust to that certain Declaration of Restrictions executed by Sunbelt Properties, Ltd., affecting said property, which Declaration of Restrictions are recorded concurrently herewith.

DATED this 2nd day of August, 19 82.

STATE SAVINGS AND LOAN
ASSOCIATION, a Corporation

BY: Raymond K. Hubbell

BY: Jerry Mauer

82-
47
No. 264287

Recorded Requested By:
Fidelity National Title

Return To:
Fidelity National Title
2763 Camino Del Rio South
San Diego, CA
Attn: B. Zarzun
Order No. 862307-S

**CERTIFICATE
UNDER CALIFORNIA CIVIL CODE
SECTION 1351**

WE, the undersigned, being the record owner of, and record holder of security interest in the real property described in the documents hereinafter mentioned, do hereby certify that:

WE hereby consent to the recordation of the plan of condominium, pursuant to Chapter 1, Title 6, Part 4, Division Second, California Civil Code, consisting of:

- (1) The description or survey map of the surface of the land included within the project, as such description or survey map is set forth upon or constituted by the subdivision of Lot 4 of BEACON STREET SUBDIVISION, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 19285, filed on December 15, 1981 and which subdivision map is hereby by reference incorporated herein.
- (2) The diagrammatic floor plans of the building or buildings built or to be built on said land, as said diagrammatic floor plans are attached to this Certificate, and which diagrammatic floor plans are hereby by reference incorporated herein; and
- (3) This Certificate.

DATED: June 23, 1986

RECORD OWNER:

BEACON STREET II,
a California limited partnership

By: Chapparel Estates Corporation,
a California corporation, general partner

BY: [Signature]

RECORD HOLDER OF SECURITY INTEREST:

GREAT WESTERN SAVINGS, a Federal Savings and Loan Association, Beneficiary under that certain Deed of Trust recorded December 27, 1985 as File No. 85-488250 of Official Records.

BY: [Signature]
Beth Goding, Assistant Vice President

BY: _____

86 -
14
No 262684

66-262684

RECORDED IN
OFFICIAL RECORDS
SANDIEGO COUNTY, CA
JUN 23 8 00 AM '86
VERA L. LYLE
COUNTY RECORDER

(Corporation as a Partner of a Partnership)



STATE OF CALIFORNIA
COUNTY OF San Diego SS.

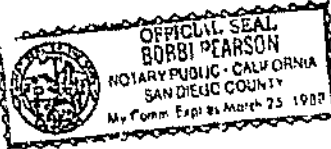
On June 23, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Godin, known to me to be the President, and _____, known to me to be the

Secretary of Chapparral Estates Corp, the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of _____

Street, II, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



(This area for official notarial seal)

Through the courtesy of
Fidelity National Title
INSURANCE COMPANY

Corporation Acknowledgment
STATE OF CALIFORNIA
COUNTY OF San Diego SS.

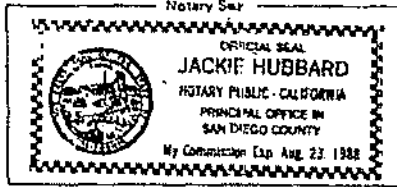
On this 25th day of June in the year 1986, before me, the undersigned a Notary Public in and for said County and State, personally appeared Ruth Godin, and _____

personally known to me (or proved to me on the basis of satisfactory evidence) to be the Assistant Vice President, and _____ Secretary of the corporation therein named and acknowledged to me that such corporation executed it.

WITNESS my hand and official seal

Signature [Handwritten Signature]

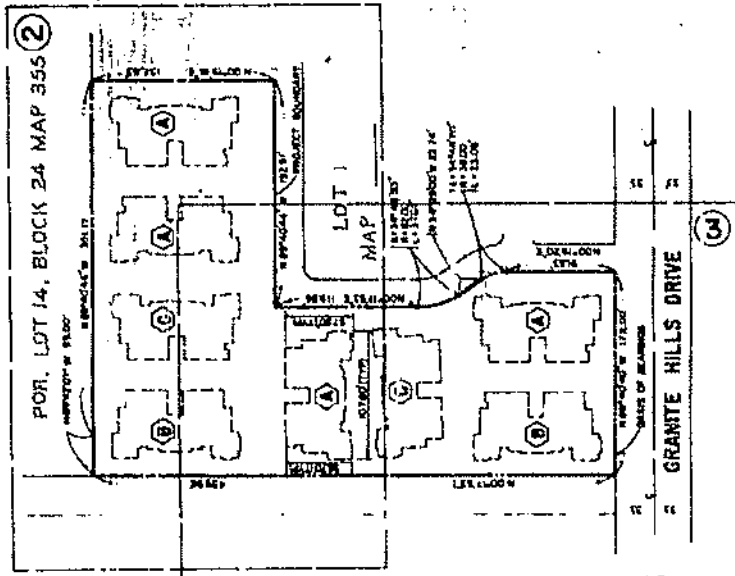
Notary Public in and for said County and State



86-

N: 262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN PHASE 2



80 -

252064

PROJECT BOUNDARY & KEY PLAN

GENERAL NOTES

1. CONVEYANCE OF THIS PROJECT SHALL BE BY DEED TO THE UNIT OWNERS OF THIS PROJECT, TO BE FILED IN THE COUNTY OF SAN DIEGO, CALIFORNIA, IN ACCORDANCE WITH THE RECORD ACT OF SAID COUNTY.
2. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL TAXES AND FEES ASSOCIATED WITH THIS PROJECT.
3. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL HOA FEES AND OTHER CHARGES ASSOCIATED WITH THIS PROJECT.
4. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL INSURANCE PREMIUMS ASSOCIATED WITH THIS PROJECT.
5. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL MAINTENANCE AND REPAIR COSTS ASSOCIATED WITH THIS PROJECT.
6. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL UTILITIES ASSOCIATED WITH THIS PROJECT.
7. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL COMMUNITY DEVELOPMENT FEES ASSOCIATED WITH THIS PROJECT.
8. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL RECORDING FEES ASSOCIATED WITH THIS PROJECT.
9. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL OTHER FEES ASSOCIATED WITH THIS PROJECT.
10. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS ASSOCIATED WITH THE CONVEYANCE OF THIS PROJECT.
11. THE UNIT OWNERS SHALL BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS ASSOCIATED WITH THE MAINTENANCE AND REPAIR OF THIS PROJECT.

CERTIFICATE OF SURVEYOR

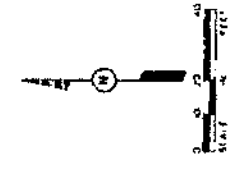
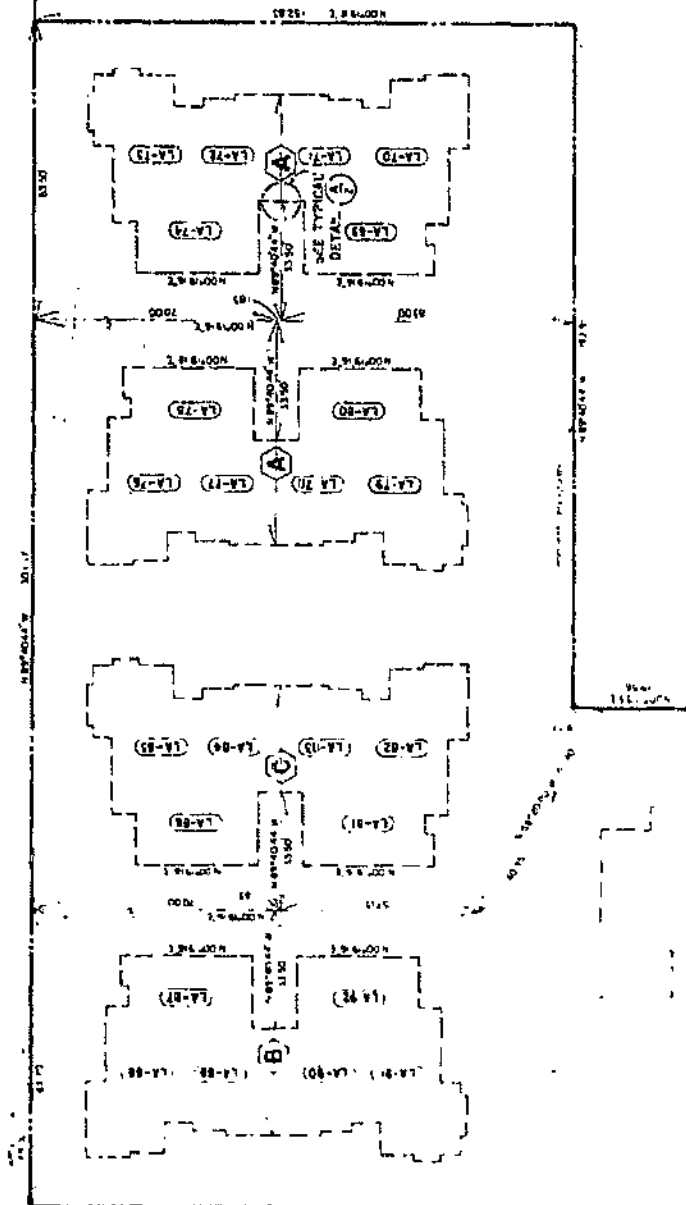
I, **Robert S. [Signature]**, a Registered Civil Engineer in the State of California, do hereby certify that this diagrammatic plan showing the subdivision of the above described land into units, as shown on the attached sheets, is a true and correct representation of the actual conditions on the ground as of the date of this survey.



DATE: 04/10/08
 PROJECT NO.: 252064
 P.C.E. 10134
 R/S [Signature]
 REGISTERED CIVIL ENGINEER
 STATE OF CALIFORNIA
 LICENSE NO. 12345

151008 (04-07)

**BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN
PHASE 2**

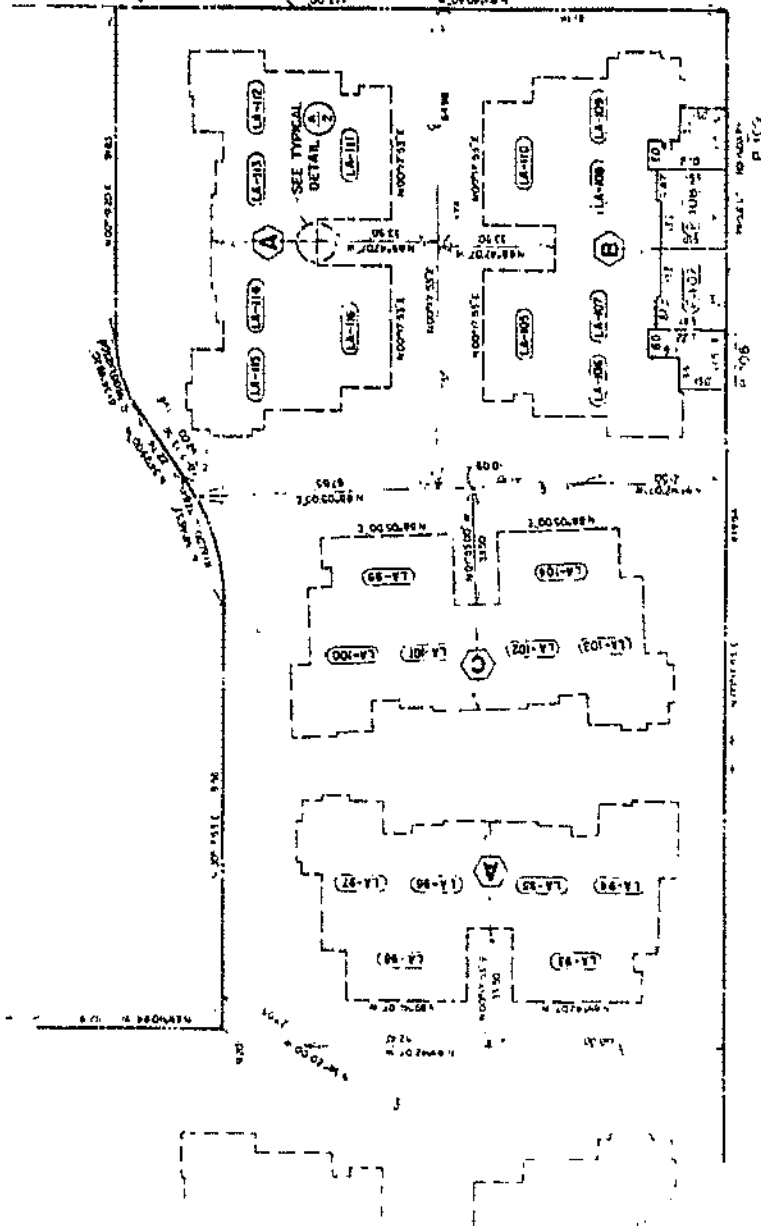


SEE SHEET NO 3

BUILDING LOCATION PLAN

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SEE SHEET NO 2



86 -

[Handwritten signature]

NO. 262684

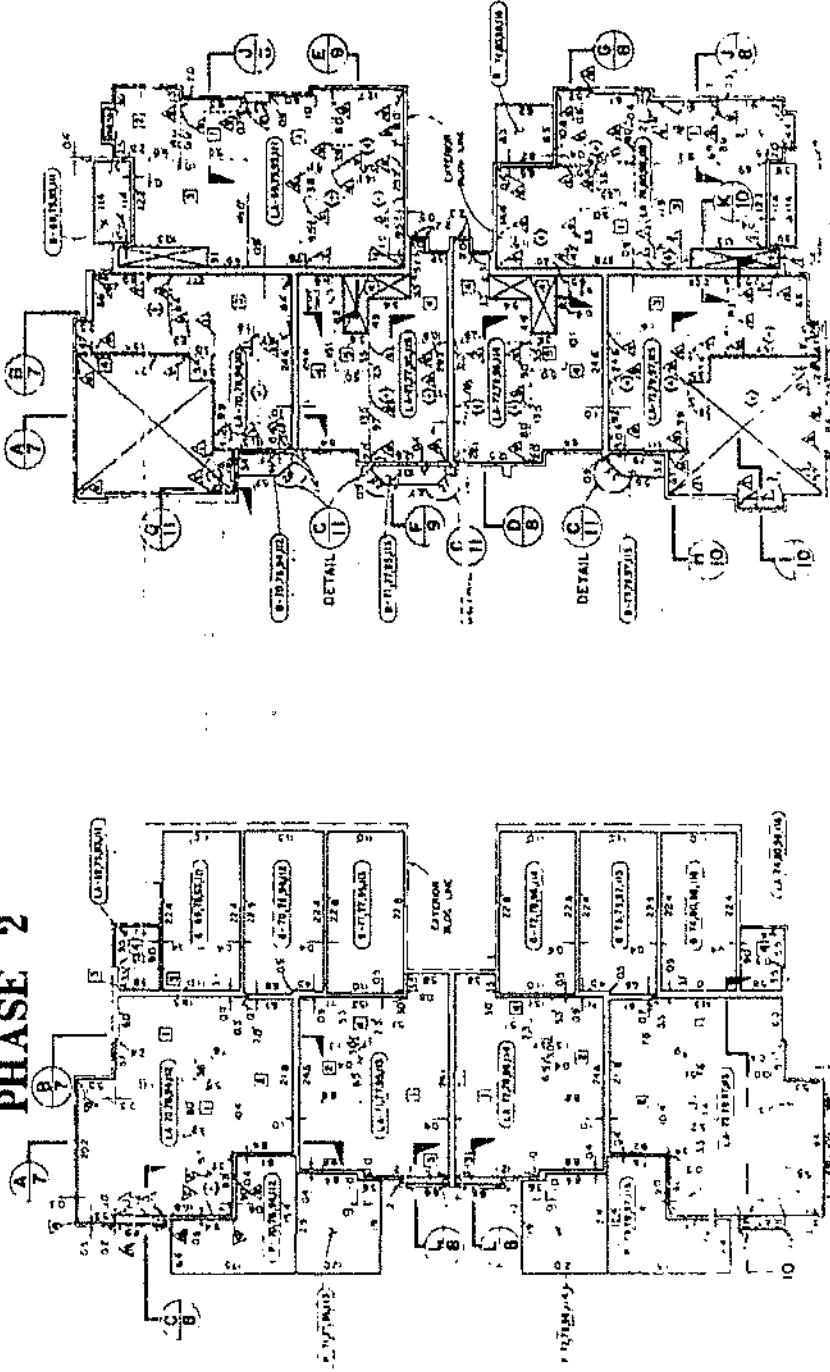
BUILDING LOCATION PLAN

TYPICAL COMMON WALL DETAIL

CONDOMINIUM PLAN

BEACON STREET CONDOMINIUMS

PHASE 2



SECOND FLOOR

FIRST FLOOR

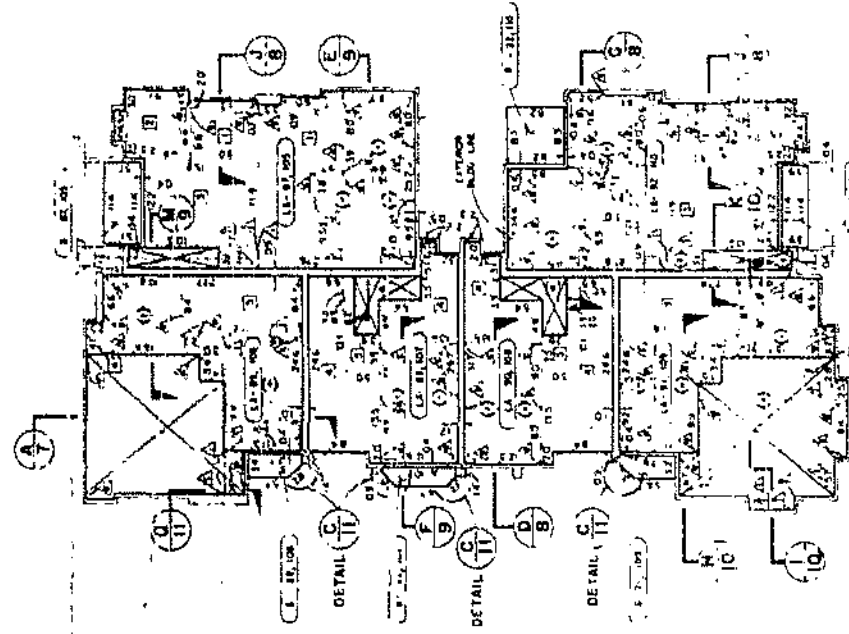
TYPE "A" FLOOR PLAN

86 -

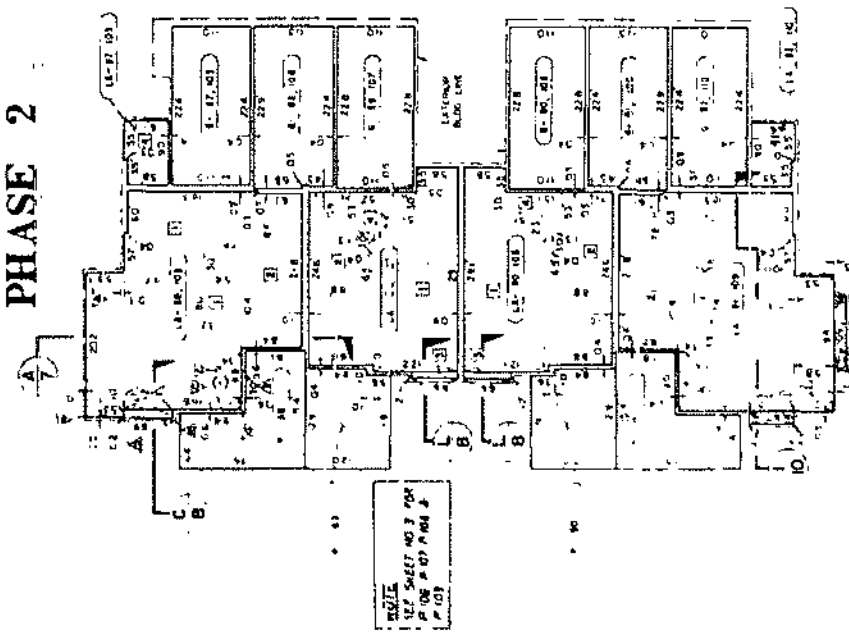
N: 262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SECOND FLOOR



FIRST FLOOR

TYPE "B" FLOOR PLAN

NOTE
 1. SEE SHEET NO. 3 FOR
 2. SEE SHEET NO. 4 FOR
 3. SEE SHEET NO. 5 FOR

DETAIL "B"
SECTION

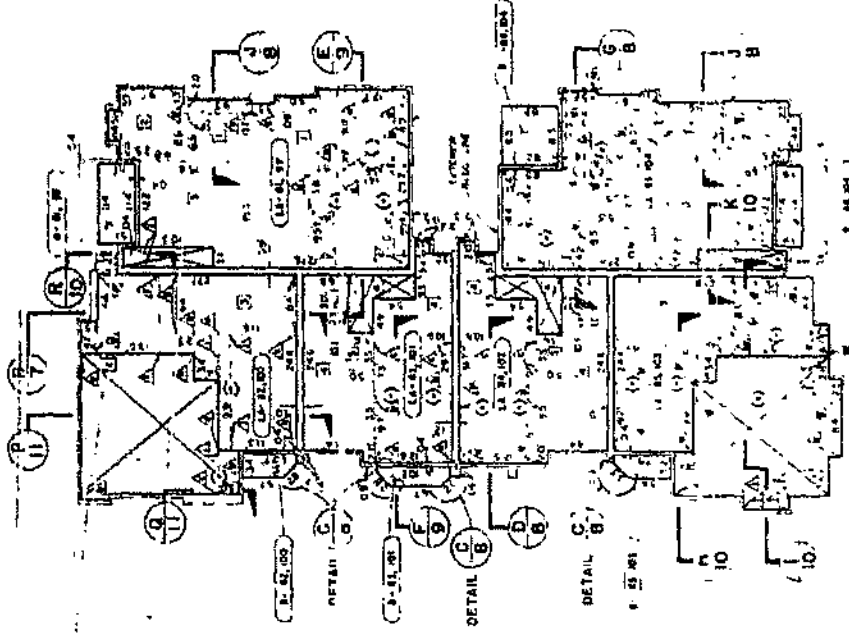
86

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12.27.54

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SECOND FLOOR



FIRST FLOOR

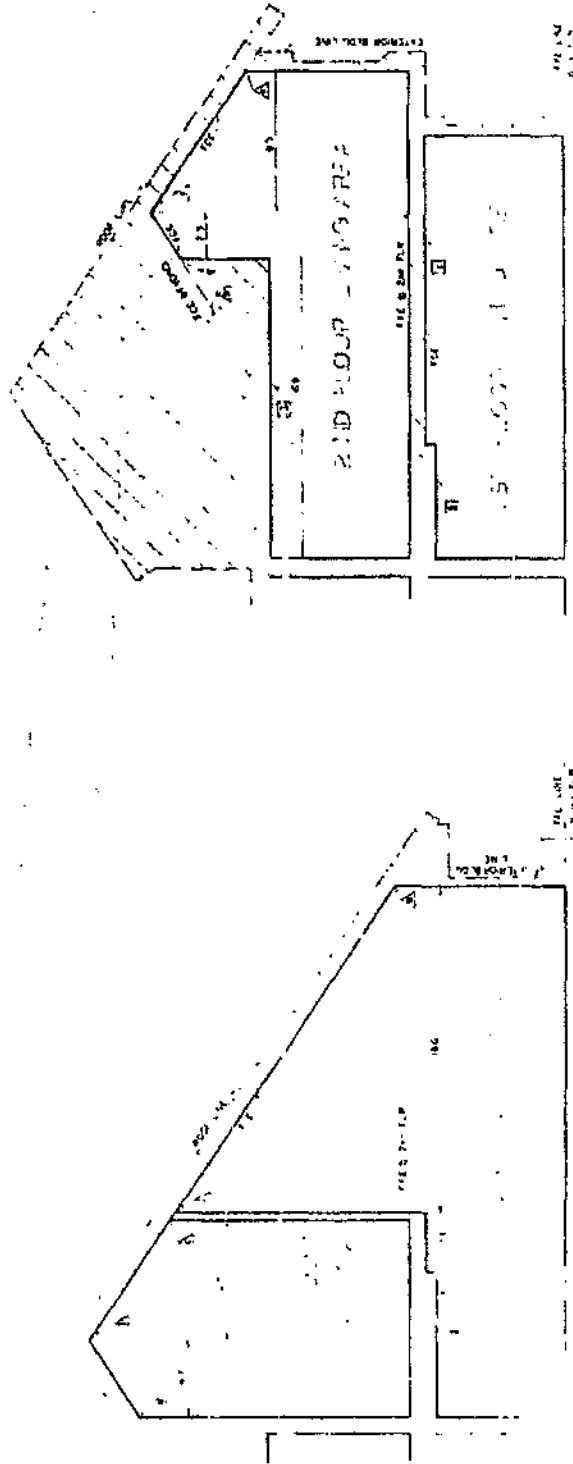
TYPE "C" FLOOR PLAN

86 -

262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SECTION (A)

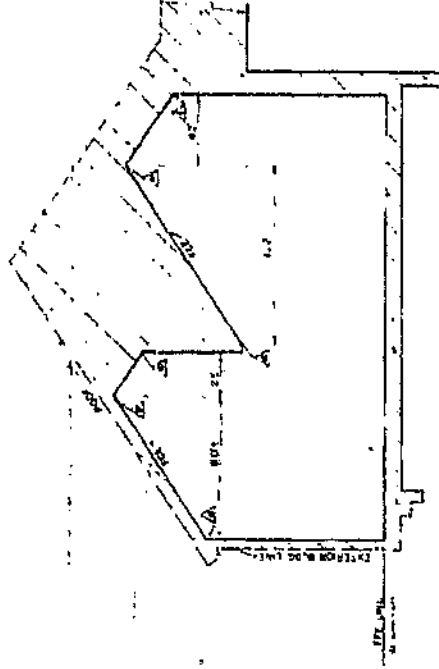
SECTION (B)

86-

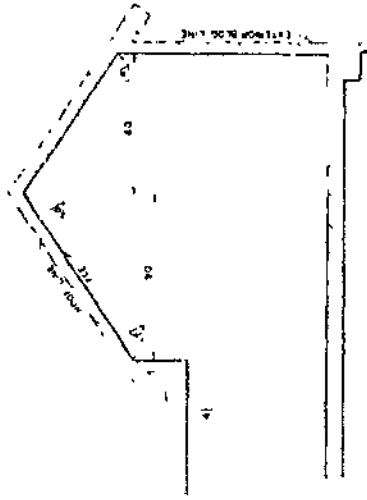
N^o 262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SECTION C
8



SECTION C
8



SECTION C
8



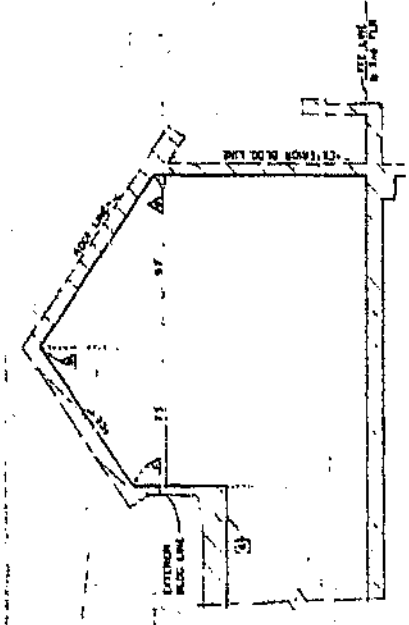
SECTION C
8

86-

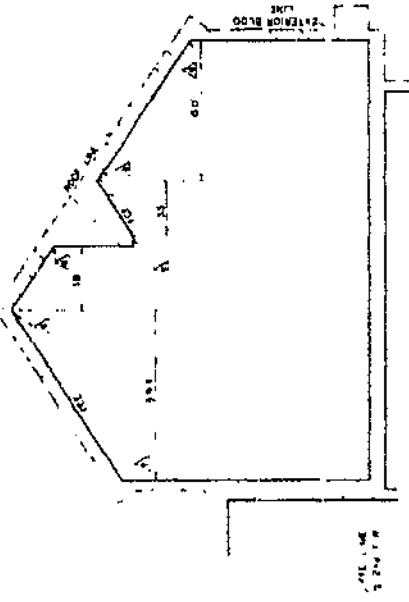
N^o 262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

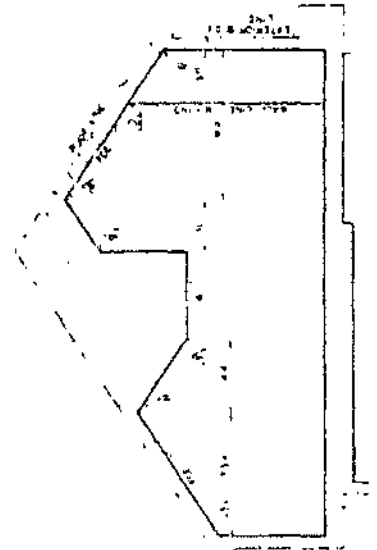
PHASE 2



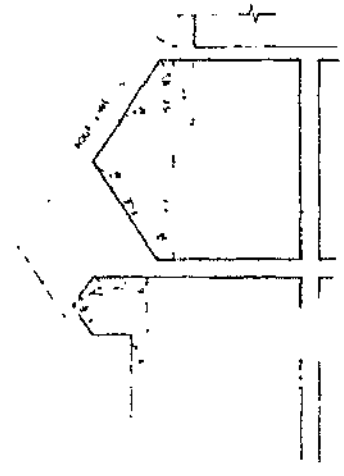
SECTION $\frac{E}{B}$



SECTION $\frac{E}{B}$



SECTION $\frac{E}{B}$



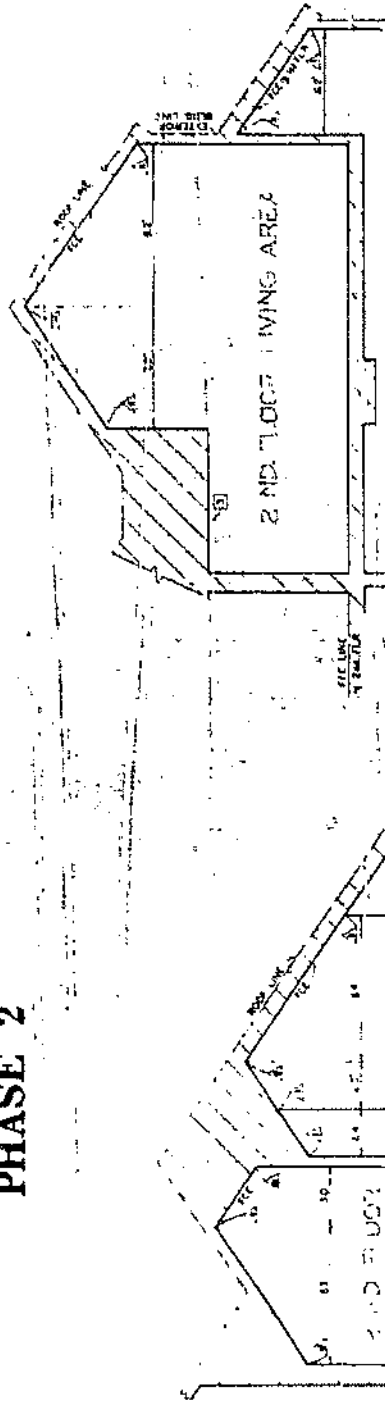
SECTION $\frac{E}{B}$

86 -

N^o 262684

BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2



SECTION 10

SECTION 10

SECTION 10

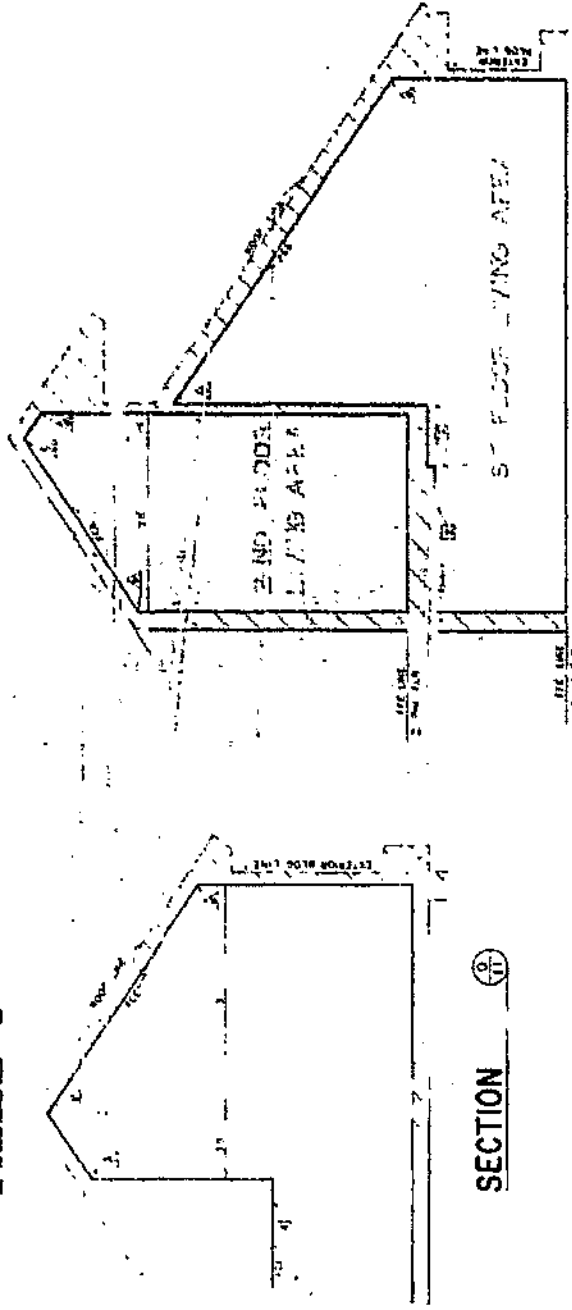
SECTION 10

86 -

N^o 262684

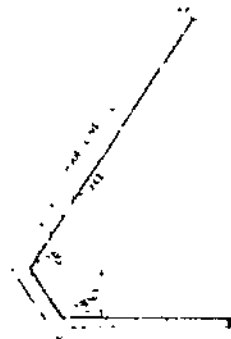
BEACON STREET CONDOMINIUMS CONDOMINIUM PLAN

PHASE 2

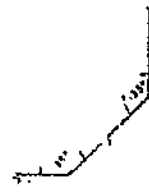


SECTION (11)

SECTION (6)



SECTION (9)



DETAIL (5)

86 -

14

Nº 262684

BEACON STREET CONDOMINIUMS PHASE 2

CONDOMINIUM PLAN

ELEVATION DATA

| UNIT NO. | 2nd FLOOR | | LEVEL FEE | | FINISHED CEILING | | SLOPE FEE | |
|----------|-----------|------------|-----------|-------|------------------|-------|-----------|-------|
| | LA | LA BALCONY | U1 | U2 | A | B | A | B |
| 101 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 102 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 103 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 104 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 105 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 106 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 107 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 108 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 109 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 110 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 111 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 112 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 113 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 114 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 115 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 116 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 117 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 118 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 119 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 120 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 121 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 122 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 123 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 124 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 125 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 126 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 127 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 128 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 129 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 130 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 131 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 132 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 133 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 134 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 135 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 136 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 137 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 138 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 139 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 140 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 141 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 142 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 143 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 144 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 145 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 146 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 147 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 148 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 149 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |
| 150 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 | 507.5 |

CC&Rs

NOTICE

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



**CALIFORNIA
TITLE COMPANY**
www.caltitle.com

2336

Recording Requested By:
FIDELITY NATIONAL TITLE
ORDER NO. 862307-S

When Recorded Return To:

BEACON STREET II,
a California limited partnership
c/o Condominium Consultants, Inc.
3268-1/2 Rosecrans Street
San Diego, California 92110
(619) 224-2881

86-262685
RECORDED IN
OFFICIAL RECORDS
OF SAN DIEGO COUNTY, CA.

1986 JUN 27 AM 8:00

VERA L. LYLE
COUNTY RECORDER

| | |
|----|---|
| RF | 9 |
| AR | 5 |
| MG | 2 |

Space Above for Recorder's Use

SUPPLEMENTARY
DECLARATION OF RESTRICTIONS
FOR
BEACON STREET CONDOMINIUMS
(a Condominium Project)

Beacon Street Condominiums
SUPPLEMENTARY DECLARATION

PHASE II
R2:080886

THIS SUPPLEMENTARY DECLARATION OF RESTRICTIONS is made this 23rd day of June, 1986 by BEACON STREET II, a California limited partnership, hereinafter called the "Supplemental Declarant."

WHEREAS, Supplemental Declarant is the successor in interest of SUNBELT PROPERTIES, LTD., a limited partnership, hereinafter referred to as "Developer," to the real property described as follows:

Lot 4 of BEACON STREET SUBDIVISION, according to Map thereof No. 10285, recorded December 15, 1981 in the Office of the County Recorder of San Diego County, California,

which real property is hereinafter called the "Annexed Property;" and

WHEREAS, the Developer was the owner of the real property described as follows:

Lots 1, 2 and 3 of BEACON STREET SUBDIVISION, according to Map thereof No. 10285, recorded December 15, 1981 in the Office of the County Recorder of San Diego County, California,

which real property is hereinafter called the "Subject Condominium Property."

WHEREAS, Developer caused to be recorded in the Office of the County Recorder of San Diego County, California, on August 28, 1982, at File/Page No. 82-284287, a Declaration of Covenants, Conditions and Restrictions affecting the Subject Condominium Property, which Declaration was amended by that certain document entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Beacon Street Condominiums," recorded in the Office of the County Recorder of San Diego County, California, on February 3, 1986, at File/Page No. 86-043741. Said Declaration, as amended, is hereinafter called the "Original Declaration";

WHEREAS, the Original Declaration provides for the annexation to the Project described therein of other real property more particularly described in Exhibit "A" to the Original Declaration; and

WHEREAS, the Original Declaration, as amended, provides in Article 18 thereof that such annexation is to be accomplished upon the occurrence of certain conditions among which is the recording of a Supplementary Declaration of Covenants, Conditions and Restrictions; and

WHEREAS, Supplemental Declarant desires to annex the Annexed Property to the Project described in the Original Declaration and now consisting of the Subject Condominium Property; and

WHEREAS, a Final Subdivision Map describing the Annexed Property has been duly approved in accordance with law and was recorded; and

WHEREAS, the Annexed Property is the real property described in Exhibit "A" to the Original Declaration.

NOW, THEREFORE, Supplemental Declarant hereby declares that upon the recording of a deed conveying the first Unit in the Annexed Property, the Annexed Property shall be annexed to the Subject Condominium Property and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved, subject to the limitations, restrictions, covenants, and conditions of the Original Declaration, as amended, all of which are declared and agreed to be in furtherance of a general plan for the improvement of the Annexed Property and the division thereof into Condominiums and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Annexed Property and every part and portion thereof. All of said limitations, restrictions, covenants, and conditions shall run with the Annexed Property and shall be binding on all parties having title or interest therein or any part thereof and shall be for the benefit of each Owner of any portion of the Annexed Property or any interest therein and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

IN WITNESS WHEREOF, Supplemental Declarant has executed this instrument on the day and year first above written.

SUPPLEMENTAL DECLARANT:

BEACON STREET II,
a California limited partnership
By: Chapparal Estates Corp., a
California corporation, General Partner

[Signature]
By: William A. Goodin, President

By: _____

[attach notary acknowledgment]

Beacon Street Condominiums
SUPPLEMENTARY DECLARATION

- 2 -

PHASE II
R2:080888

TO 1984 CA (8-74)
(Corporation as a Partner of a Partnership)



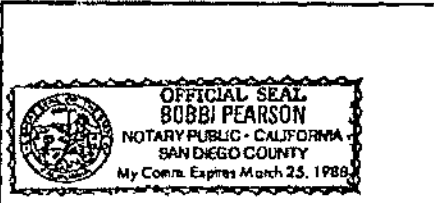
STATE OF CALIFORNIA }
COUNTY OF San Diego } SS.

On June 23, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared William A. Goodin, known to me to be the President, and _____, known to me to be the _____

Secretary of Chapparal Estates Corp., the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of said corporation, said corporation being known to me to be one of the partners of Beacon Street II, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

Signature *[Signature]*



(This area for official notarial seal)

STAPLE HERE

2339

SUBORDINATION AGREEMENT

GREAT WESTERN SAVINGS, a Federal Savings and Loan Association

Beneficiary under that certain Deed of Trust dated December 5, 1985 and recorded December 27, 1985 as File/Page No. 85-488250 of Official Records of San Diego County, California, hereby agrees that the lien and charge of said Deed of Trust is and shall be subject and subordinate to the within Declaration of Restrictions.

Dated: June 25, 1986

GREAT WESTERN SAVINGS a Federal Savings and Loan Association

BY: Ruth Goding, Assistant Vice President

BY:



TT-1102 (9/84) Corporation Acknowledgment

STATE OF CALIFORNIA COUNTY OF San Diego ss.

On this 25th day of June in the year 1986 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Ruth Goding and

personally known to me (or proved) to me on the basis of satisfactory evidence) to be the person(s) who executed the within instrument as Assistant Vice President and Secretary or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

Signature Jackie Hubbard Notary Public in and for said County and State

