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FOUNDERS TITLE CO.

AND WHEN RECORDED MAIL TO:

JENNINGS, JASPER, WEITZEN & DRAKULICH
1020 PROSPECT STREET, SUITE 300
LA JOLLA, CA 92037
ATTENTION: GORDON B. JENNINGS

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FOUNDER'S TITLE COMPANY

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

RIMROCK

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LIST OF EXHIBITS

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Exhibit

A	Description of Property (Phase One)
B	Description of Property (Subsequent Phases).
C	Description of Private Streets (Phase One)
D	Description of Parcels of Adjacent Property

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

RIMROCK HOMEOWNER'S ASSOCIATION

THIS DECLARATION made this 10th day of FEBRUARY, 1988, by TELEKLEW PRODUCTIONS, INC., a California corporation, hereinafter referred to as Declarant, is as follows:

RECITALS

A. Declarant is the owner of that certain real property located in the County of San Diego, State of California, more particularly described on Exhibit "A" and Exhibit "B" attached hereto and made a part hereof; and

B. The property described in Recital A above is a residential planned development and is planned to be developed in four (4) Phases pursuant to a phasing plan filed by Declarant with the State Department of Real Estate. The first Phase of development will include the real property described in Exhibit "A" hereto and consist of 13 Lots. It is planned that Phases two through four will include the real property described in Exhibit "B" hereto and consist of the development of 73,79, and 9 Lots, respectively. There is no guarantee that all Phases will be completed, that the phasing will occur as planned, or that the exact number of Lots in each Phase will be as set forth in the preceding sentence.

C. Declarant intends to and does hereby establish for its own benefit and for the mutual benefit of all future Owners

or occupants of said real property described in Exhibit "A", and in Exhibit "B," and each part thereof, certain easements and rights in, over and upon said property, and certain mutually beneficial covenants, conditions, restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

D. Declarant intends that the owners, mortgagees, occupants and all other persons hereafter acquiring any interest in said real property described in Exhibit "A" and in Exhibit "B, or any part thereof, shall at all times enjoy the benefits of, and shall hold, sell and convey their interests subject to the rights, easements, covenants, conditions, restrictions, and obligations hereinafter set forth, all of which are hereby declared to be in furtherance of a general plan to promote and protect the cooperative aspect of such development and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of said real property;

NOW, THEREFORE, Declarant as owner of the real property described in Exhibit "A" and Exhibit "B" hereto and for the purposes above set forth, hereby declares that all of said real property described in Exhibit "A" and in Exhibit "B," and each part thereof, shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall constitute equitable servitudes on said Property and which shall run with said Property and be

binding on and inure to the benefit of all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns.

ARTICLE I

DEFINITIONS

As used herein, unless otherwise specified or unless the context otherwise requires:

"Accessory Use" means a use naturally and normally incidental to, subordinate to, and devoted exclusively to the permitted main use of a Lot.

"Adjacent Property" means certain parcels of real property not located on the Property which are, pursuant to private agreement and Article IX herein, subject to this Declaration and the jurisdiction of the Association.

"Articles" shall mean the Articles of Incorporation of Rimrock Homeowner's Association which are, or shall be, filed in the Office of the Secretary of State of California, as said Articles are amended from time to time.

"Association" shall mean Rimrock Homeowner's Association, a California non-profit mutual benefit corporation.

"Board" shall mean the Board of Directors of the Association.

"Building" means any structure having a roof supported by columns or walls for the housing or enclosure of persons, animals or chattels and located on a Lot and forming a part of such Lot.

"By-Laws" shall mean the By-Laws of the Association as such By-Laws may be amended from time to time.

"Common Area" shall generally mean and refer to those portions of Lots over which the Association is responsible for maintenance and consisting of the Private Streets and Landscape Easement as defined herein. "Common Area" shall more specifically mean an easement for right-of-way, ingress and egress, and maintenance over the Private Streets located on the real property described in Exhibit "C" attached hereto and made a part hereof and located on the Property and designated a Private Street in any subsequently recorded instrument, and shall also mean an easement for landscape, irrigation and drainage maintenance ("the Landscape Easement") over the ten (10) foot wide strip of real property running the length of and parallel to the Private Streets and extending a width of ten (10) feet from each side boundary of the Private Streets. "Common Area" shall include all Improvements on or in the real property over which the Private Streets and Landscape Easement are located. "Common Area" shall also mean any portion of Adjacent Property designated in Article IX over which the Association acquires an easement for maintenance.

"Declaration" shall mean this instrument by which the Property is established as a planned development, as this Declaration may from time to time be amended.

"Declarant" shall mean TELEKLEW PRODUCTIONS, INC., a California corporation, or its successors and assigns, if such

successors and assigns should acquire any portion of the Property from TELEKLEW PRODUCTIONS, INC. for the purpose of development and are designated by TELEKLEW PRODUCTIONS, INC. as the Declarant for the purpose hereof by a duly recorded written instrument.

"Dwelling" means any building or portion thereof which is used as a private residence or sleeping place of one or more human beings.

"Improvements" shall mean buildings, garages, carports, streets, roads, driveways, walkways, parking areas, fences, wells, covered patios, porches, elevated porches, sundecks, balconies, hedges, plantings, planted trees and shrubs, lakes, and all other structures or landscaping improvements of every kind, nature or description.

"Landscape Easement" means that part of the Common Area consisting of an easement for landscape, irrigation and drainage maintenance and located on a ten (10) foot wide strip of real property running the length of and parallel to the Private Streets and extending a width of ten feet from each side boundary of the Private Streets.

"Lien" shall mean both voluntary and involuntary liens.

"Lot" means each parcel of real property in the Property as shown with a separate and distinct number or letter on a final subdivision map or parcel map which has been duly recorded or filed in the Office of the County Recorder of San Diego County, exclusive of Common Area.

"Manager" means that person or entity employed from time to time by the Board to manage the affairs of the Association.

"Member" shall mean every person or entity who holds membership in the Association.

"Mortgagee" shall mean the beneficiary of a recorded deed of trust or the holder of a recorded mortgage.

"Occupied" includes but is not limited to arranged, designed, built, altered, converted, rented, or leased, or intended to be occupied.

"Owner" shall mean the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Lot, but excluding those having an interest merely as security for the performance of an obligation. Owner includes contract purchasers and lessees for a term in excess of fifty years, but excludes the holders of the title subject to such contracts and leases.

"Phase" shall mean that portion of the Property covered by a separate final subdivision public report issued by the State Department of Real Estate for that specific portion of the Property. Phase one (or the first Phase) shall mean that portion of the Property covered by the first final subdivision public report; Phase two shall mean that portion of the Property covered by the second final subdivision public report; and subsequent number Phases shall mean those portions of the Property covered by the corresponding subsequent final subdivision public reports.

"Private Streets" means each street which is part of the Common Area and which (i) is located on the real property described in Exhibit "C" attached hereto and made a part hereof or (ii) is located on the Property and designated a Private Street in any subsequently recorded instrument.

"Property" means all of the land described in Exhibit "A" and in Exhibit "B" attached hereto.

"Shall" is mandatory and not merely directory.

"State" means the State of California.

ARTICLE II

RIMROCK HOMEOWNER'S ASSOCIATION

Section 1. ORGANIZATION:

The Association is a non-profit mutual benefit California corporation, which corporation shall be the governing body for all of the Owners for the maintenance, repair, replacement, administration and operation of the Common Area and all other property it is required or permitted to maintain pursuant to this Declaration, and shall have the duties and powers prescribed by law and set forth in the Articles, By-Laws and this Declaration. Neither the Articles nor By-Laws shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail.

Section 2. MEMBERSHIP:

(a) Qualifications:

Each Owner of a Lot, including Declarant, but excluding persons or entities who hold an interest merely as security for the performance of an obligation, shall automatically, upon becoming an Owner, become a Member of the Association and shall remain a Member until he ceases to own a Lot.

(b) Membership Rights and Duties:

Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the By-Laws and the Association Rules which are adopted pursuant to Article II, Section 7, and such rules and/or guidelines, as are adopted by the Environmental Control Committee pursuant to Article V hereof, as said documents may be amended from time to time.

(c) Transfer of Membership:

The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Lot, and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

(d) Auxiliary Members:

Certain owners of parcels of Adjacent Property are, pursuant to Article IX herein, designated "Auxiliary Members" of the Association.

Section 3. VOTING:

(a) Number of Votes

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners except Declarant and shall, subject to Section 3(b) hereinbelow, be entitled to one vote for each Lot owned. When more than one person is the Owner of a Lot, all such persons shall be Members but the vote for each such Lot shall be exercised as the Co-Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Declarant who shall, subject to Section 3(b) hereinbelow, be entitled to three (3) votes for each Lot owned. Class B Membership shall cease and be converted to Class A Membership on the happening of the earlier of the following events:

(1) Two years from the date of issuance by the California Department of Real Estate of the most recent Final Subdivision Public Report for a Phase of development of the Property; or

(2) The fourth anniversary of the issuance of the original Final Subdivision Public Report for the first Phase of development of the Property.

(b) Commencement:

Voting rights for each Phase of development of the Property shall not vest until the "Commencement Date" for that Phase, as defined in Section 5(c), Article III.

(c) Joint Owners Disputes:

The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that the Co-Owners are unable to agree among themselves as to how their one vote shall be cast, they shall lose their right to vote on the matter in question. If any Co-Owner casts a vote representing a Lot, it will thereafter be conclusively presumed by the Board for all purposes that said Co-Owner was acting with the authority and consent of all other Co-Owners of the same Lot. In the event more than one (1) vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

(d) Election and Removal of Board of Directors-Cumulative Voting Features.

Every Owner entitled to vote at any election of the Board may cumulate his votes and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which his Lot(s) is entitled, or may distribute his vote on the same principle among

as many candidates as he desires. The entire Board or any individual Director may be removed from office with or without cause by vote of the majority of the voting power of the Members. However, unless the entire Board is removed, an individual Director shall not be removed prior to the expiration of his term of office, if the number of votes against the resolution for his removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of the Director were then being elected. If any or all of the directors are so removed, new Directors may be elected at the same meeting. Each Director must be a Member of the Association or a representative of Declarant designated by Declarant.

(e) Special Procedure:

To assure Owners' (other than Declarant) representation on the Board, at least twenty percent (20%) of the Directors on the Board shall have been elected solely by the vote of the Owners, other than Declarant, for so long as a majority of the voting power of the Association resides in Declarant. A Director who has been elected to office solely by the vote of Members of the Association, other than Declarant, may be removed from office prior to the expiration of his term of office only by vote of at least a simple majority of the voting power residing in Members, other than Declarant.

(f) Approval of Actions of the Association:

So long as there are two classes of membership in the Association, any action by the Association which, pursuant to the Declaration, requires the approval of the Association membership before being undertaken (other than the election of the Board) shall require the vote or written consent of that percentage of the votes of each class of membership prescribed in the provision hereof requiring such approval.

Section 4. DUTIES OF THE ASSOCIATION:

In addition to the powers delegated to it by its Articles, and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

(a) Maintenance and Management of Common Area and Easements:

To maintain in a safe and first class condition, manage and preserve (i) all of the Common Area, and all improvements presently or hereafter located thereon and thereunder; (2) all easements for operation, maintenance, and landscape purposes over the Common Area; (3) all easements for the benefit of the Association Members within the Common Area; and (4) any portion of Adjacent Property designated in Article IX herein over which the Association may acquire an easement for maintenance.

(b) Rubbish Collection

To provide refuse pick-up and garbage disposal for the Common Area.

(c) Water and Other Utilities:

To acquire, provide and/or pay for water, gas, sewer, electrical and telephone and other necessary utility services for the Common Area.

(d) Insurance:

To obtain and maintain in force the following policies of insurance:

(1) Fire and extended coverage insurance on the Common Area, the amount of such insurance to be not less than one hundred percent (100%) of the aggregate full insurable value.

(2) General comprehensive public liability insurance against claims for personal or bodily injury, death or property damage with limits with regard to injury or death of not less than \$1,000,000.00 per person and \$3,000,000.00 per occurrence; and with limits of not less than \$500,000.00 per occurrence in respect of property damage, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction. Said liability insurance shall name and separately protect as insureds each Owner, Declarant, the Association, the Board and their representatives, members and employees, and the Association Members (as a class), with respect to any liability arising out of the maintenance or use of the Common Areas.

(3) Such other insurance, including worker's compensation liability insurance to the extent necessary to comply with any applicable law, faithful performance and fidelity bonds to insure the Association against any loss from malfeasance or dishonesty of any employee or other person charged with the management or possession of any Association funds or other property and such indemnity and other bonds as the Board shall deem necessary or expedient to carry out the Association's functions.

(e) Rule Making:

To make, establish, promulgate, amend and repeal the Association Rules.

(f) Environmental Control Committee:

To appoint and remove members of the Environmental Control Committee pursuant to the provisions of this Declaration.

(g) Taxes and Assessments:

Pay all taxes and assessments which are or could become a lien on the Common Area or other property owned by the Association.

(h) Enforcement of Restrictions and Rules:

To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.

(i) Budgets and Financial Statements:

The Board shall cause financial statements for the Association to be regularly prepared and copies to be distributed to each Member of the Association as follows:

(1) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than 45 days nor more than 60 days before the beginning of each fiscal year of the Association and shall include, at a minimum, the following:

(A) Estimated revenue and expenses on an accrual basis;

(B) The amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and for contingencies;

(C) An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of the Common Area for which the Association is responsible;

(D) A general statement setting forth the procedures used by the Board of Directors in the calculation and establishment of reserves required to defray the costs set forth in the immediately preceding subparagraph (C); and

(E) For any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000.00), a review of the financial statement prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy, which

shall be distributed within 120 days after the close of the fiscal year.

(2) A balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of recordation of the deed for the first sale of a Lot to an Owner other than Declarant and an operating statement for the period from the date of recordation of the deed for such first sale to such accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the description of the Lot and the name of the person or entity assessed.

(3) An annual report consisting of the following shall be distributed within 120 days after the close of the fiscal year:

(A) A balance sheet as of the end of the fiscal year.

(B) An operating (income) statement for the fiscal year.

(C) A statement of changes in financial position for the fiscal year.

(D) Any information required to be reported under Section 8322 of the Corporations Code.

If the report referred to in paragraph (3)(D) above 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.

(j) Statement of Association Enforcement Policies:

Within 60 days prior to the beginning of each fiscal year, the Association shall prepare and distribute to the Owners a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments against Owners.

(k) Other Fiscal Duties:

The Board of Directors of the Association shall do all of the following:

(1) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis;

(2) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis;

(3) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;

(4) Review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts; and

(5) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

(l) Reserve Account Requirements:

The signatures of at least two persons, who shall be members of the Board of Directors or, one officer who is not a member of the Board and a member of the Board, shall be required for the withdrawal of moneys from the Association's Reserve Account. As used herein, "Reserve Account" means the Trustee Reserve Account required to be established pursuant to Section 5(e), Article III herein.

Section 5. POWERS AND AUTHORITY OF THE ASSOCIATION:

The association shall have all the powers of a non-profit corporation organized under the Non-Profit Mutual Benefit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association by this Declaration, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation:

(a) Assessments and Maintenance Fees:

To levy assessments against Lots and to enforce Payment of such assessment, all in accordance with the provisions of Article III hereof. To levy assessments and maintenance fees against owners of parcels of Adjacent Property arising from private agreement and pursuant to Article IX herein.

(b) Right of Entry and Enforcement:

To enter upon any Lot or any Common Area for the purpose of ascertaining whether the provisions of this Declaration have been or are being complied with, for the purpose of enforcing by peaceful means any of the provisions of this Declaration and the Association Rules or for the purpose of maintaining or repairing any such area as required by this Declaration. Such entrance shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency. The Association shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach and to enforce, by mandatory injunction or otherwise, all of the provisions hereof. In addition, or as an alternative method of enforcing this Declaration and the Association Rules, the Board may impose monetary penalties, temporary suspensions of an Owner's rights as a Member of the Association or other appropriate discipline for failure to comply with this Declaration or the Association Rules, provided that the procedures for notice and hearing satisfying the minimum requirements of Section 7341 of the California Corporations Code are given to the accused Member before a decision to impose discipline is reached.

The Association shall not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his or her individually-owned Lot on account of the failure by the Owner to comply with provisions of this Declaration or the Bylaws or with the Association Rules except pursuant to a 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 the Owner to pay assessments duly levied by the Association.

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(c) Easements and Rights-of-Way:

To grant and convey to any third party easements and rights-of-way in, on, over or under any Common Area, for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder (1) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone, cable television and other purposes, (2) public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and (3) any similar public or quasi-public improvements or facilities.

(d) Transfer, Dedication and Encumbrance of the Common Area:

To sell, transfer or encumber all or any portion of the Common Area, including the Private Streets, to a person, firm or entity, whether public or private, and the right of the Association to dedicate or transfer all or any portion of the Common Area owned by the Association to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such sale, transfer, encumbrance or dedication shall be effective unless an instrument signed by Declarant and by Members representing seventy-five percent (75%) of the total voting power of the Association other than Declarant has been recorded, agreeing to such sale, transfer, encumbrance or dedication, and unless written notice of the proposed action is sent to every Member not

less than thirty (30) days nor more than sixty (60) days in advance.

(e) Employment of Agents:

To employ the services of any person or corporation as managers, or other employees, to, as may be directed by the Board, manage, conduct, and perform the business, obligations and duties of the Association, and enter into contracts for such purpose. Such agents shall have the right to ingress and egress over such portions of the Property as is necessary for the performance of such business, duties and obligations.

(f) Employment of Professional Advisors:

To employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreation experts, architects, planners, lawyers and accountants.

(g) Borrowing of Money:

To borrow and repay monies for the purpose of maintaining and improving the Common Area and to encumber property of the Association as security for the repayment of such borrowed money.

(h) Create Classes of Service and Make Appropriate Charges:

To create, in its sole discretion, various classes of service and to make appropriate charges therefor to the users thereof, and to avail itself of any rights granted by law without

being required to render such services to those of its Members who do not assent to the said charges and to such other rules and regulations as the Board deems proper. In addition, the Board shall have the right to discontinue any service upon non-payment or to eliminate such service for which there is no demand therefor or adequate funds to maintain the same out of charges.

(i) Hold Title and Make Conveyances:

To acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including but not limited to easements.

(j) Services:

To contract for or otherwise provide for all services necessary or convenient to the management, maintenance and operation of the Common Area. The foregoing shall include the power and authority to determine whether any security system or service which may be established by Declarant during the second or subsequent phase of development of the Property shall continue to be maintained, in whole or in part, by the Association, as may then be determined appropriate by the Association based upon available funds and the need and demand for the service.

(k) To join with Declarant in executing any agreements with owners of Adjacent Property as described in Article IX herein.

Section 6. LIMITATIONS ON POWERS OF THE BOARD:

(a) Notwithstanding the powers of the Association as set forth in Section 5 hereof, the Board shall not take any of the following actions without the prior vote or written consent of a majority of the voting power of the Members of the Association residing in Members other than Declarant.

(i) Enter into a contract with a third person or entity wherein such person or entity will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:

(1) A contract with a public utility company if the rates charges 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.

(2) Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

(ii) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(iii) Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the

Board may cause a director or an officer to be reimbursed for expenses incurred in carrying on the business of the Association.

(iv) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(v) Fill any vacancy in the Board created by the removal of a member of the Board.

(b) Notwithstanding anything herein contained to the contrary, any agreement for professional management of the Property, or any other contract providing for services by Declarant, must provide for termination by either party without cause or payment of a termination fee on not more than 90 days written notice and with cause on 30 days' written notice. The maximum contract term shall not exceed one year, renewable by agreement of the parties for successive one-year periods.

Section 7. THE ASSOCIATION RULES

By a majority vote of the Board, the Association may, from time to time, adopt, amend, and repeal such rules and regulations as it may deem reasonable (the "Association Rules"). The Association Rules shall govern the use of the Common Area by any Owner, or by any invitee, licensee or lessee of such Owner, by the family of such Owner, or by any invitee, licensee or lessee of the family of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or the By-

Laws, the provisions of such Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the By-Laws to the extent of such inconsistency. In the event of any conflict between the provisions of this Declaration and provisions of the By-Laws or Articles, the provisions of this Declaration shall prevail.

Section 8. PERSONAL LIABILITY

No member of the Board or the Environmental Control Committee or any officer of the Association, or Declarant, or the manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, the Environmental Control Committee, the manager or any other representative or employee of the Association, Declarant, or any officer of the Association, or of Declarant, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith in accordance with the provisions of this Declaration, the Bylaws and Articles, and without willful or intentional misconduct.

ARTICLE III

ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENT

Declarant, for each Lot owned hereby covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, and whether or not any Improvements exist on such Lot, is deemed to covenant and agree, for each Lot owned, to pay to the Association Annual Assessments, Special Assessments, Emergency Assessments, and Remedial Assessments, all of which shall be established, made and collected as hereinafter provided. The Annual, Special, and Emergency Assessments, together with any late charge, interest, and costs of collection including reasonable attorney's fees, shall, when perfected in the manner hereinafter provided, be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with any late charge, interest, and costs of collection including reasonable attorneys' fees, shall also be a personal obligation of the person who is the Owner of such Lot at the time when the assessment becomes due and payable. The personal obligations for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, however, all perfected liens shall be liens on the interests of successive Owners of the Lots subject thereto. No Owner may waive or otherwise escape liability for the assessments provided for in

this Declaration by non-use of the Common Area, or any part hereof, or abandonment of his Lot.

Section 2. PURPOSES OF ASSESSMENTS:

Assessments levied shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property, the improvement, operation and maintenance of the Common Area, and the performance of the duties of the Association as set forth in this Declaration.

Section 3. OPERATING FUND

There shall be an operating fund, into which the Association shall deposit all monies paid to it as

- (a) Annual Assessments;
- (b) Emergency Assessments;
- (c) Special Assessments;
- (d) miscellaneous fees;
- (e) income attributable to the operating fund;

and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 4. INITIAL MAINTENANCE

Prior to the Initial Commencement Date (as that term is defined in Section 5 (c) below), the cost of operation, maintenance and management of the Common Area shall be the sole and exclusive obligation of Declarant.

Section 5. ANNUAL ASSESSMENTS:

(a) Levy and Enforcement of Annual Assessments:

Annual Assessments shall be made, and enforced, by the Board in the manner provided in this Declaration against the Owners of all Lots, including Declarant. Notwithstanding the foregoing, the obligation of Owners, including Declarant, to pay the Annual Assessments on Lots owned by them on or after the Initial Commencement Date may be suspended, in whole or in part, provided a Subsidy Agreement is in effect between Declarant and the Association and provided the Subsidy Agreement requires Owners, including Declarant, to continue payment of the reserve fund contribution portion of the Annual Assessments pursuant to subsection (e) below on Lots owned by them and for which a final subdivision public report has been issued. Except as expressly provided in Section 4 above and in a Subsidy Agreement between Declarant and the Association, the operation, management and maintenance of the Common Area, together with the rights, duties and obligations of the Association as set forth in this Declaration, shall be the exclusive obligation of the Association.

(b) Amount of Assessments:

Beginning with the fiscal year of the Association commencing on the Initial Commencement Date, the amount of the total Annual Assessment for all the Lots shall be determined by the Board at least sixty (60) days prior to the commencement of each fiscal year based on the budget for such fiscal year called

for by Section 4 (i) of Article II above. The total Annual Assessment and any Special or Emergency Assessment shall be assessed equally against all of the Lots in the Property then subject to assessment.

(c) Commencement date For Annual Assessments:

The Annual Assessment hereunder shall, with respect to each Phase in the development of the Property, commence on the first day of the month following the first conveyance of a lot in that Phase to an Owner other than Declarant ("Commencement Date"). "Initial Commencement Date" shall be the first day of the month following the first conveyance of a lot in the first Phase of development of the Property. No Lot in a Phase shall be conveyed by Declarant until a final subdivision public report for that Phase has been issued by the State Department of Real Estate.

(d) Increase of Annual Assessments:

The Annual Assessment for each succeeding fiscal year may be increased by the Board for the next year without a vote of the Members of the Association by an amount which shall not exceed twenty percent (20%) over the Annual Assessment for the previous year, and Special Assessments, which in the aggregate do not exceed five percent (5%) of the Association's budgeted gross expenses for that fiscal year may be imposed by the Board without a vote of the Members of the Association. Any increase in the Annual Assessment which exceeds twenty percent (20%) of the Annual Assessment for the immediately preceding year

and Special Assessments which in the aggregate exceed five percent (5%) of the Association's budgeted gross expenses for

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that fiscal year (except those necessary for an emergency situation as defined in Section 8 below) shall be made only upon the affirmative vote or written consent of the Members of the Association as set forth in Section 9 below.

(e) Reserve Fund:

For purposes of creating reserves to ensure payment when due of the cost of capital expenditures relating to the repair and replacement of the Common Area and Improvements in the Common Area, a portion of the Annual Assessments collected in each fiscal year, shall constitute a reserve fund contribution. The specific items for which such reserve fund contribution shall be made and the amount of such contribution in respect of each such item shall be determined by the Board, acting in its sole discretion, at the time it adopts the budget for the Annual Assessments in accordance with Section 4(i) of Article II, hereof. All such reserve fund contributions shall be collected in equal monthly installments as provided in Section 11 hereof, shall be accounted for separately and shall be held in trust and used to pay for each specific capital expenditure in such manner and at such times as the Board, acting in its sole discretion, shall determine. Immediately upon receipt, all such reserve fund contributions shall be deposited in separate interest-bearing account or accounts, denominated Trustee Reserve Account in any savings and loan association, bank or trust company under the supervision of the California Superintendent of Banks, the California Commissioner of Savings and Loan Associations, the

Federal Home Loan Bank Board or the United States Controller of the Currency as may be determined by the Board by resolution, or invested in certificates of deposit issued by a bank or financial institution having assets in excess of Five Hundred Million Dollars (\$500,000,000.00). The signature of at least two (2) persons, who shall be members of the Board of Directors or, one officer who is not a member of the Board and a member of the Board, is required for the withdrawal of money from the Trustee Reserve Account.

Section 6. ASSESSMENT ROLL

An assessment roll shall be accurately maintained and available in the office of the Association for inspection at all reasonable times by any Owner or his duly authorized representative. Said assessment roll shall indicate for each Lot, the name and address of the Owner thereof, all Assessments levied against each Owner and his Lot, and the amount of said Assessments paid and unpaid. A certificate executed and acknowledged by the Secretary or Treasurer of the Association stating the indebtedness secured by any lien created hereby upon any such Lot, shall be conclusive upon the Association and the owner of such Lot as to the amount of such indebtedness as of the date of such certificate, in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished by the Association to any Owner or to any Mortgagee under a Mortgage encumbering a Lot upon written request therefor at a reasonable fee payable to the Association.

Section 7. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS:

In addition to the Annual Assessments authorized above, the Board may levy, during any fiscal year, a special assessment ("Special Assessment") applicable to that fiscal year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a capital improvement upon the Common Area, or including the necessary fixtures and personal property related thereto. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the fiscal year may be levied only upon vote or written consent of the Members as provided in Section 9 hereof.

Section 8. EMERGENCY ASSESSMENT;

Notwithstanding any provision of this Declaration to the contrary, the Board may increase assessments, without the vote or written consent of Owners, for any of the following emergency situations:

(a) An extraordinary expense required by an order of a court.

(b) An extraordinary expense necessary to repair or maintain the Common Area where a threat to personal safety on the Common Area is discovered.

(c) An extraordinary expense necessary to repair or maintain the Common Area that could not have been reasonably foreseen by the Board in preparing and distributing the proforma

operating budget pursuant to Article II, Section 4(i). Prior to the imposition or collection of an assessment under this subsection (c), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to Members with the notice of assessment.

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Section 9. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 5 and 7:

Any action authorized under Sections 5 or 7 of this Article III which requires the vote or written consent of the Members of the Association shall require the vote or written consent of at least a majority of the votes of the Owners constituting a quorum in each class of voting membership in the Association while there is a Class B membership and after there is no longer a Class B membership shall require the vote or written consent of at least a majority of the voting power of the Members of the Association (excluding Declarant) constituting a quorum. Quorum, for purposes of this Section 9, shall mean fifty-one percent (51%) of the Owners of the Association. Such vote may be taken or written consent obtained at a meeting called for that purpose, at which a quorum is present, written notice of which shall be sent to all Members not less than ten (10) days or more than twenty (20) days in advance of the meeting. If a quorum is present in person or proxy at the meeting, Members who were not present in person or by proxy may give their consent in writing within ten (10) days after the aforesaid meeting so that the required percentage of the voting power of all Members may be obtained.

Section 10. REMEDIAL ASSESSMENTS:

Pursuant to this Declaration, the Board may levy an assessment against any Lot to reimburse the Association for costs incurred in bringing such Lot and its Owner into compliance with

provisions of this Declaration or the Association Rules.

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Remedial Assessments shall be due ten (10) days after the Board gives written notice thereof to the Owner subject thereto. The provisions of Section 9 of this Article III with respect to approval of Annual and Special Assessments and the provisions of Section 12(3) of this Article III with respect to enforcement by lien shall not apply in the case of Remedial Assessments.

Section 11. DUE DATES OF ASSESSMENTS; CERTIFICATE REGARDING ASSESSMENTS

The first Annual Assessment and all special assessments shall be adjusted according to the number of months remaining in the fiscal year. The Board shall fix the amount of the Annual Assessment against each Lot within sixty (60) days prior to the beginning of each Annual Assessment period. Written notice of all Assessments shall be sent to each Owner subject thereto. The Annual Assessments and Special Assessments shall be collected on a monthly basis the first day of each month (the "Assessment Payment Date"), unless the Board adopts an alternative method for payment. The Annual Assessments and Special Assessments shall be due and payable monthly on each Assessment Payment Date commencing on the first Assessment Payment Date following the Initial Commencement Date or the Commencement Date of a Phase of development of the Property (or on the Initial Commencement Date or the Commencement Date of a Phase if either is the same date as an Assessment Payment Date). The Emergency Assessments shall be due and payable at the time and in the manner specified by the Board. The Board shall, upon written request therefor from any

Owner or his Mortgagee, and for a reasonable charge not to exceed Ten Dollars (\$10.00), furnish a certificate to such person or entity, signed by an officer of the Association, setting forth whether all Annual, Special and Emergency Assessments and any Remedial Assessment on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 12. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION:

In the event of a default in payment of any assessment fifteen (15) days after it is due, such assessment shall be deemed to be delinquent ("date of delinquency"). Each Owner vests in the Association or its assigns the right and power to bring all actions at law, liens, foreclosures or other remedies provided herein against the Owners for the collection of delinquent assessments, including the following: (1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees; (2) A late charge not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater; and (3) Interest on all sums imposed hereunder, including the delinquent assessment, reasonable costs of collection, and late charges, at an annual percentage rate not to exceed twelve percent (12%) interest, commencing 30 days after the assessment becomes due. In addition to any other remedies herein or by law provided, the Association may enforce the obligations of the Owners to pay the assessments provided for

herein, and each of them, in any manner provided by law or in equity, and without any limitation of the foregoing by any or all of the following procedures:

(1) Suspension of Rights:

After a hearing by the Board (whether or not the delinquent Owner appears), upon fifteen (15) days written notice to the delinquent Owner, the Board may suspend the voting rights of any Owner and/or such Owner's right to use the Common Area for any period during which any assessment against such Owner's Lot remains unpaid; provided that this provision shall not operate or be construed to deny or restrict ingress or egress of any Owner to his Lot.

(2) Enforcement by Suit:

By commencement and maintenance of a suit at law against an Owner or prior Owner to enforce said assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, interest thereon at the maximum legal rate per annum from the date of the delinquency, court costs and reasonable attorneys' fees, in such amount as the Court may adjudge against the delinquent Owner.

(3) Enforcement by Lien:

There is hereby created a claim of lien, with power of sale, on each and every Lot to secure payment to the Association of any and all assessments levied against any and all Lots under this Declaration, together with interest thereon at

the maximum legal rate per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time after the occurrence of any default in the payment of such assessment, the Association or any authorized representative may, but shall not be required to make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within five (5) days after delivery of such demand, or within thirty (30) days after the date of delinquency if no written demand is made, the Association may elect to file and record a notice of delinquent assessment and claim of lien on behalf of the Association against the Lot of the defaulting Owner in the Office of the County Recorder of San Diego County. Such a notice of delinquent assessment and claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain the following information and any other information required by law:

- A. the name of the delinquent Owner;
- B. the legal description of the Lot against which the claim of lien is made;

C. the total amount of the delinquency, interest thereon, collection costs and reasonable attorneys' fees (with any proper offset allowed);

D. that the notice of delinquent assessment and claim of lien is made by the Association pursuant to this Declaration; and

E. that a lien is claimed against said Lot in an amount equal to the amount stated.

Upon such recordation of a duly executed original or copy of such a notice of delinquent assessment and claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a deed of trust by exercise of a power of sale contained therein or in the manner provided by law for the enforcement of a judgment as the laws of the State of California may from time to time be changed or amended. The Association shall have the power to bid at any foreclosure sale, Trustee's sale or judgment sale and to purchase, acquire, lease, hold, mortgage and convey any Lot. Reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

The proceeds of any foreclosure, trustee's or judgment sale provided for in this Declaration shall first be paid to discharge court costs, court reporter charges, reasonable

attorneys' fees, title costs and costs of the sale, and all other expenses of the proceedings and sale, and the balance of the proceeds, after satisfaction of such charges and unpaid assessments hereunder or any liens, shall be paid to the defaulting Owner. Any purchaser at such sale shall thereupon be entitled to a deed to the Lot and immediate possession of the Lot and shall have the right to apply to a court of competent jurisdiction for such orders as may be reasonable for the purpose of acquiring and possessing the Lot. It shall be a condition of such sale, and the deed so made shall provide, that the purchaser shall take the interest in the Lot sold subject to this Declaration.

Upon the timely curing of any default for which a notice or claim of lien was filed by the Association, the officers of the Association are hereby authorized to record an appropriate release of such lien in the Office of the San Diego County Recorder.

Section 13. SUBORDINATION TO CERTAIN TRUST DEEDS:

The lien of the assessments shall be prior to all encumbrances made by the Owner or imposed by legal process upon any Lot except taxes, bonds, assessments and other levies, which, by law, are prior thereto, whether the claim of lien is recorded prior or subsequent to any such encumbrances, except that the lien of the assessments shall be subordinate to the lien of any first mortgage or first deed of trust in favor of any Mortgagee, provided such first mortgage or deed of trust is made in good

faith and for value and recorded in the Office of the Recorder of San Diego County prior to the recordation of a claim of lien for said assessments. Sale or transfer of any Lot shall not defeat or affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage or deed of trust, pursuant to a nonjudicial or judicial foreclosure under such first or second mortgage or deed of trust shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer, except for the amount of unpaid assessments specified in a claim of lien recorded prior to the recordation of such first mortgage or deed of trust. No such sale or transfer shall relieve such Lot or the purchaser thereof from liability for any assessments thereafter becoming due or from the lien thereof.

Section 14. EXEMPT PROPERTY.

All Common Areas, all properties subject to any easement or other interest dedicated to and accepted by any public authority and/or devoted to public use, including but not limited to, a School District, and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of California shall be exempt from assessment under this Article; provided, however, that no Lot shall be exempt from said assessments.

Section 15. INCOME TAX ELECTION.

The Board shall have the right, exercisable in its sole discretion, to elect to report the receipts, expenses, deductions

and credits, if any, of the Association for income tax purposes pursuant to Section 528 of the Internal Revenue Code of 1954, as amended, Section 23701(t) of the California Revenue and Taxation Code, as amended, or any comparable statute or amendment thereto hereinafter enacted.

ARTICLE IV

COVENANTS AND USE RESTRICTIONS

In addition to all other covenants contained herein, the following covenants and restrictions shall govern the use and occupancy of the Property:

Section 1. RESIDENTIAL USE:

All Improvements on any Lot shall conform to and comply with the Architectural Design Guidelines adopted, and as amended from time to time, by the Environmental Control Committee. No part of any Lot shall be used for other than private dwelling purposes, accessory uses, and guest houses. The foregoing restrictions as to use shall not, however, be construed in such manner as to prohibit a Lot Owner from (a) maintaining his personal professional library therein, or (b) keeping his personal business or professional records or accounts therein, or (c) handling his personal business or professional calls or correspondence therefrom, or (d) carrying on agricultural uses (subject to the provisions of Section 8 of this Article IV) or (e) undertaking any other activity thereon not otherwise prohibited by this Declaration when such activity has been

expressly approved in advance by the Association, such activities being hereby expressly declared to be accessory uses.

Section 2. MINIMUM DWELLING SIZE:

No Dwelling intended or used as the primary Dwelling on a Lot may be constructed or maintained unless the interior floor area of such Dwelling (excluding garage) contains at least three thousand (3,000) square feet.

Section 3. MAINTENANCE BY OWNER:

The Owner of each Lot shall maintain all improvements on his Lot in a clean and attractive condition. Without limiting the generality of the foregoing, the Owner of each Lot shall:

- (a) keep his Lot free from rubbish, litter and noxious weeds, (b) maintain, cultivate and keep in good condition and repair, shrubs, trees, grass, lawns, plantings and other landscaping located or from time to time placed upon his Lot including those in areas between adjacent sidewalk and the street curbs, if any;
- (c) trim and restrain all trees, shrubs or plantings of any kind so that they shall not be allowed to overhang or otherwise encroach upon, above or below any sidewalk or street, unless prior approval of the Environmental Control Committee is obtained,
- (d) maintain in good condition and repair and adequately painted or otherwise finished all structures and buildings located or from time to time placed upon his Lot, and
- (e) maintain all paved surfaces and keep them clean, reasonably dry and free of oil and other extraneous matter.

Section 4. LANDSCAPING AND MAINTENANCE BY THE ASSOCIATION:

In the event an Owner shall fail to comply with the provisions of Section 3 above, the Association shall notify such Owner in writing of such specific lack of compliance, which notice shall specify the nature of such lack of compliance. If such Owner fails to remedy such lack of compliance within five (5) days after receipt of such notice (or within such greater time period as may be specified in such notice), or, in the alternative, fails to deliver written notice to the Board within five (5) days from receipt of such notice requesting a hearing before the Board with regard to the matters of noncompliance set forth in such notice, the Association or its authorized agents shall have the right to enter upon such Owner's Lot for the purpose of remedying the matters set forth in the notice, and shall not be liable for trespass in connection with such entry. If the Owner timely requests a hearing before the Board, the Board shall schedule a hearing and shall provide the Owner with at least seven (7) days written notice as to the date, time and place thereof. At the hearing the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Association's original notice of noncompliance, and the Board will determine what action, if any, need be taken by the Owner and the time within which it must be accomplished. The decision of a majority of the members of the Board present at the hearing will be binding upon the Association and the Owner. In the event it is determined that the Owner has not complied with the

provisions of Section 3 of this Article IV, the Board shall establish a reasonable time within which the Owner shall so comply. If the Owner fails to so comply within the designated time period, the Association or its authorized agents shall then have the right to enter upon the Owner's Lot to perform the required acts and shall not be liable for trespass in connection therewith. The cost to the Association of remedying such Owner's failure to comply with the provisions of this Section shall be assessed to the Owner as a Remedial Assessment, enforceable in the manner provided in Article III of this Declaration.

Section 5. POWER EQUIPMENT:

No appliance, tool, or equipment shall be used on the property which causes interference with cable TV reception unless the prior written consent of the Environmental Control Committee has been obtained.

Section 6. SIGNS:

No sign or billboard of any kind (including but not limited to commercial or political signs) shall be displayed to the public view on any Lot, except for:

(a) directional signs established by the Declarant or the Association;

(b) such signs or notices as may be required for legal proceedings;

(c) residential identification signs of a combined total face area of one hundred forty-four (144) square inches or less for each Lot;

(d) during the time of construction of any improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet; and

(e) signs advertising Lots "for sale" or "for rent" which signs shall be of customary and reasonable dimensions and of a professional type and dignified appearance, and which signs shall be placed only in such location(s) as designated by the Association. If at the time of any such desired use, the Association is providing "for sale" or "for rent" signs for the use of Owners, the sign provided by the Association shall be used.

(f) Signs, billboards and other advertising devices or structures used by Declarant in connection with the development, subdivision, advertising and sale of the Property and Lots therein.

Section 7. OBNOXIOUS AND OFFENSIVE ACTIVITIES:

No obnoxious or offensive activity shall be carried on in or upon any Lot or any part of the Property, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot, or which shall in any way increase the premium rate of insurance.

Section 8. ANIMALS:

No animals, livestock, birds, fish or poultry of any kind shall be raised, bred or kept in or upon any Lot except dogs, cats or such other household pets as may be approved by the Association may be kept on each Lot, provided they are not kept, bred or maintained for any commercial purposes or in unreasonable numbers.

Notwithstanding the foregoing, no animals, livestock, birds, fish or poultry may be kept which result in any annoyance or are obnoxious to residents in the vicinity, and in any event, each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, and invitees, and to the Association for any and all damage to person or property caused by any pets or other animals, livestock, birds, fish or poultry brought upon or kept upon any Lot or the Common Area by such Owner, members of his family, guests or invitees, and each Owner shall comply with such reasonable rules and regulations governing the keeping of pets which may be adopted by the Association from time to time. Upon the written request of any Owner, the Board shall conclusively determine, in its sole discretion, whether for the purposes of this Section, a particular animal or fowl is generally recognized as a household pet or yard pet, or constitutes a nuisance, or whether the number of pets on any Lot is reasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

Section 9. TEMPORARY STRUCTURES:

Unless approved in writing by the Environmental Control Committee, no structure of a temporary character, trailer, tent, shack, garage, barn, or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently.

Section 10. STORAGE OF VEHICLES:

No car, truck, house trailer, living trailer, self-propelled vehicle, boat, boat trailer or vehicle of any type shall be stored or parked on any street or Lot, either temporarily or permanently, if visible from the street or adjoining Lots. No painting, repairing or mechanical work, other than customary maintenance work and minor emergency repairs, shall be done on any Lot or the Common area except in enclosed areas approved by the Environmental Control Committee.

Section 11. DEBRIS AND OUTSIDE STORAGE:

All rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas and machinery and equipment shall be prohibited upon any Lot, unless obscured from view of neighboring property and streets by a fence or appropriate screen approved by the Environmental Control Committee. No incinerators shall be kept or maintained on any Lot.

Section 12. ALTERATIONS AND IMPROVEMENTS:

No improvements of any type (other than small plants and flowers) or any structural alteration to any improvements, or any exterior additions or modifications to any improvements (including, but not limited to painting), shall be made, constructed or maintained upon any Lot unless and until (i) the plans and specifications therefor showing the appearance, height, materials and color therefor, (ii) a plot plan showing the location thereof and (iii) appropriate grading plans for the site upon which any structure is to be or is located shall have been approved by the Board or the Environmental Control Committee in the manner set forth in Article V hereof.

Section 13. RESTRICTIVE AGREEMENTS:

No Owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his Lot on the basis of race, color or creed. The provisions of this Declaration shall be liberally construed. Failure to enforce any provision herein shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

Section 14. PESTS:

No Owner shall permit any thing or condition to exist upon any portion of the Property which shall induce, breed or harbor infectious plant diseases or noxious insects or vermin.

Section 15. ANTENNAE AND EXTERIOR APPLIANCES:

(a) No towers, antennae, aerials, satellite dishes or other facilities for the reception or transmission of radio or television broadcasts or other means of communication shall be erected and maintained or permitted to be erected and maintained on any Lot except by installations inside of structures constructed on said Lot.

(b) No wiring for electrical or telephone installations, television antennae, security systems, machines or air conditioning units, or appliances shall be permitted on the exterior of any building or that protrude through the walls or roof of any building except as permitted by the Board or the Environmental Control Committee pursuant to Article V hereof.

(c) This Section 15 shall not apply to, nor restrict, master antennae and head end system for a cable television system installed by Declarant or by a franchise cable television operator.

Section 16. PARKING AND STREET OBSTRUCTIONS:

No overnight parking of vehicles of any type whatsoever on any portion of the Private Streets shall be permitted. No Owner shall do anything which will in any manner prevent the Private Streets from at all times being free and clear of all cans and other rubbish containers shall not be allowed to be visible from any portion of the Private Streets except during the days in which trash is collected.

Section 17. COMPLIANCE WITH LAWS:

Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of Federal, State or Municipal governments or authorities applicable to use and occupancy of and construction and maintenance of any Improvements.

Section 18. EXTRACTION OF MINERALS:

No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil or water wells, tanks, tunnels or mineral excavations be permitted on the Property except as shall be approved in writing by the Board or the Environmental Control Committee pursuant to Article V hereof. :

Section 19. RIGHT OF ENTRY:

During reasonable hours, upon 24 hours notice to the Owner, any member of the Environmental Control Committee, any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect any Lot and the improvements thereon for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

Section 20. COMMERCIAL AND PROFESSIONAL USE:

Subject to the provisions of Section 1 of this Article IV, no gainful profession, occupation, trade or other non-residential use shall be conducted on any Lot, or any portion thereof. Nothing herein shall be deemed to prevent the leasing

of any Lot from time to time by the Owner thereof for residential purposes only and subject to all of the provisions of this Declaration.

Section 21. GRADES, SLOPES AND DRAINAGE:

No Owner of any Lot shall in any manner alter, modify or interfere with the grades, slopes or drainage on any Lot or on the Common Area without the express written permission of the Environmental Control Committee and then only to the extent and in the manner specifically approved. No structure, plantings, or other material shall be placed or permitted to remain on or within any slopes nor shall any other activities be undertaken by the Association or by any other person which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

Section 22 GARAGES:

(a) No dwelling shall be constructed or maintained on a Lot without a garage large enough to contain at least two (2) standard sized automobiles except when the Environmental Control Committee determines that a severe hardship would be effected by such a restriction. No automobile or other vehicle shall be parked outside of a garage if there is space for such automobile or vehicle in such garage and no garage shall be used for any purpose which would preclude parking of at least two automobiles

therein. The use of carports in lieu of garages is specifically prohibited.

(b) The doors of a garage visible from any street or streets adjacent to the Lot on which such garage is located shall be kept closed at all times except when an automobile is entering or exiting into or from said garage.

(c) No guest house may be constructed or maintained on a Lot unless an extra covered car space is provided on such Lot.

Section 23. WATER SOFTENERS:

All water softeners installed on a Lot must be commercially serviced. No Owner shall deposit or dispose, or permit to be deposited or disposed, any salts or other chemicals from water softeners in the sewage systems.

Section 24. USE OF IMPROVEMENTS DURING CONSTRUCTION; DILIGENCE IN CONSTRUCTION

Dwellings upon any Lot shall not be occupied until the same is completed and made to comply with the restrictions, covenants and conditions contained in this Declaration. Any Improvement which is partially or totally destroyed, or damaged, by fire, earthquake or otherwise, shall be removed, repaired or replaced within a reasonable time after such destruction or damage occurs and subject to the requirements of this Declaration, by the then Owner or Owners of that portion of the Lot or Lots upon which the destroyed or damaged Improvement was or is located. All work of construction, removal or repair of any Improvement upon any Lot shall be prosecuted diligently and

continuously from the time of commencement thereof until the same shall be fully completed except to the extent prevented by strikes, lockouts, boycotts, the elements, war, inability to obtain materials, acts of God or similar causes.

Section 25. NOISE:

No power tools or other equipment, horn, whistle, bell or other similar sound facility or equipment shall be permitted upon any Lot which is capable of producing any sound in excess of 65 decibels measured at a point of 100 feet from (i) the outside of a building within which the sound emanates or (ii) the speaker or other similar facility or equipment from which the sound emanates. No activity shall be under taken or permitted upon any Lot, which activity causes any sound, whether intermittent, recurrent or continuous, in excess of 45 decibels measured at any point on the boundary line of said Lot. Decibel measurements shall be the average of at least 3 and at most 5 decibel readings by a qualified engineer. The foregoing provisions of this Section 25 shall not, however, prohibit the installation or use of devices designed and used solely for security purposes.

Section 26. CHEMICALS:

The Environmental Control Committee shall have the power from time to time to determine that the use of particular chemicals on any Lot constitutes or would constitute a clear danger, and to publish the names of such chemicals and prohibit their use; no chemical so prohibited shall be used on or above any Lot. Additionally, the Environmental Control Committee may

prohibit specified chemicals, including but not limited to pesticides and herbicides, from use on or above the open surface area of any Lot, or above any Lot, whether once or intermittently or continuously, if such chemical or any product or residue thereof does or may seep, drain, flow, drift or otherwise migrate into any natural or artificial waterway or body of water existing in the Property, or into or above any part of the Common Area.

Section 27. RESUBDIVISION:

No Lot shall be subdivided by any Owner other than Declarant pursuant to development of a phase of the Property.

Section 28. SOLAR SYSTEMS:

All solar system collector units shall be integrated into the design of the Dwelling in which each is installed and shall be subject to approval by the Environmental Control Committee in accordance with Article V.

Section 29. LANDSCAPING:

Landscaping plans shall be submitted to the Environmental Control Committee by each Owner within six (6) months following the date of the issuance of the building permit for improvement of a Dwelling on such Owner's Lot. Landscaping pursuant to landscaping plans approved by the Environmental Control Committee shall be installed on such Lot within one (1) year following the date of the issuance of the above building permit.

Section 30. EXTERIOR LIGHTING:

All exterior lighting of a Lot shall be subject to approval of the Environmental Control Committee.

Section 31. OPEN FIRES:

Exterior fires and barbeques shall be prohibited except in confined pits or barbeque facilities designed for such purpose.

Section 32. CABLE TELEVISION:

No cable television connection or facilities shall be installed or maintained on any Lot or the Common Area except by Declarant, its designated agents and assigns, until such time as Declarant is no longer the Owner of any Lot. The right to obtain any franchise available from the County of San Diego for cable television facilities on the Lots or Common Area may be exercised only by Declarant, its designated agents and assigns.

Section 33. TENNIS COURTS:

A tennis court shall not be permitted on any lot which is less than one acre in size.

Section 34. HELICOPTER PADS:

No helicopter nor installation of a helicopter pad or facility for same shall be permitted on any Lot.

Section 35. DAMAGE TO COMMON AREA:

Each Owner shall be responsible to the Association for any damage to the Common Area caused by the movement of any vehicle or equipment by, or authorized or permitted by, such Owner. The amount of any such damage not reimbursed by such

Owner to the Association on demand may be assessed against such Owner's Lot as a Remedial Assessment.

Section 36. EXCEPTIONS:

The restrictions set forth in this Article IV or in Article V below shall not and do not apply to any of the following:

(a) Any part of the Property which is owned by any public body, including, but not limited to, a School District,;

(b) Any act done or proposed to be done upon the Property, or any condition created thereon, by any governmental agency or entity, or the agents or employees of any governmental entity acting in the scope of their authority as such agents or employees;

(c) Any act done or proposed to be done upon the Property, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television and/or sewer service to all or parts of the Property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made.

(d) Any act done or proposed to be done upon the Property, or condition created thereon, by Declarant, or its successors, assigns, agents, employees or contractors, in connection with the marketing and sales by Declarant of the Lots, or in the course of planning for, preparing the Property for and/or construction upon the Property or any Lot or streets,

utilities, recreational and residential buildings, and all other original improvements, or in connection with the exercise of any easement reserved to Declarant in Article IX hereof;

(e) Any act done or proposed to be done upon the Property, or any condition created thereon, which act or condition has been approved in advance by the Board or the Environmental Control Committee acting within its authority as set forth in Article V of this Declaration;

(f) Any act done or proposed to be done upon the Property, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that the orders contemplated in this subparagraph are only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

ARTICLE V

ENVIRONMENTAL CONTROL

Section 1. ENVIRONMENTAL CONTROL COMMITTEE:

(a) Establishment of Committee:

The Environmental Control Committee shall consist of three (3) individuals. The terms "Environmental Control Committee" and "Committee," as used herein, shall refer to the Board, if no such separate committee has been appointed, or to such committee if the same is in existence.

(b) Initial Members

The following persons are hereby designated as the initial members of the Environmental Control Committee established hereby:

Office No. 1. - BOB DIAS
Office No. 2. - JASEN SHOCKNEY
Office No. 3. - JOHN LECHNER

All of the rights, powers and duties of the Environmental Control Committee as set forth in Section 2 of this Article V and the Architectural Design Guidelines ("Guidelines") are hereby delegated to the Environmental Control Committee established hereby. Declarant shall have the right to appoint any replacement necessary for any of the initial members until the first anniversary of the issuance of the original public report for the first phase of development of the Property. Thereafter, Declarant shall continue to have the right to appoint a majority of the members until the first to occur of (i) expiration of five (5) years after issuance of the original Final Subdivision Public Report for the first phase of development of the Property or (ii) sale by Declarant of ninety percent (90%) of the Lots in the overall development of the Property.

(c) Term of Office

The term of each Environmental Control Committee member, including initial members, shall be for a period of one (1) year or until the appointment of his successor. Any new member appointed to replace a member who has died, resigned or been removed shall serve such member's unexpired term. Members

who have resigned, been removed or whose terms have expired, may be reappointed.

(d) Appointment, Removal and Resignation

Beginning one year after issuance of the original public report for the first phase of development of the Property, the Board of Directors shall have the right to appoint one member to the Environmental Control Committee until 90% of all of the Lots in the overall development of the Property have been sold or until the fifth anniversary date of the original issuance of the final public report for the first phase of development of the Property, whichever occurs first. Thereafter, the Board shall have the power to appoint and remove all members of the Environmental Control Committee. Any member of the Environmental Control Committee may at any time resign from the Committee by giving written notice thereof to the Declarant, if, pursuant to subparagraph (b), Declarant has the right to appoint a successor to such Member, or, if Declarant does not have the right, to the Board. All members of the Committee who are appointed by the Board shall be Members of the Association or a representative of Declarant designated by Declarant. Members of the Committee who are appointed by Declarant are not required to be Members of the Association.

(e) Vacancies:

Except as otherwise provided in subparagraphs (b) and (d), of this Section 1, vacancies on the Environmental Control Committee, however caused, shall be filled by vote of a

majority of the members of the Board. A vacancy shall be deemed to exist in case of the death, resignation or removal of any member. Failure of the Board of Directors to fill any vacancy in the Committee shall not prevent: (i) the running of the thirty (30) day automatic approval period specified in Section 4(d) of Article V hereof; or (ii) action by the Committee on any matter to the extent that a majority thereof each join in and consent thereto.

(f) Notice of Membership on Committee:

The Declarant and the Board shall, upon appointing successors to the members of the Committee named herein, record written notice of such appointment in the Office of the County Recorder of San Diego County. All parties, including any title insurance company, shall be entitled to rely conclusively upon the membership of the Committee as established and as changed by any such recorded notice.

Section 2. MEETINGS AND COMPENSATION:

The Environmental Control Committee shall meet from time to time as necessary to perform its duties hereunder. The vote or written consent of any two (2) members, at a meeting or otherwise, shall constitute the act of the Committee. Members of the Environmental Control Committee shall not receive any compensation for services rendered.

Section 3. DUTIES:

It shall be the duty of the Environmental Control Committee to consider and act upon any and all proposals or plans

submitted to it pursuant to the terms hereof, to insure that any Improvements constructed on the Property by anyone other than the Declarant conform to plans approved by the Environmental Control Committee, to adopt Architectural Design Guidelines and Environmental Control Committee Rules, to perform other duties delegated to it by the Declarant within the time periods set forth herein and thereafter by the Board, and to carry out all other duties imposed upon it by this Declaration. The Environmental Control Committee, in its own name or on behalf of the Association, may exercise all available legal and equitable remedies to prevent or remove any unauthorized and unapproved construction or improvements on the Property or any portion thereof.

Section 4. OPERATION OF COMMITTEE:

The Environmental Control Committee shall function as follows:

(a) The procedure for, and manner of, applying for approval of any proposed Improvements or other activity for which Committee approval is required shall be as set forth in the Guidelines.

(b) The Committee, before giving such approval, may require that changes be made to comply with such requirements as the Committee may, in its absolute discretion, impose as to structural features of any proposed building or other structure, the type of building material used, or other features or characteristics thereof not expressly covered by any provisions

of this instrument, including the location of any proposed building or other structure with respect to the topography and finished ground elevation. The Committee may also require that the exterior finish and color, and the architectural style or character of any proposed building or other structure shall be such as in the discretion of the Committee shall be deemed suitable in view of the general architectural style and character of existing Improvements within the Property.

The Committee, before giving its approval, may impose conditions or require changes to be made which in its discretion are required to insure that the proposed improvement will not detract from the appearance of the Property, or otherwise create any condition unreasonably disadvantageous to other Owners or detrimental to the Property as a whole.

(c) One of the three (3) sets of submissions to the Committee shall be retained by it. In the event the Committee approves or is deemed to approve the activity for which consent is required, the Committee shall endorse its consent on all three (3) copies and two (2) sets shall be mailed by the Committee, postage prepaid, to the address specified by the submitting party unless such party shall elect to accept delivery thereon in person or by agent so authorized in writing.

(d) If the Committee fails to mail its certificate with regard to any material or matter submitted to it hereunder, within thirty (30) days after submission to it, it shall be conclusively presumed that the Committee has approved the

specific matters as to which approval was sought in the submission. It shall thereupon be the duty of the members of the Committee, forthwith upon the request of the submitting party, to sign and acknowledge a certificate evidencing such approval.

(e) Notwithstanding the provisions of Section 4(d), until the fee for processing or evaluation specified in the Guidelines, if any, has been paid to the Committee as provided in the Guidelines, any material delivered to the Committee shall not be considered to have been submitted to it for the purposes of this Declaration.

(f) All actions of the Committee shall be noted in the minutes of the Board of Directors.

(g) No certificate of the Committee shall be recorded by the Committee or any member thereof, but the same may be recorded by the party submitting the material concerning which the certificate was made.

(h) All action by the Committee authorized in this Declaration shall be within its sole discretion.

(i) The provisions of this Article and the Guidelines shall not apply with respect to the initial construction or alterations by Declarant of improvements within the Property.

Section 5. BOARD OF DIRECTORS:

All decisions of the Committee are subject to review by the Board of Directors and may be appealed to the Board upon a written request for same submitted to the Board. The Committee shall notify the Board of all violations of this Article and of

any noncompliance with its rulings or with the plans and

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specifications submitted to and approved by it. Thereafter, the Board shall take any actions it deems necessary, in accordance with the provisions of this Declaration.

Section 6. ACCESS TO PROJECT:

Each member of the Committee, or any other agent or employee of the Board, shall at all reasonable hours have the right of access to any part of the Property, and to any structures being built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 7. WAIVER:

The approval or disapproval by the Committee of any plans, specifications, drawings, grading plans, heights, or any other matters submitted for approval or consent shall not be deemed to be a waiver by the Committee of its right to approve, disapprove, object or consent to any of the features or elements embodied therein when the same features or elements are embodied in other plans, specifications, drawings or other matters submitted to the Committee.

Section 8. LIABILITY:

Neither the Association, the Board, the Committee nor any of their members shall be responsible for any defects in any building, improvement or structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, or other material approved by the Committee or any conditions or requirements that it may have imposed with respect thereto, nor

shall the Association, the Board, the Committee or any of their members have any liability for the inability of anyone to obtain a building permit for the construction or alteration of any building or structure pursuant to plans and specifications approved by the Committee.

Section 9. SECURITY DEPOSIT:

The posting of any damage and/or landscape deposit required by the Architectural Design Guidelines shall not relieve any Owner from liability for damage or destruction of the Common Area caused by him or his agents or contractors and such liability shall not be limited to the amount of such deposit.

ARTICLE VI

DESTRUCTION

Section 1. RECONSTRUCTION WITHOUT ELECTION BY OWNERS:

In the event of a total or partial destruction of any portion of the Common Area and if the available proceeds of the insurance carried pursuant to Article II of this Declaration are sufficient to cover not less than ninety percent (90%) of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt unless, within sixty (60) days from the date of such destruction, not less than seventy-five percent (75%) of the Members present and entitled to vote, in person or by proxy, at a duly constituted and called annual or special meeting of the Members at which a quorum is present, determine that such reconstruction shall not take place. If reconstruction is to take place, the Board shall cause to be executed,

acknowledged and recorded in the office of the San Diego County Recorder a certificate declaring the intention of the Owners to rebuild, such certificate to be executed by any officer or agent of the Association duly authorized to execute the same by the Board.

Section 2. RECONSTRUCTION BY CONSENT OF OWNERS:

If the proceeds of such insurance are less than ninety percent (90%) of the costs of reconstruction, such reconstruction may nevertheless take place if a majority of the Members present either in person or by proxy and entitled to vote at a duly noticed and called annual or special meeting of the Members at which a quorum is present elect to rebuild. In the event of an election to rebuild, a certificate as provided in Section 1 shall be executed, acknowledged and recorded as provided for in such Section 1 hereof.

Section 3. ASSESSMENTS:

In the event of a determination to rebuild pursuant to either Sections 1 or 2, above, each Owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds. The proportionate share of each Owner as to such assessment shall be equal to the fraction, the numerator of which is one (1) and the denominator of which is the number of Lots in the Property, and such assessment shall be due and payable in full within thirty (30) days after written notice

thereof. The assessment for reconstruction shall be enforceable in the manner provided in Article III hereof.

Section 4. OBLIGATION OF BOARD:

It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

Section 5. DETERMINATION NOT TO REBUILD:

If a certificate of intention to rebuild has not been executed, acknowledged and recorded in accordance with either Section 1 or Section 2 hereof within nine (9) months from the date of any partial or total destruction of the Common Area, or if reconstruction and rebuilding has not actually commenced within such nine (9) month period then any insurance proceeds available for such rebuilding shall be distributed among the Owners and the individual lenders by the Board. The proportionate interest of each Owner in said proceeds shall be equal to a fraction, the numerator of which is the fair market value of the Lot(s) owned by each Owner and the denominator of which is the fair market value of all the Lots in the Property, as determined by an independent real estate appraiser appointed by the Board; provided, said real estate appraiser shall be a member of the Real Estate Appraisers of America, or any successor organization.

Section 6. DAMAGE TO LOT:

Any restoration and repair of any damage to a Lot shall be made by and at the individual expense of the Owner of such

Lot. If an Owner fails to make such restoration or repair of his Lot, the Board may, in accordance with this Declaration, take appropriate remedial action.

Section 7. DISPUTES:

In the event of a dispute among Owners, respecting the provisions of this Article, each party shall choose one arbitrator and the arbitrator shall choose one additional arbitrator, and the decision shall be rendered by a majority of all arbitrators.

ARTICLE VII

CONDEMNATION

Section 1. TAKING OF ENTIRE COMMON AREA:

In the event the entire Common Area is taken under the power of eminent domain, the amount payable shall be paid to the Association, as Trustee, for distribution to the Owners, subject to (i) the rights of any Mortgagees covering each such Owner's Lot and (ii) all unpaid assessments of each Owner together with any interest of fees attributable thereto. The proportionate interest of each Owner in the condemnation award shall be the same as that set forth in Article VI, Section 5.

Section 2. PARTIAL TAKING OF COMMON AREA:

In the event of a partial taking of the Common Area, the Association shall use all amounts awarded to it on account of such taking, to acquire and improve other real or personal property to replace the property which was taken; provided,

however, that the Association shall not be obligated to replace such real or personal property if seventy-five (75%) of the voting power of the Association elects to distribute the condemnation award in the manner provided in Section 1 hereof rather than make such replacement. If the Members of the Association do not elect, within sixty (60) days after the taking of the Common Area, to distribute the condemnation award, the Board shall proceed with such acquisition and improvement of new property and may levy a Special Assessment on the Owners in accordance with Section 7 of Article III of this Declaration to raise any funds needed for such purpose in excess of the condemnation award. If the Members do not approve such Special Assessment the Board shall perform such repair and restoration work and make such acquisitions as are possible with the available funds.

Section 3. TAKING OF LOTS:

In the event of a taking of the Lots, those Owners whose Lots are completely or partially taken shall be entitled to retain the award made to them. In accordance with the provisions of Section 2 of this Article, the Association shall either effect replacement of the Common Area or distribute the proceeds to the Owner to pursue all available legal remedies and obtain all compensation to which he may be entitled by reason of the taking of his Lot.

ARTICLE VIII

ANNEXATION

Section 1. ANNEXATION BY CONSENT OF MEMBERS:

Upon approval in writing of the Association, pursuant to the affirmative vote or written consent of at least sixty-six and two-thirds percent (66-2/3%) of the voting power residing in the Members other than Declarant, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may cause the same to be done as hereinafter provided in this Article VIII, or in any other manner permitted by law.

Section 2. ANNEXATION PROCEDURES:

Any annexation authorized by Section 1 hereof shall be made by recording in the Office of the County Recorder with respect to the property to be annexed, a Declaration of Annexation which shall extend the scheme of this Declaration to the property to be annexed. The Declaration of Annexation shall contain at least the following:

(a) A legal description of the annexed property, including a designation of that portion of said property which are Lots and Common Area (and further delineating the Common Area as to Private Streets and the Landscape Easement), the names and addresses of the beneficiaries and trustees of all mortgages and trust deeds which constitute liens against the property as of the date said Declaration is so recorded; and

(b) A statement submitting the annexed property to this Declaration, which shall be referred to by title and date and instrument number of recording; and

(c) A statement of the use restrictions imposed upon the annexed property as part of the general plan for the Property, which restrictions may be the same as or different than those set forth in Article IV hereof; or a statement that there are no use restrictions;

(d) A statement submitting the annexed property to the control of the Environmental Control Committee established in Article V hereof; and such Declaration of Annexation may contain additions and modifications of the covenants and restrictions contained herein as may be necessary to reflect the different character, if any, of the annexed property, and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Declaration of Annexation revoke, modify, or add to the covenants or restrictions established by this Declaration with respect to the Property originally subject to this Declaration, except as hereinabove otherwise provided.

ARTICLE IX

ADJACENT PROPERTY OWNERS

Section 1. AGREEMENTS:

For the benefit of the Property, Declarant has entered into agreements with owners of certain real property located adjacent to the Property and not owned by Declarant (the "Adjacent Property") providing that seven separately assessed

parcels of Adjacent Property are subject to this Declaration and to the jurisdiction of the Association and that said owners have an easement for access across the Common Area and Private Streets located on the Property. Each agreement provides that it is effective as to the parcel(s) of Adjacent Property referenced therein on the date this Declaration is recorded with the County Recorder of San Diego County, whether the agreement is finally executed before or after said recording date. The Assessor's Parcel Numbers for the affected parcels of Adjacent Property are: A.P. #185-400-32; 186-020-78; 186-020-79; 186-020-88; 186-020-89; 186-020-90; and 185-010-80. The legal description of each parcel of Adjacent Property described herein is set forth in Exhibit "D" attached hereto.

Section 2. AUXILIARY MEMBERS:

(A) Defined:

The agreements provide that the affected parcels will be subject to this Declaration and to the jurisdiction of the Association; however, the obligations and rights of the owners of these parcels, as outlined herein, differ from and commence at different times than those of Owners of Lots in the Property owned by and purchased from Declarant.

The rights of membership in the Association and the obligations to pay partial or full assessments to the Association of owners of parcels of Adjacent Property shall therefore be governed by the final agreement entered into between Declarant and the respective owner and by this Declaration.

These owners of parcels in Adjacent Property are referred to herein as "Auxiliary Members" only for purposes of distinguishing persons who are Members of the Association by virtue of ownership of a Lot in the Property and those persons who are Members of the

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Association by virtue of ownership of a parcel in the Adjacent Property and execution of a final agreement with Declarant.

(b) Rights and Obligations:

These agreements provide that the right to vote in the Association and the obligation to pay the Association Annual Assessments required herein for Owners of Lots in the Property shall, with respect to owners of parcels in Adjacent Property, be suspended, in whole or in part, until the happening of a specified event, such as the commencement of construction on the parcel or sale of the parcel by its existing owner(s). One agreement (A.P. #185-400-32) provides that the owner thereof shall commence on a date certain to pay the Association fifty percent (50%) of the then current Annual Assessment and shall commence at a later specified date to pay one hundred percent of the Annual Assessment thereunder. One agreement (A.P. #185-010-80) exempts an existing residence from the Architectural Design Guidelines and certain other related provisions of this Declaration.

(c) Rights over Common Area:

Pursuant to the agreements with Owners of Adjacent Property, Auxiliary Members have the same easements as Members for enjoyment over all of the Common Area and for right-of-way, ingress and egress, over and across Private Streets located on the Property.

(d) Maintenance of Additional Common Area:

Pursuant to agreements entered into between
Declarant, the Association, and owners of Adjacent Property, the

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Association has acquired by written instrument recorded on February 5, 1988 as Instrument #88-057737, in the Office of the County Recorder of San Diego County, an easement over a portion of a street located on Adjacent Property known as Meadow Glen Way West. The portion of Meadow Glen Way West to which the easement extends is approximately 286 feet, measured from the boundary line of the Property. On approximately 75 feet of the 286 feet, Declarant will construct a security facility and improve a landscape area. The Association is required to maintain the portion of Meadow Glen Way West over which the easement extends and the security facility and landscape area to be located thereon. A parcel of Adjacent Property (A.P. #185-400-22), the owner of which granted the easement, will be located inside the security facility to be constructed. Said owner is not a member of the Association nor is the parcel of Adjacent Property subject to this Declaration or the Architectural Guidelines.

Also pursuant to the above-described agreements entered into between Declarant, the Association, and owners of Adjacent Property, the Association may acquire an easement and be obligated to maintain a portion of a street on Adjacent Property known as Anderson Court, which is approximately 600 feet in length.

ARTICLE X

EASEMENTS

Section 1. USE OF THE COMMON AREA AND PRIVATE STREETS:

Declarant hereby reserves for itself and hereby grants to each Owner a non-exclusive easement, to be used in common with others, for enjoyment over all of the Common Area and a non-exclusive easement, to be used in common with others for ingress and egress over and through the Private Streets. Said easements are appurtenant to and shall pass with the title to every Lot. Said easements are for the benefit of the Lots, the Owners of the Lots, and each of them, their respective families, guests, invitees, tenants, contract vendees, and such other classes of persons as to whom the Board may, from time to time and subject to published rules and regulations, extend the privilege of use and enjoyment of the Common Area and ingress and egress over the Private Streets, for all of the purposes and uses hereinabove set forth. In furtherance of the establishment of these easements, the individual grant deeds to the Lots and sales contracts for the Lots, may, but shall not be required to set forth the foregoing easements. The right of Declarant and each Owner, and of such Owner's tenants and contract vendees, to use and possess the Common Area as set forth herein, shall be subject to and governed by the provisions of this Declaration, the Articles and the By-Laws, and such other rules and regulations as may hereafter be adopted by the Board from time to time. The Association shall have the authority to lease or to grant

licenses or concessions with respect to all or any part of the Common Area and Private Streets, subject only to the provisions of this Declaration, the Articles and By-Laws.

Section 2. ENCROACHMENTS:

Declarant hereby reserves for itself and hereby grants to each Owner and the Association an easement over all adjoining Lots, and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settling 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 on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted, and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 3. EASEMENT FOR ACCESS:

Each Lot shall be subject to an easement in favor of each adjoining Lot for access to make necessary repairs upon said adjoining Lots and structures thereon; provided, however, that:

(1) Any damage caused by such entry shall be repaired at the expense of the Owner whose property was the object of the repair work which led to such entry;

(2) Any such entry shall be made only at reasonable times and with as little inconvenience as possible to the Owner of the entered Lot; and

(3) In no event shall said easement be deemed to permit entry into the interior portions of any residence.

Section 4. TO THE ASSOCIATION:

There is hereby reserved to Declarant, the Environmental Control Committee and the Association, their agents and employees, such easements as are necessary to perform the duties and obligations of the Association and Environmental Control Committee as are set forth in this Declaration, or in the By-Laws, the Articles, the Association Rules, or the Environmental Control Committee Rules, including, but not limited to, the right of access at all reasonable hours to any part of the Property, and to any Improvements being built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 5. COVENANTS RUNNING WITH THE LAND:

Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Lots and the Common Area, as the case may be, superior to all other

encumbrances applied against or in favor of any portion of the Property which are the subject of this Declaration. In furtherance of the easements provided for in this Declaration the individual grant deeds to the Lots may, but shall not be required to, set forth said easements.

Section 6. UTILITY EASEMENTS:

The rights and duties of the Owners of the Lots within the Property with respect to sanitary sewers and water, electricity, gas, telephone and cable television shall be governed by the following:

(a) Whenever sanitary sewer house connections and/or electricity, gas, water, telephone or cable television lines are installed within the Property, which connections or any portion thereof lie in or upon Lots owned by others than the Owners of the Lots served by said connections, the Owner of any Lot served by said connections shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon Lots or to have the utility companies enter upon Lots in or upon which said connections, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

(b) Whenever sanitary sewer house connections and/or water house connections or electricity, gas, telephone or cable television lines are installed within the Property, which connections serve more than one Lot, the Owner of each Lot served

by said connections shall be entitled to full use and enjoyment of such portions of said connections as serve his Lot.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost hereof, then upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board who shall decide the dispute and make a Special Assessment against any or all of the Owners involved, which shall constitute a Special Assessment within the meaning of Article III of this Declaration, but shall not require the consent or approval of the Members of the Association, or any percentage of them.

Section 7. EASEMENTS RESERVED BY DECLARANT:

In addition to any easements which have been or may hereafter be excepted or reserved herein, or in the grant deed of each Lot or other portion of the Property or by a separately recorded instrument, Declarant excepts and reserves for itself, its contractors, subcontractors, employees, agents, invitees, successors and assigns, and declares that upon the conveyance by it of any Lot there is reserved and excepted the following easements, which are non-exclusive and in gross:

(a) An easement over and upon an area ten (10) feet wide inside the front, rear and side property lines of each Lot, for the purpose of installing and maintaining utilities not delineated on the final subdivision map of the Property, and for the purposes of surveying, construction, reconstruction,

maintenance, operation, and replacement of roadways, pathways, pipelines, conduits, cables, manholes, and other equipment and facilities as may be required for the operation of electric, telephone, cable television, gas lines, waterlines, sewerlines, storm drains and other improvements necessary or incidental to the development of the Property. No structure, planting or other material shall be placed or permitted to remain which may interfere with the installation, use or maintenance, within the easements, of utilities, or which may obstruct, retard, accelerate or change the direction of the flow of water through drainage channels in the easements, or which may damage or interfere with established slope ratios. All such structures, planting or other material as may exist from time to time within the easements shall be maintained continuously by the Owner of the lot subject to the easement, except only those structures for which a public entity or utility company is responsible.

(b) For a period of time extending until ten (10) years following the closing of the sale of the first Lot, or until all Lots are sold, whichever is earlier, an easement in, over, under and through the Common Area for ingress and egress and for the purpose of: (1) completing the development of the Property, including constructing, maintaining and retaining all improvements on the Property now or hereafter planned to be constructed on the Property by any municipal or governmental agency; (2) marketing, selling and reselling the Lots therein; and (3) customer relations and providing post sale customer

service to Owners; and in connection with such easements the right, but not the obligation: (a) to perform any and all architectural, engineering, grading, construction, excavation, landscaping and related work and activities; (b) to erect and maintain upon the Property storage buildings, storage areas and temporary sewage disposal facilities; (c) to store and use materials, equipment, vehicles, tools and machines which may be necessary or desirable in connection with such construction, (d) to display signs and erect, maintain and operate, for sales office complex on the Property, (e) to show the Property, unsold Lots and any Lots which are offered for resale to, prospective purchasers, (f) to perform maintenance, repair and replacement work on, and to make custom improvements, alterations and additions to Improvements, and (g) to construct Improvements on any Lot. No Owner (other than Declarant) shall enter any construction area or cross any fence or other barricade constructed to prevent such entry or otherwise impede or interfere with such development and construction.

(c) For a period of time extending until ten (10) years following the closing of the sale of the first Lot, or until all Lots are sold, whichever is earlier, an easement in, over, under and through the Property for ingress and egress and for the purpose of grading, constructing, maintaining and retaining all improvements on the Property now or hereafter planned to be constructed on the Property by Declarant or required to be constructed on the Property by any municipal or governmental agency.

No activities performed in connection with the exercise or the easements described in this Section 7 shall be deemed to be a nuisance. Declarant shall have the right, without the joinder of any other Person, to grant and transfer all or any part of the easements described in this Section 7.

ARTICLE XI

TRANSFER OF COMMON AREA TO ASSOCIATION

The Common Area (including the Private Streets and Landscape Easement as defined herein) in each Phase of development of the Property shall be conveyed by easement to the Association prior to the final closing of the first sale of a Lot in that Phase. The purpose of said easement shall be for maintenance of the Common Area and for a right-of-way and ingress and egress over same. Said conveyance shall be conveyed free and clear of all liens and encumbrances, except this Declaration, easements and utility rights of record as of the date of the conveyance, similar easements reserved by Declarant for the benefit of the Property, and similar easements (whether or not of record) granted by Declarant to certain owners of Adjacent Property pursuant to Article IX herein.

ARTICLE XII

ENFORCEMENT

In the event of any default by any Owner under the provisions of this Declaration, the Articles, By-Laws, or the Association Rules, and upon any failure of any Owner to comply with any requirements or restrictions set forth in this Declaration, the Association Rules, or which may be available at

law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or other persons for enforcement of any lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction or specific performance, or for judgment of payment of money and collection thereof, or the right to take possession of the Lot and to sell the same as hereinabove provided, or for any combination of remedies, or for any other relief. The Association and the Board, and the agents of each, shall have the authority to correct such Default and to do whatever may be necessary for such purpose. All expenses of the Association in connection with such actions or proceedings, including court costs and attorneys' fees, and all damages, together with interest thereon at the maximum legal rate until paid, shall be charged to such defaulting or non-complying Owner, and shall be a lien on such Owner's additions and improvements to his Lot, which lien shall be enforceable as a Remedial Assessment in the manner set forth in Article III hereof. Any and all such remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association, or by the Board. The provisions of this Article XII are available in addition to the provisions in Article III hereof relating to the enforcement of assessments.

Should any Member institute suit against the Association, and should the Association be successful or sustained in its position in such suit, then such Member shall be required to reimburse the Association for its legal expenses

incurred, including but not limited to attorneys' fees, fees of experts, court costs and other expenses reasonable incurred by the Association, and the amount to which the Association is entitled shall be a lien against his Lot as provided in and enforceable pursuant to the provisions of Article III hereof.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. AMENDMENTS:

At any time before the close of the first sale of a Lot to an Owner other than Declarant, Declarant and any Mortgagee of record may, by executing an appropriate instrument, amend or revoke this Declaration. The executed instrument shall be acknowledged and recorded in the Office of the Recorder of San Diego County.

For so long as the Association has two classes of voting membership, this Declaration may be amended from time to time by an instrument signed by Declarant and by fifty-one percent (51%) of the Class A members of the Association; provided, however, (a) that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes required for action to be taken under such clause or provision; and (b) no amendment which would defeat the obligations of the Association to maintain the Common Area in a first-class condition and good state of repair, or which would defeat the assessment procedures which assure the collection of funds for such maintenance shall be made

unless such instrument is signed by Declarant and by seventy-five percent (75%) of the Owners other than Declarant. When the Association has only one class of voting membership (i.e., Class B has ceased and converted to Class A), this Declaration may be amended by an instrument signed by fifty-one percent (51%) of the total voting power of the Association and fifty-one percent (51%) of the Members other than Declarant, except that the same requirements hereinabove applicable to amendments during the period the Association has two classes of membership (percentage requirements for specific clauses and seventy-five percent (75%) approval requirements for specific amendments) shall continue in effect when the Association has only one class of voting membership. Any amendment must be recorded.

Notwithstanding the provisions of the foregoing paragraph, the amendment or modification of any provision of this Declaration which would materially change the rights of an Owner, either directly or as a Member of the Association, shall not be valid without the prior written consent of the State Real Estate Commissioner during the period of time when Declarant (or its successor in interest) holds or directly controls as many as one-fourth of the votes that may be cast to effect such change.

If, by law, any different consent or agreement different than the provisions of this Section 1 is required for any action, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be effective only if taken and made as required by law. No

provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of any law.

No amendment or termination of this Declaration which does not apply to all the Property for which a final subdivision public report has been issued by the State Department of Real Estate, shall be made or recorded as to any portion of such

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Property without the written consent of all of the record Owners of such affected portion.

Section 2. NOTICES:

Notices provided for in this Declaration shall be in writing and shall be addressed to the person intended to receive the same, at the following address:

Association:

RIMROCK HOMEOWNER'S ASSOCIATION
8860 Lawrence Welk Drive
Escondido, CA 92026

Declarant:

TELEKLEW PRODUCTIONS, INC.
8860 Lawrence Welk Drive
Escondido, CA 92026

Environmental Control Committee:

ENVIRONMENTAL CONTROL COMMITTEE
c/o RIMROCK HOMEOWNER'S ASSOCIATION
8860 Lawrence Welk Drive
Escondido, CA 92026

Owner:

At the address of the Lot owned by him or such other address as may be designated herein.

The Declarant, the Association and the Environmental Control Committee may designate a different address or addresses for notices to it giving written notice of such change of address to all Members of the Association. Any Owner may designate a different address or addresses for notices to him by giving written notice of such change of address to the Association. Notice addressed as above provided shall be deemed delivered when

mailed by United States Mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof

Upon written request, any Mortgagee shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose property is subject to such recorded mortgage or deed of trust.

Section 3. SEVERABILITY

If any provision of this Declaration, the Articles, the By-Laws, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Declaration, the Articles and By-Laws, and of the application of any such provision, sentence, clause, phrase, or word in any other clause, phrase, or word in any other circumstances shall not be affected thereby.

Section 4. SUCCESSORS OF DECLARANT:

Each and every right and obligation of Declarant under this Declaration shall inure to the benefit of and be binding on the successors of Declarant as Owner of the Property which are designated as a Successor Declarant by an instrument duly recorded in the office of the County Recorder of San Diego County.

Section 5. INAPPLICABILITY TO PROPERTY OF PUBLIC ENTITY:

The provisions hereof shall be inapplicable to any property now owned or hereafter acquired by the State of California or a political subdivision thereof.

Section 6. VIOLATION AND NUISANCE:

Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners.

Section 7. VIOLATION OF LAW:

Any violation of any state, municipal or local law, ordinance or regulations, pertaining to the ownership, occupancy or use of any of the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 8. NOTIFICATION OF SALE OF LOT:

(a) Concurrently with the execution of any escrow instructions, deposit receipt, or other agreement for the sale or transfer of a Lot, under circumstances whereby the transferee will become the Owner thereof, the transferor shall notify the Association in writing of such sale. Such notification shall set forth:

- (1) the name of the transferee and his transferor;
- (2) the street address of the Lot purchased by the transferee;
- (3) the transferee's mailing address;
- (4) the name and address of the escrow holder, if any, for such sale and the escrow number; and
- (5) the date of sale or transfer.

Concurrently with the consummation of such sale of any Lot, or within five (5) business days thereafter, the transferor shall notify the Association of consummation of such sale by written notice. Such notification shall set forth the information called for in classes (1), (2), (3), and (4) above, and the date such sale was consummated.

Prior to receipt of any such notification, any and all communications required or permitted to be given by the Association, the Board or the Environmental Control Committee shall be deemed to be duly given and made to the transferee if duly and timely made and given to said transferee's transferor.

Section 9. BREACH:

No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 10. CONSTRUCTION OF DOCUMENT:

This Declaration shall be construed in accordance with the laws of the State of California.

Section 11. SPECIAL MORTGAGEE REQUIREMENTS:

(a) A first Mortgagee at its request is entitled to written notification from the Association of any default by the Owner of the Lot which is subject to a mortgage or deed of

trust in favor of said Mortgagee of such Owner's obligations under the planned development documents which is not cured within sixty (60) days.

(b) Any first Mortgagee who comes into possession of a Lot pursuant to the remedies provided in the mortgage or deed of trust or foreclosure of the mortgage or deed of trust shall take such Lot free from any claims for unpaid assessments or charges against the encumbered Lot which accrue prior to the time such Mortgagee comes into possession of the Lot.

(c) First Mortgagees shall have the right to examine the books and records of the Association.

(d) An adequate reserve fund for replacement of the Common Area improvements must be established and must be funded by Annual Assessments rather than by Special Assessments.

(e) Notwithstanding anything to the contrary which may be set forth in this Declaration, the Articles or the By-Laws, unless at least seventy-five percent (75%) of the first Mortgagees (based upon one (1) vote for each first mortgage owned) have given their prior written approval, the Association shall not:

(1) by act or omission, change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Dwellings, the exterior maintenance of Dwellings, or the maintenance of landscaping and Common Area;

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(3) fail to maintain fire and extended coverage on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

(4) by act or omission, 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 Owners shall not be deemed a transfer within the meaning of this clause;

(5) use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area;

(6) amend any part of this Section 11.

(h) The Association shall give the Federal National Mortgage Association ("FNMA") or the Federal Home Loan Mortgage Corporation ("FHLMC") notice in writing of any loss to, or taking of, the Common Area if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00), or if damage to a Lot covered by a mortgage purchased in whole or in part by FHLMC or FNMA exceeds One Thousand Dollars (\$1,000.00) (provided the Owner of a Lot has notified the Association in writing of such a loss).

(i) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a lien or charge against all or any portion of the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area, and first Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

Section 12. GENERAL MORTGAGEE PROVISIONS:

(a) Any Owner may encumber his Lot by deed of trust or mortgage.

(b) A Mortgagee who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not feasible to cure or which is not practical to cure and does not materially affect the Association or any other Owners.

(c) It is intended that any loan to facilitate the resale of any Lot after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to Mortgagees hereunder.

(d) No amendment to this Section 12 shall affect the rights of the Mortgagee under any mortgage or trust deed recorded prior to recordation of such amendment who does not join in the execution thereof.

(e) Because of its financial interest in a Lot, a Mortgagee may appear (but may not vote) at meetings of the Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

(f) A Mortgagee is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

(g) All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses naming the Mortgagees as insured parties, as their interest may appear.

(h) The Board shall immediately give written notice to any Mortgagee who has requested such notice in writing, when the Owner of the Lot encumbered in favor of such Mortgagee has been in default under the terms hereof for a period of 60 days.

(i) In the event of any conflict between any provision of this and any other provision in this Declaration, the language contained herein shall control.

Section 13. TERM:

This Declaration and the covenants, provisions and restrictions contained herein, as amended from time to time, shall be and remain in full force and effect for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing signed by those Members then

holding a majority of the total votes in the Association has been recorded with the San Diego County Recorder, agreeing to change or terminate said covenants, conditions, and restrictions in whole or in part.

Section 14. PLURALS; GENDER:

Whenever the context so requires, the use of the singular shall include and be construed as including the plural, and the masculine shall include the feminine.

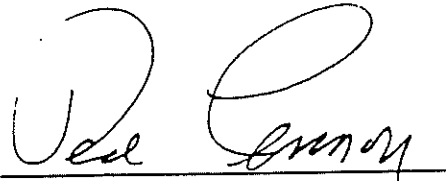
Section 15. HEADINGS:

Section headings are inserted for convenience only and are not intended to be a part of this document or, in any way, to define, limit or describe the scope of intent of the particular section to which they refer.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day and year first hereinabove written.

TELEKLEW PRODUCTIONS, INC.,
a California corporation

By:



Ted Lennon,
Executive Vice President

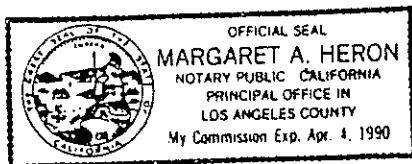
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On the 10th day of February, in the year 1988, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ^{Ted R.} Lennon proved to me on the basis of satisfactory evidence to be the Vice President of the corporation that 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 bylaws or a resolution of its board of directors.

(S E A L)

Margaret A. Heron

Notary Public in and for said State



LIST OF EXHIBITS

Exhibit

- | | |
|---|---|
| A | Description of Property (Phase One) |
| B | Description of Property (Subsequent Phases) |
| C | Description of Private Streets (Phase One) |
| D | Description of Parcels of Adjacent Property |

EXHIBIT "A"

"Phase 1 Boundary"

LEGAL DESCRIPTION

All of Lots 1, 3, 6, 10, 11, 12, 14, 18, 20, 23, 26, 27 and 29, in the County of San Diego, State of California, according to Map. No. 12008 filed in the Office of the County Recorder, San Diego County, February 3, 1988.

EXHIBIT "A"

EXHIBIT "B"

"FUTURE PHASES BOUNDARY"

LEGAL DESCRIPTION

PARCEL A:

All those portions of the West Half of the Southeast Quarter and Lots 1, 2, 3, 4 and 7, and the North Half of Lot 6, all in section 7, together with the Northwest Quarter of the Northeast Quarter in Section 18, both in Township 11 South, Range 2 West, San Bernardino Base and Meridian, according to United States Government Survey, as described in Parcel 1 of deed to TELEKLEW PRODUCTIONS, INC., a Corporation recorded July 26, 1970 as File/ Page No. 132844 of Official Records of San Diego County, State of California.

EXCEPTING therefrom that portion lying within Parcel Map No. 13562, recorded November 21, 1984 as File No. 84-439060 of Official Records of said County, State of California.

ALSO EXCEPTING therefrom that portion lying within Parcels 2 and 4 of Parcel Map No. 13684, recorded February 19, 1985 as File No. 85-054533 of Official Records of said County, State of California.

ALSO EXCEPTING therefrom that portion lying within Parcel Map No. 13681, recorded February 19, 1985 as File No. 85-054345 of Official Records of said County, State of California.

ALSO EXCEPTING therefrom all of County of San Diego Tract 3480-1, according to Map No. 8875, as filed in the Office of the County Recorder of San Diego County June 1, 1978 as File No. 78-225384 of Official Records of said County.

ALSO EXCEPTING therefrom all of County of San Diego Tract No. 4417, according to Map No. 11014, recorded August 9, 1984 as File No. 84-304227 of Official Records of said County.

ALSO EXCEPTING therefrom that portion of Lots 1 and 2 in Section 7, Township 11 South, Range 2 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, described as follows:

Beginning at a point on the North line of said Section 7 distant thereon North $82^{\circ}11'05''$ West 1,378.00 feet from the North Quarter corner of said Section 7 as shown on Parcel Map No. 13562, recorded November 21, 1984 as file No. 84-439060 of Official Records of said County; thence along said North line of Section 7 North $82^{\circ}11'05''$ West 589.99 feet to the Southeasterly corner of land described in deed to Wray C. Kopplin, et al, recorded April 1, 1968 as file No. 53300 of Official Records of said County; thence leaving said North line South $28^{\circ}45'22''$ East 401.61 feet; thence South $82^{\circ}11'05''$ East 389.55 feet; thence North $0^{\circ}56'47''$ East 324.87 feet to the Point of Beginning.

EXHIBIT B

ALSO EXCEPTING therefrom all of Lots 1,3,6,10,11,12,14,18,20, 23,26,27,and 29 of County of San Diego Tract No. 4605-1, in the County of San Diego, State of California, according to Map No. 12008 filed in the office of the County Recorder of San Diego County, February 3, 1988.

AND ALSO EXCEPTING therefrom that portion of Lots 1,2,3 and 4 in Section 7 in Township 11 South, Range 2 West, San Bernardino Base and Meridian, according to United States Government Survey, in the County of San Diego, State of California, described as follows:

Beginning at a point on the East line of County of San Diego Tract No. 4417, according to Map No. 11014, recorded August 9, 1984 as File No. 84-304227 of Official Records of said County, distant thereon South $4^{\circ}02'37''$ East 681.70 feet from the North-east corner of said Map No. 11014, said point lying on the centerline of a 44.00 foot wide Valley Center Municipal Water District easement as described in Real Property Deed No. 2081 on file in the office of the Valley Center Municipal Water District; thence leaving said centerline and along said East line South $4^{\circ}02'37''$ East 424.11 feet; thence leaving said East line North $59^{\circ}28'54''$ East 228.41 feet to a point on the centerline of a 40.00 foot easement as described in Parcel H of deed to VALLEY CENTER MUNICIPAL WATER DISTRICT recorded on April 13, 1987 as File/Page No. 87-198327 of official Records of said County, said point being on a nontangent 300.00 foot radius curve, concave Southwesterly, a radial line thereto bears North $63^{\circ}50'43''$ East; thence Northwesterly along said Valley Center Municipal Water District easements centerline and along said 300.00 foot radius curve through a central angle of $6^{\circ}26'57''$ a distance of 33.77 feet, thence tangent to said curve North $32^{\circ}36'14''$ West 226.31 feet to the beginning of a tangent 280.00 foot radius curve, concave Southwesterly, thence Northwesterly along said curve through a central angle of $25^{\circ}33'32''$ a distance of 124.90 feet to the Point of Beginning.

TOGETHER with that portion of land lying within the Southwest Quarter of the Northeast Quarter of said section 7 as described in deed to TELEKLEW PRODUCTIONS, INC., a corporation recorded January 26, 1982 as File/Page No. 82-022264 of Official Records of San Diego County, State of California.

ALSO TOGETHER with Parcels 1 and 3 of Parcel Map No. 13684, recorded February 19, 1985 as File No. 85-054533 of Official Records of said County, State of California.

AND ALSO TOGETHER with that portion of the South Half of Lots 8 and 9 in Section 6, Township 11 South, Range 2 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved December 14, 1885, described as follows:

Beginning at a point on the South line of said Section 6 distant thereon North $82^{\circ}11'05''$ West 1,165.91 feet from the South Quarter corner of said Section 6 as shown on Parcel Map No. 13562, recorded November 21, 1984 as File No. 84-439060 of Official Records of said County; thence along said South line of Section 6 North $82^{\circ}11'05''$ West 212.09 feet; thence

leaving said South line North $14^{\circ}57'35''$ East 34.98 feet; thence North $25^{\circ}49'26''$ East 23.54 feet; thence North $58^{\circ}06'04''$ East 33.61 feet; thence North $74^{\circ}32'48''$ East 29.44 feet; thence South $52^{\circ}40'57''$ East 53.41 feet; thence South $49^{\circ}32'24''$ East 45.94 feet; thence South $54^{\circ}41'52''$ East 38.84 feet; thence South $44^{\circ}59'42''$ East 35.07 feet to the Point of Beginning.

PARCEL B:

All that portion of County of San Diego Tract 3480-1, according to Map No. 8875, as filed in the Office of the County Recorder of San Diego County, State of California, June 1, 1978 as File No. 78-225384 of Official Records of said County, lying North-easterly of the following described line:

Beginning at the Southwest corner of Parcel 1 of Parcel Map No. 13681, recorded February 19, 1985 as File No. 85-054345 of Official Records of said County; thence along the North line of Parcel 4 of said Parcel Map No. 13681 North $86^{\circ}07'08''$ West (North $86^{\circ}08'07''$ West Record) 300.14 feet to the Northwest corner of said Parcel 4 and the TRUE POINT OF BEGINNING; thence North $18^{\circ}43'03''$ West 629.71 feet; thence North $39^{\circ}59'46''$ West 1,694.32 feet; thence North $50^{\circ}54'52''$ West 1,008.75 feet; thence North $3^{\circ}54'25''$ East 205.48 feet; thence North $31^{\circ}07'45''$ East 817.78 feet; thence North $51^{\circ}28'25''$ West 427.15 feet; thence North $65^{\circ}53'27''$ West 628.97 feet to the Northerly line of Lot 2 of said Map No. 8875 and the Point of Termination.

EXHIBIT "C"

LEGAL DESCRIPTION

PRIVATE ROAD EASEMENT

An easement and right of way for private road and public utility purposes over, under, along and/or across those certain strips of land 40.00 feet in width lying within the West Half of the Southeast Quarter and Lots 1,2,3,4, and 7, and the North Half of Lot 6, and the Southwest Quarter of the Northeast Quarter all in Section 7, Township 11 South, Range 2 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, described as follows:

PARCEL A:

A strip of land 40.00 feet in width, the centerline of which being described as follows:

Beginning at a point on the East line of the West Half of the Southeast Quarter of said Section 7 distant thereon North $0^{\circ}01'34''$ East 145.21 feet from the Southeast corner of said West Half of the Southeast Quarter; thence North $88^{\circ}03'17''$ West 74.64 feet to the beginning of a tangent 375.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $36^{\circ}27'26''$, a distance of 238.61 feet; thence tangent to said curve, North $51^{\circ}35'51''$ West 115.66 feet to the beginning of a tangent 340.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $16^{\circ}31'19''$, a distance of 98.04 feet to a point designated as Point "1"; thence continuing Northwesterly along said 340.00 foot radius curve through a central angle of $18^{\circ}19'34''$, a distance of 108.75 feet to the beginning of a reverse 300.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $33^{\circ}53'59''$, a distance of 177.50 feet to the beginning of a reverse 375.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $32^{\circ}33'02''$, a distance of 213.04 feet to the beginning of a reverse 200.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $37^{\circ}05'47''$, a distance of 129.49 feet; thence tangent to said curve North $48^{\circ}00'00''$ West 154.57 feet to the beginning of a tangent 170.00 foot radius curve, concave Northeasterly; thence Northwesterly, Northerly and Northeasterly along said curve through a central angle of $52^{\circ}29'29''$, a distance of 155.75 feet to the beginning of a reverse 260.00 foot radius curve, concave Southwesterly; thence Northeasterly, Northerly and Northwesterly along said curve through a central angle of $54^{\circ}47'37''$, a distance of 248.65 feet to the beginning of a reverse 250.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through

a central angle of $27^{\circ}31'16''$, a distance of 120.08 feet; thence tangent to said curve North $22^{\circ}46'52''$ West 235.41 feet to a point designated as Point "2"; thence continuing North $22^{\circ}46'52''$ West 67.96 feet to the beginning of a tangent 570.00 foot radius curve, concave Southeasterly; thence Northwesterly along said curve through a central angle of $9^{\circ}56'50''$, a distance of 98.96 feet to a point designated as Point "3"; thence continuing Northerly and Northeasterly along said 570.00 foot radius curve through a central angle of $73^{\circ}40'42''$, a distance of 732.98 feet; thence tangent to said curve North $60^{\circ}50'40''$ East 560.27 feet to the beginning of a tangent 200.00 foot radius curve, concave Northwesterly; thence Northeasterly along said curve through a central angle of $22^{\circ}02'39''$, a distance of 76.95 feet; thence tangent to said curve North $38^{\circ}48'01''$ East 21.95 feet to the beginning of a nontangent 1200.00 foot radius curve, concave Northeasterly, a radial line to the beginning of said curve bears South $38^{\circ}48'01''$ West; thence Northwest along said curve through a central angle of $9^{\circ}38'32''$, a distance of 201.95 feet; thence tangent to said curve North $41^{\circ}33'27''$ West 546.63 feet to the beginning of a tangent 200.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $30^{\circ}34'35''$, a distance of 106.73 feet; thence tangent to said curve North $10^{\circ}58'50''$ West 75.14 feet to the beginning of a tangent 700.00 foot radius curve, concave Easterly; thence Northerly along said curve through a central angle of $18^{\circ}06'05''$, a distance of 221.15 feet to a point designated as Point "4"; thence continuing Northeasterly along said 700.00 foot radius curve through a central angle of $2^{\circ}39'10''$, a distance of 32.41 feet; thence tangent to said curve North $9^{\circ}46'24''$ East 224.83 feet to the beginning of a tangent 200.00 foot radius curve, concave Westerly; thence Northerly along said curve through a central angle of $10^{\circ}11'15''$, a distance of 35.56 feet to a point on the Easterly line of land described in deed to TELEKLEW PRODUCTIONS, INC., a corporation recorded January 26, 1982 as File/Page No. 82-022264 of Official Records of said County, distant thereon South $0^{\circ}24'51''$ East 62.15 feet from the Northerly terminus of that certain Easterly course of said TELEKLEW PRODUCTIONS LAND as recited in said deed as North $0^{\circ}03'20''$ East, a distance of 669.28 feet; thence along said Easterly line and tangent to said curve, North $0^{\circ}24'51''$ West 62.15 feet to the beginning of a tangent 300.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $32^{\circ}07'04''$, a distance of 168.17 feet to a point designated as Point "5"; thence continuing Northwesterly along said 300.00 foot radius curve through a central angle of $7^{\circ}49'36''$, a distance of 40.98 feet to the beginning of a reverse 300.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $15^{\circ}20'01''$, a distance of 80.29 feet; thence tangent to said curve, North $25^{\circ}01'30''$ West 136.94 feet to the point of termination.

The sidelines of said 40.00 foot strip are to be prolonged or shortened so as to create a continuous strip of land 40.00 feet in width.

PARCEL B:

A strip of land 40.00 feet in width, the centerline of which being described as follows:

Beginning at the hereinabove described Point "1"; thence North $18^{\circ}41'58''$ East 70.55 feet to the beginning of a tangent 170.00 foot radius curve, concave Northwesterly; thence Northeasterly along said curve through a central angle of $13^{\circ}36'07''$, a distance of 40.36 feet; thence tangent to said curve, North $5^{\circ}05'51''$ East 122.55 feet to the beginning of a tangent 200.00 foot radius curve, concave Westerly; thence Northerly along said curve through a central angle of $10^{\circ}15'49''$, a distance of 35.83 feet; thence tangent to said curve, North $5^{\circ}09'58''$ West 82.93 feet to the beginning of a tangent 190.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $32^{\circ}37'21''$, a distance of 108.18 feet to the beginning of a reverse 160.00 foot radius curve, concave Northeasterly; thence Northwesterly, Northerly and Northeasterly along said curve through a central angle of $4^{\circ}11'12''$, a distance of 11.69 feet to the point of termination.

PARCEL C:

A strip of land 40.00 feet in width, the centerline of which being described as follows:

Beginning at the hereinabove described Point "2", which is the beginning of a 200.00 foot radius curve, concave Northwesterly, a radial line to said Point "2" bears South $22^{\circ}46'52''$ East; thence Northeasterly along said curve through a central angle of $33^{\circ}05'46''$, a distance of 115.53 feet to the beginning of a reverse 200.00 foot radius curve, concave Southeasterly; thence Northeasterly along said curve through a central angle of $35^{\circ}50'36''$, a distance of 125.12 feet to the point of termination.

PARCEL D:

A strip of land 40.00 feet in width, the centerline of which being described as follows:

Beginning at the hereinabove described Point "3"; thence South $77^{\circ}09'58''$ West 20.00 feet to the beginning of a tangent 170.00 foot radius curve, concave Southeasterly; thence Southwesterly along said curve through a central angle of $28^{\circ}58'31''$, a distance of 85.97 feet to the beginning of a reverse 170.00 foot radius curve, concave Northerly; thence Southwesterly, Westerly and Northwesterly along said curve through a central angle of $101^{\circ}36'06''$, a distance of 301.46 feet; thence tangent to said curve North $30^{\circ}12'27''$ West 343.60 feet to the beginning of a tangent 350.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $18^{\circ}00'20''$, a distance of 109.99 feet to the beginning of a reverse 400.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $7^{\circ}10'37''$, a distance of 50.10 feet, thence tangent to said curve North $19^{\circ}22'44''$ West 61.50 feet to a point designated as Point "8".

TOGETHER with that portion of said land lying within a 40.00 foot radius circle with radial center at the hereinabove described Point "8".

PARCEL E:

A strip of land, 40.00 feet in width, the centerline of which being described as follows:

Beginning at Point "5" on the centerline of a 40.00 foot easement as described in deed to VALLEY CENTER MUNICIPAL WATER DISTRICT, recorded on March 22, 1984 as File/Page No. 84-105111 of Official Records of said County, said centerline being a curve concave Southwesterly, having a radius of 300.00 feet, a radial line through said Point "5" bears North 57°28'06" East; thence Northwesterly along the centerline of Parcel A of said VALLEY CENTER MUNICIPAL WATER DISTRICT easement and along said curve through a central angle of 0°45'34", a distance of 3.98 feet to the TRUE POINT OF BEGINNING, being the beginning of a 170.00 foot radius curve, concave Southeasterly, a radial line through said TRUE POINT OF BEGINNING bears North 33°17'28" West; thence Southwesterly along said curve through a central angle of 27°24'28", a distance of 81.32 feet; thence tangent to said curve South 29°18'04" West 116.26 feet to the beginning of a tangent 375.00 foot radius curve, concave Northwesterly; thence Southwesterly along said curve through a central angle of 18°17'50", a distance of 119.76 feet; thence tangent to said curve South 47°35'54" West 58.45 feet to the beginning of a tangent 700.00 foot radius curve, concave Northwesterly; thence Southwesterly, along said curve through a central angle of 23°06'04", a distance of 282.23 feet; thence tangent to said curve South 70°41'59" West 25.74 feet to the beginning of a tangent 325.00 foot radius curve, concave Northerly; thence Westerly along said curve through a central angle of 31°33'38", a distance of 179.02 feet; thence tangent to said curve North 77°44'24" West 108.47 feet to the beginning of a tangent 380.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of 27°39'13", a distance of 183.41 feet to the beginning of a reverse 240.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of 21°49'47", a distance of 91.44 feet; thence tangent to said curve North 71°54'58" West 53.90 feet to a point designated as Point "15"; thence continuing North 71°54'58" West 146.70 feet to the beginning of a tangent 175.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of 73°17'12", a distance of 223.84 feet to a point designated as Point "16"; thence tangent to said curve North 1°22'14" East 98.87 feet to the beginning of a tangent 1,920.00 foot radius curve, concave Westerly; thence Northerly along said curve through a central angle of 5°13'53", a distance of 175.31 feet; thence tangent to said curve North 30°51'39" West 185.25 feet to the beginning of a 150.00 foot radius curve, concave Southerly; thence Northwesterly, Westerly and

Southwesterly along said curve through a central angle of $155^{\circ}05'35''$, a distance of 406.03 feet; thence tangent to said curve South $21^{\circ}02'46''$ West 101.55 feet to the beginning of a tangent 240.00 foot radius curve, concave Northwesterly, thence Southwesterly along said curve through a central angle of $39^{\circ}23'27''$, a distance of 165.00 feet to the beginning of a reverse 400.00 foot radius curve, concave Southeasterly, thence Southwesterly along said curve through a central angle of $17^{\circ}57'47''$, a distance of 125.41 feet; thence tangent to said curve South $42^{\circ}28'26''$ West 365.48 feet to the beginning of a tangent 240.00 foot radius curve, concave Southeasterly; thence Southwesterly along said curve through a central angle of $29^{\circ}14'26''$, a distance of 122.48 feet; thence tangent to said curve South $13^{\circ}14'00''$ West 88.21 feet to the beginning of a tangent 190.00 foot radius curve, concave Westerly; thence Southerly along said curve through a central angle of $18^{\circ}30'33''$, a distance of 61.38 feet to the beginning of a reverse 190.65 foot radius curve, concave Easterly; thence Southerly along said curve through a central angle of $19^{\circ}00'10''$, a distance of 63.23 feet; thence tangent to said curve South $12^{\circ}44'23''$ West 45.94 feet to the beginning of a tangent 800.00 foot radius curve, concave Westerly; thence Southerly along said curve through a central angle of $6^{\circ}26'13''$, a distance of 89.88 feet; thence tangent to said curve South $19^{\circ}10'36''$ West 170.29 feet to the beginning of a tangent 55.00 foot radius curve, concave Northerly; thence Southwesterly, Westerly and Northwesterly along said curve through a central angle of $142^{\circ}21'57''$, a distance of 136.66 feet; thence tangent to said curve North $18^{\circ}27'27''$ West 48.55 West 48.55 feet to the beginning of a tangent 150.00 foot radius curve, concave Easterly; thence Northerly along said curve through a central angle of $16^{\circ}16'00''$, a distance of 42.59 feet; thence tangent to said curve North $2^{\circ}11'27''$ West 212.58 feet to the beginning of a tangent 1,000.00 foot radius curve, concave Westerly; thence Northerly along said curve through a central angle of $0^{\circ}18'26''$, a distance of 5.36 feet; thence tangent to said curve North $2^{\circ}29'53''$ West 458.89 feet to the beginning of a tangent 400.00 foot radius curve, concave Westerly; thence Northerly along said curve through a central angle of $17^{\circ}55'07''$, a distance of 125.10 feet; thence tangent to said curve North $20^{\circ}24'59''$ West 104.05 feet to the beginning of a tangent 300.00 foot radius curve, concave Northeasterly; thence Northwesterly along said curve through a central angle of $1^{\circ}40'27''$, a distance of 8.77 feet; thence tangent to said curve North $18^{\circ}44'32''$ West 215.72 feet to the beginning of a tangent 600.00 foot radius curve, concave Easterly; thence Northerly along said curve through a central angle of $18^{\circ}53'31''$, a distance of 197.84 feet; thence tangent to said curve North $0^{\circ}08'59''$ East 139.40 feet to the beginning of a tangent 300.00 foot radius curve, concave Southwesterly; thence Northwesterly along said curve through a central angle of $26^{\circ}18'16''$, a distance of 137.73 feet to the point of termination.

The sidelines of said 40.00 foot strip are to be prolonged or shortened so as to create a continuous strip of land 40.00 feet in width.

EXHIBIT "D"

PARCELS OF ADJACENT PROPERTY

A.P. #186-020-88, #186-020-89, and #186-020-90

PARCELS 1, 2, and 3 IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP 13681 FILED IN THE OFFICE OF THE COUNTY RECORDER ON FEBRUARY 19, 1985 AS FILE #85-054345, TOGETHER WITH AND/OR EXCEPTING THEREFROM ALL EASEMENTS OF RECORD

Amended A.P. #186-020-79

Parcel 2 in the County of San Diego, State of California, as shown on Parcel Map 12878 filed in the Office of the County Recorder on September 1, 1983 as File #83-312617, together with and/or excepting therefrom all easements of record

Amended A.P. #186-020-78

Parcel 1 in the County of San Diego, State of California, as shown on Parcel Map 12878 filed in the Office of the County Recorder on September 1, 1983 as File #83-312617, together with and/or excepting therefrom all easements of record

Amended A.P. #185-400-32

PARCEL 1 OF PARCEL MAP NO. 13072, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY ON DECEMBER 23, 1983, FILE #83-169832, BEING A DIVISION OF THE SOUTH HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 7, TOWNSHIP 11 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, TOGETHER WITH ALL EASEMENTS OF RECORD

do release
A.P. # 185-010-80

That portion of Lots 8 and 9 in Section 6, Township 11 South, Range 2 West, San Bernardino Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved December 14, 1885, described as follows:

Commencing at the South Quarter corner of said Section 6; thence, along the Southerly line of said Section, North 82°12'13" West, 1,967.99 feet to the Southeasterly corner of land described in deed to Wray C. Kopplin, et al., recorded April 1, 1960, as File No. 53300; thence along the Easterly boundary of said land, North 28°46'30" West 518.89 feet to an angle point therein; thence continuing, along said Easterly boundary and the Northerly prolongation thereof, North 18°51'10" East 433.24 feet to the TRUE POINT OF BEGINNING; thence retracing South 18°51'10" West, 433.24 feet and South 28°46'30" East, 518.89 feet to the Southerly line of said Section 6; thence; along said Southerly line, South 82°12'13" East to a point distant thereon North 82°12'13" West, 958.21 feet from said South Quarter corner; thence Northwesterly in a straight line, to the Northwesterly terminus of that certain portion of the Southwesterly boundary of Parcel Map 4627, having a bearing of North 38°00'10" West said Parcel Map filed in the San Diego County Recorder's Office, on April 9, 1976, as File No. 76-106129; thence, along, said boundary, North 0°52'20" East, 263.03 feet; North 53°43'10" West, 662.42 feet; and North 89°24'39" West 196.01 feet to the TRUE POINT OF BEGINNING.

Together with that portion of Lots 1 and 2 in Section 7, Township 11 South, Range 2 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, described as follows:

Beginning at a point on the North line of said Section 7 distant thereon North 82°11'05" West 1,378.00 feet from the North Quarter corner of said Section 7 as shown on Parcel Map No. 13562, recorded November 21, 1984 as file No. 84-439060 of Official Records of said County; thence along said North line of Section 7 North 82°11'05" West 589.99 feet to the Southeasterly corner of land described in deed to Wray C. Kopplin, et al, recorded April 1, 1968 as File no. 53300 of Official Records of said County; thence leaving said North line South 28°45'22" East 401.61 feet; thence South 82°11'05" East 389.55 feet; thence North 0°56'47" East 324.87 feet to the Point of Beginning.

EXCEPTING THEREFROM that portion of the South Half of Lots 8 and 9 in Section 6, Township 11 South, Range 2 West, San Bernardino Base and Meridian, in the County of San Diego, State of California, according to United States Government Survey, approved December 14, 1885, described as follows:

EXHIBIT "D" (cont., page 3)

A.P. # 185-010-80 (cont.)

Beginning at a point on the South line of said Section 6 distant thereon North 82°11'05" West 1,165.91 feet from the South Quarter corner of said Section 6 as shown on Parcel Map No. 13562, recorded November 21, 1984 as File No. 84-439060 of Official Records of said County; thence along said South line of Section 6 North 82°11'05" West 212.09 feet; thence leaving said South line North 14°57'35" East 34.98 feet; thence North 25°49'26" East 23.54 feet; thence North 58°06'04" East 33.61 feet; thence North 74°32'48" East 29.44 feet; thence South 52°40'57" East 53.41 feet; thence South 49°32'24" East 45.94 feet; thence South 54°41'52" East 38.84 feet; thence South 44°59'42" East 35.07 feet to the Point of Beginning.