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BONITA HIGHLANDS HOMEOWNERS'
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Space Above for Recorder's Use

**2018 RESTATED AND AMENDED
DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
BONITA HIGHLANDS
HOMEOWNERS' ASSOCIATION**

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

Preface

Pursuant to Civil Code Section 4235, this Declaration was amended and restated solely for the purpose of updating the Declaration in order to correct code references to the Davis-Stirling Act (Act), which was reorganized and renumbered in 2014. Also, some of the paragraph numbering and lettering was changed so the Declaration is internally consistent. In addition, the 1973 first amendment and 1975 second amendment to the original CC&Rs were incorporated. The Board consulted and worked closely with the Association's corporate counsel in restating and amending the Declaration and by signature below counsel and Board President confirm that the only changes are corrected Act references and incorporation of the 173 and 1975 amendments to the original Declaration, and no other changes have been made. The Board's decision to make only these changes is reflected in the Board Resolution attached hereto as Exhibit "A"

BY: Bonita Highlands Homeowner Association

Michael R. Seiler, Board President

Green Bryant & French

Elizabeth A. French, Esq.

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**2018 RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS FOR
BONITA HIGHLANDS HOMEOWNERS' ASSOCIATION**

This 2018 RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS is made on the day and year hereinafter written by Bonita Highlands Homeowners' Association ("Association") with reference to the following Recitals:

RECITALS

A. Declarant was the Owner of that certain real property ("Property") in the County of San Diego, State of California, more particularly described as:

(See Exhibit B)

B. The Property was developed as a planned residential development. The development and sale of the Lots occurred in approximately eighteen (18) phases. The Property is currently subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges set forth in the following documents:

1. Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands Unit No. 1, a Planned Residential Development, was recorded on March 29, 1973 as File/Page No. 73-082517 in the Official Records of San Diego County ("Original Declaration");
2. The Articles of Incorporation was amended on June 1, 1973, changing the name of the Association from McMillin's Bonita Highlands Unit No. 1 Homeowners Association to McMillan Bonita Homeowner's Association. All references in later amendments to McMillan Bonita Highlands Unit No. 1 should be to McMillan Bonita Homeowner's Association.
3. First Amendment to the Declaration of Covenants, Conditions and Restrictions for McMillin Bonita Highlands Unit No. 1, a Planned Residential Development, was recorded on June 29, 1973 as File/Page No. 73-181110 in the Official Records of San Diego County;
4. First Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands Unit Nos. 1, 2, and 3, Recorded on October 16, 1973 as File/Page No. 73-290918 in the Official Records of San Diego County;
5. Amendment to First Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands Unit Nos. 1, 2, and 3, Recorded on December 17, 1973 as File/Page No. 73-347259 in the Official Records of San Diego County.

6. Second Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded March 14, 1974 as File/Page No. 74-064658;
7. Second Amendment to Declaration of Covenants, Conditions and Restrictions for McMillin Bonita Highlands Unit No. 1, Recorded February 13, 1975 as File/Page No. 75-033832;
8. Third Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded June 20, 1974 as File/Page No. 74-164499;
9. Fourth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded June 5, 1975 as File/Page No. 75-139808;
10. Fifth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded July 15, 1975 as File/Page No. 75-182764;
11. Sixth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded August 7, 1975 as File/Page No. 75-209078;
12. Seventh Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded October 1, 1975 as File/Page No. 75-269316;
13. Eighth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded October 30, 1975 as File/Page No. 75-302408;
14. Ninth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands; Recorded January 6, 1976 as File/Page No. 76-002503;
15. Tenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded April 12, 1976 as File/Page No. 76-107619;
16. First Amendment to Ninth and Tenth Supplementary Declarations of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded May 11, 1976 as File/Page No. 76-140779;

17. Eleventh Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded May 11, 1976 as File/Page No. 76-140780;
18. Twelfth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded July 15, 1976 as File/Page No. 76-223287;
19. Thirteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded August 16, 1976 as File/Page No. 76-264175;
20. Fourteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded October 5, 1976 as File/Page No. 76-328122;
21. Fifteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded November 3, 1976 as File/Page No. 76-367400;
22. Sixteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded December 16, 1976 as File/Page No. 76-422240;
23. Seventeenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded April 1, 1977 as File/Page No. 77-119072;
24. Eighteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands, Recorded July 26, 1977 as File/Page No. 77-299758; and
25. Nineteenth Supplementary Declaration of Covenants, Conditions and Restrictions for McMillin's Bonita Highlands Unit No. 1 Home Owners' Association, Recorded in the San Diego County Recorder's Office on July 22, 1992 as Document No. 1992-0457320.

C. Declarant conveyed the Properties, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declaration referred to above, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Properties and be binding on all parties having or acquiring any right, title or interest in the Properties, or any part thereof their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

D. The original Declarant has conveyed to Association title to the Common Area within the Property subject to the protective covenants, conditions, restrictions, limitations,

reservations, grants of easements, rights, rights-of-way, liens charges and equitable servitudes between Declarant and such Owners which are set forth in this Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of Properties as a Planned Development, as defined in Section 4175 of the California Civil Code.

E. Pursuant to Civil Code Section 4235, this Declaration was amended solely for the purpose of updating the Civil Code Sections of the Davis-Stirling Act, which took effect on January 1, 2014 and incorporating the 1973 First Amendment and 1975 Second Amendment to the original documents. The Board's decision is reflected in the Board Resolution attached hereto as Exhibit "A"

NOW THEREFORE the Association declares for purposes of this 2018 Restated and Amended Declaration that the Property is held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a plan of planned residential development ownership as described in California Civil Code Section 4125 or laws for the subdivision, improvement, protection, maintenance, and sale of Condominiums within the Property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining and protecting the value and attractiveness of the Property. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the Property, shall be enforceable equitable servitudes and shall be binding on and inure to the benefit of the successors-in-interest of such parties. The Association further declares that it is the express intent that this 2018 Restated and Amended Declaration satisfies the requirements of California Civil Code Section 5975, and any successor statutes or laws.

ARTICLE 1 DEFINITIONS

1.1 Definitions. Terms used herein shall have the following meanings unless expressly otherwise provided;

1.1.1 Corporation shall mean the McMillin's Bonita Highlands Homeowners Association, a California non-profit corporation, or its successor.

1.1.2 Member shall mean the holder of a membership in the Corporation as defined by the Articles of Incorporation and Bylaws of the Corporation.

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

1.1.4 Mortgagee shall mean and include a beneficiary under or a holder of a deed of trust as well as a mortgagee in the conventional sense.

1.1.5 Map shall mean the subdivision Map referred to in the description of the subject Real Property and such additional final subdivision maps as are hereafter filed in the Office of the San Diego County Recorder and relate to additional real property hereafter made subject to the terms of this Declaration by annexation or otherwise.

1.1.6 Project shall mean all of the subject Real Property and any other real property made subject to this Declaration by annexation or otherwise.

1.1.7 Residence shall mean and include all improvements, facilities and appurtenances upon a Residence Lot.

1.1.8 Residence Lots shall mean Lots 1 through 50 as shown on the Map and any additional Lots designated as Residence Lots and situated upon real property hereafter made subject to this Declaration by annexation or otherwise.

(i) Common Area shall mean Lots 51 through 53 as shown on the Map together with all improvements and facilities thereon and all trees and other landscaping, pavement, streets, curbs, pipes, wires, conduits, and all other utility facilities thereon, together with any building, structures and community facilities which may be now or hereafter located thereon, together with all other portions of or interest in the subject Real Property or other property which is owned by the Corporation from time to time.

(ii) Further Common Area shall include any easements for equestrian riding trails and facilities and pedestrian traffic which may be conveyed to the Corporation from time to time.

1.1.9 Owner shall mean the holder or holders of record title to a Residence Lot; provided, however, that said term shall include the resident contract purchaser or purchasers of any Residence Lot being purchased for residential use by the purchaser under a bona fide duly recorded contract of purchase and not the fee owner thereof.

1.1.10 Unit shall mean the total interest conveyed by deed to an Owner including a Residence Lot and the corporation membership appurtenant to such Residence Lot.

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

1.1.12 Board shall mean the board of directors of the Corporation.

ARTICLE 2 PURPOSE

2.1 Plan of Ownership. The Grantor in order to establish a plan of ownership for the Project, including improvements thereon, hereby divides the Project into the following free-hold estates:

2.1.1 Fifty (50) separately designated and legally described free-hold estates consisting of the numbered Lots 1 through 50 inclusive, as shown on the Map and defined as Residence Lots.

2.1.2 An appurtenant membership in the Corporation which holds a free-hold estate in the Common Area consisting of Lots 51 through 53 as shown on the Map and as defined in this Declaration, as well as such other Common Areas, including Open Space Lots and Easements for equestrian riding trails and facilities and pedestrian traffic, as may be conveyed to the Corporation from time to time. Title to and control of said Common Area, including easements for equestrian riding trails and facilities and pedestrian traffic across the Project, shall be transferred by Grantor to the Corporation prior to the transfer of the first Unit.

2.2 The Project is a Planned Residential Development subject to the terms and conditions of a special use permit for a planned residential development granted by the County of San Diego, as the same may be amended from time to time. The fifty (50) Residence Lots which comprise the Real Property currently subject to the Declaration constitute the first phase of a contemplated six hundred twenty (620) Residence Lot development. The legal description of the real property upon which the balance of the Residence Lots are intended to be situated is described on Exhibit "D" attached hereto entitled "Adjoining Property for Annexation."

ARTICLE 3 MANAGEMENT CORPORATION

3.1 Management Corporation. The Project shall be operated as a planned residential development by a nonprofit corporation charged with the duties and empowered with the rights as set forth herein. The Corporation is created by Articles of Incorporation, a copy of which is attached hereto and marked Exhibit "B" and incorporated herein by reference thereto, and its affairs are governed in accordance with its Bylaws, a copy of which is attached hereto, marked Exhibit "C" and incorporated herein by reference thereto.

ARTICLE 4 CORPORATION: MEMBERSHIP

4.1 Corporation Membership. There shall be one (1) membership in the Corporation appurtenant to each Residence Lot and constituting part of the unit ownership. No such membership may be severed or separated from its Residence Lot and any sale, transfer, encumbrance or conveyance of the Residence Lot shall operate to transfer or encumber the appurtenant membership without the requirement of express reference thereto. No Owner may avoid the obligations incidental to his membership (including the payment of any assessments) by nonuse of the Common Area or abandonment of his Residence Lot. Upon conveyance, sale, or assignment of a Residence Lot to a new Owner, the old Owner shall not be liable for any assessments levied after the date of recording the conveyance evidencing such sale of the Residence Lot. The rights, duties, privileges and obligations incidental to membership shall be exercised and imposed in accordance with the provisions of this Declaration, the Articles and the Bylaws of the Corporation. Each Owner, tenant, or occupant of a Residence Lot shall comply with this Declaration, the Articles, and the Bylaws, and failure to comply shall be grounds for an

action by the Corporation to recover sums due for damages to it or to its Members or for injunctive relief as the Corporation may deem proper. Each membership shall represent an equal underlying beneficial interest in any and all property owned by the Corporation.

ARTICLE 5
CORPORATION: BOARD OF DIRECTORS

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

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

ARTICLE 6
CORPORATION: POWERS OF THE BOARD

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

6.1.1 To select and remove officers, agents, and employees of the Corporation; to prescribe such powers and duties for them as may not be inconsistent with this Declaration; to fix their compensation and to require from them security for faithful service;

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

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

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

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

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

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

6.1.8 To contract, provide and pay for (i) maintenance, utility, gardening and other services benefitting the Common Area, (ii) employment of and living quarters for persons necessary for operation of the Project, or any part thereof, (iii) legal and accounting services, and (iv) related matters;

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

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

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

6.1.12 To dispose by sale or otherwise of unneeded lawn or patio furniture, maintenance equipment or other property acquired by the Corporation;

6.1.13 To sell, at such price and terms as the Board may determine, the entire Project for the benefit of all of the Owners and Mortgagees thereof, as their interests shall appear. Said power to sell shall be exercisable only (i) when partition of the Project may be had under California Civil Code Section 4270(a) and (ii) after recordation of a certificate by those holding such power that said power is properly exercisable;

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

6.1.15 The Board may appoint an Architectural Committee consisting of three (3) or more persons, at least two (2) of whom are also members of the Board and Owners, which Committee may be empowered with such of the powers of the Board as the Board may so delegate to establish, supervise, control and enforce reasonable rules and regulations for

constructing, improving, altering, repairing, maintaining or removing improvements of all types, including, without limitation, recreational improvements, areas and facilities, swimming pools, outdoor lighting facilities, tennis courts, fences, outbuildings of all types, hedges, trees or landscaping on the Residence Lots or Common Area.

6.2 Standard of Performance. No right or power conferred on the Board in paragraph 6.1 shall be construed as a duty, obligation or disability charged upon the Board or any Director; but if any right or power herein granted be exercised, Directors so exercising or voting for such exercise shall be held to the same standard of care as would a trustee acting for compensation.

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

6.3.1 Water, sewer, garbage, electrical, telephone, gas and all other necessary utility services for the Common Area and the Project, except to the extent that such services are separately metered or charged to the Owners, in which event each Owner shall pay the amount charged to him.

6.3.2 A policy or policies of fire insurance and extended coverage endorsement for at least eighty percent (80%) of the full insurable replacement value of the Common Area or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners and their Mortgagees as their respective interests may appear. Such coverage shall be reviewed at least annually by the Board and increased or added to at its discretion. Copies of all insurance policies carried by the Corporation (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Corporation and open for inspection by Owners at all reasonable times. All such insurance policies shall provide that they shall not be cancellable by the insurer, nor coverage reduced, without first giving at least ten days' prior notice in writing to the Corporation.

6.3.3 A policy or policies of Comprehensive Public Liability and Property Damage coverage with a Personal Injury Liability endorsement insuring the Corporation, as well as each Owner as to his joint liability with other Owners by reason of his common ownership in the Project, against any liability to the public or to the Owners and their invitees or tenants, incident to the ownership and/or use of the Project. Limits of liability under such insurance shall not be less than \$500,000 for any one person injured and not less than \$1,000,000 for any one accident, and not less than \$50,000 for property damage (such limits and coverage to be reviewed at least annually by the Board and increased or added to its discretion.) Such policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsements wherein the rights of the named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured;

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

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

6.3.6 The painting, maintenance, replacement, repair, supplies, equipment, labor, services and landscaping of the entire Common Area as the Board shall determine necessary and proper; Provided further, the Board shall also maintain landscaping within the center planting section of the dedicated roads within the Project so long as the County of San Diego permits such landscaping.

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

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

6.3.9 The maintenance and repair of any Residence Lot and any improvements thereon, including landscaping, if such maintenance or repair is: (a) reasonably necessary in the discretion of the Board to protect the Common Area or to preserve the appearance and value of the Project, and (b) the Owner or Owners of such Residence Lot have failed or refused to perform such maintenance or repairs after notice provided for in ARTICLE 10 hereof. The Board shall levy a special assessment against the Residence Lot of such Owner or Owners for the cost of such maintenance and repair. The same shall be collected in the manner provided for in ARTICLE 7 hereof.

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

6.5 Contracts. The Association shall have the exclusive right to contract for all goods, services, materials, insurance, repairs, rebuilding and replacement, payment for which is to be made from the maintenance fund or any insurance proceeds received in the event of

damage or destruction of the Common Area. In respect to each contract made by the Corporation for maintaining or repairing the Common Area or for work and/or materials relating to the maintenance, repair, rebuilding or replacement of any buildings, structure or other improvements situated in the Common Area which the amount to be paid by the Corporation exceeds Five Thousand Dollars (\$5,000.00), the Corporation shall obtain approval from Members entitled to exercise majority voting power, and shall secure at least two (2) bids from responsible contractors and shall accept the bid it considers most desirable. The Corporation may require from each contractor which it engages, a surety bond assuring the completion of the work and satisfactory evidence that adequate worker's compensation and liability insurance is carried with respect to the employees and activities of such contractor. In cases where a completion bond is not required, the Corporation shall require labor and materials releases to be furnished by the contractor unless the Board makes a specific determination that such requirement is impractical or unnecessary to afford protection against liens.

6.6 Additions to Common Area. There shall be no structural alterations, capital additions or capital improvements to the Common Area (other than for repairing or replacing damaged or destroyed portions of the Common Area) requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00) without the prior approval of Members holding a majority of the voting power; provided, however, that at such time as the Class B membership ceases to exist, any such addition, alteration or improvement may be accomplished upon the prior written approval of three-fourths (3/4) of the voting power of the Members, excluding the Grantor or its successors in interest of five (5) or more Lots. Notwithstanding the foregoing, Grantor shall have the right, at any time, to make, at its own expense, structural alterations, capital additions or capital improvements to the Common Area which are consistent with the special use permit for a planned unit development approved by the County of San Diego, including any amendments thereto, without the necessity of obtaining approval of the Members.

6.7 Accounting. The Board shall cause the Corporation to maintain books of account of all its receipts and expenditures and, at the election of the Members, shall cause an audit of such books to be made annually by an independent public accountant as of the close of each calendar year, and shall deliver a copy of such audit to each Owner within thirty (30) days after its completion. Each Owner shall be entitled at reasonable times to inspect the books of the Corporation, and to have such books examined at said Owner's expense by an attorney, accountant, or other person representing such Owner, and may make excerpts or copies of such books or portions thereof, and each such Owner, at his own expense, shall have the right to have such books independently audited by a public accountant.

ARTICLE 7 THE ASSOCIATION: ASSESSMENTS FOR MAINTENANCE FUND

7.1 Power of Assessment. The Corporation, acting through the Board, has and shall have the right and power to make from time to time reasonable assessments upon the Residence Lots to establish a maintenance fund from which the Board may expend funds in connection with the exercise of any or all of the right, powers or duties of the Board as provided in this Declaration, and to change from time to time the amount, installments and/or frequency of payment of such assessments.

7.1.1 Prior to First Meeting of Members. Prior to the first annual meeting of members of the Corporation (as provided in the Bylaws), all Owners shall pay to the Grantor the monthly assessments established by the Grantor, said assessments to be in the same ratio as set forth in paragraph 7.1.2 below. The Grantor shall establish a separate account for and deposit therein all such payments so received. Each Owner shall commence paying such monthly assessments on the first day of the calendar month next following the month in which the Grantor's grant deed to the respective Owner is recorded. Grantor shall pay the monthly assessment on each Residence Lot owned by Grantor from the date assessments commence for the first Owner of the Project and continuing until Grantor sells such Residence Lot and records a grant deed therefor. The Grantor shall, at the first meeting of Owners, provide the duly elected Board with an accounting of the assessments so received and paid and the fund disbursed.

7.1.2 Regular and Special Assessments and Budget. Prior to each annual meeting of Members (as provided in Bylaws), the Board shall prepare a written budget setting forth an estimate of the amount to be paid into the maintenance fund to cover all expenditures for the forthcoming year, including reasonable provisions for contingencies, replacements and reserves as the Board deems appropriate to minimize fluctuations in the maintenance fund, less any expected income and any surplus from the prior year's fund. The estimated annual cash requirement for the maintenance fund as so determined shall be assessed equally to the Owners; provided, however, that the assessments levied for the Residence Lot not yet sold by the Grantor shall be paid by the Grantor. One-twelfth (1/12) of the amount assessed to each Owner (hereinafter called the "regular assessment") shall be due and payable on the first day of each calendar month during such year or at such other time as the Board may designate. If, in the discretion of the Board, the estimated annual cash requirement for any given year proves inadequate for any reason, including the non-payment of any assessment by an Owner or Owners, the Board may at any time levy an additional assessment (hereinafter called "special assessment") which shall be assessed to the Owners in the same manner as regular assessments, provided that if the amount of such special assessment exceeds fifteen percent (15%) of the original estimated annual cash requirement for the year in question, such special assessment shall not be levied without the prior approval of the Owners entitled to exercise a majority of the voting power, excluding the Grantor or its successor in interest of five or more Lots. All funds collected hereunder shall be expended only for the purposes set forth in this Declaration and any purposes reasonably incidental thereto.

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

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

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

7.2 Other Fees and Dues. The Board, acting in the name of and on behalf of the Corporation, may establish and levy other incidental fees and dues as it may deem appropriate for the use by the Owners of any recreational facilities, equipment, extra storage or parking space, or other portions of the Common Area. Such fees and dues shall be paid by and/or collected from the Owners in the manner as the Board shall establish from time to time in rules and regulations adopted by it relating to the use of the Common Area. Subject to an Owner's right to a hearing as set forth in paragraph 14.2 hereof, in the event any Owner and/or Owners fails to pay such incidental fees or dues as established by the Board, the Board may temporarily suspend such Owner's and/or Owners' rights to use such portion of the Common Area which requires the payment of such incidental fees and dues until such time as the same are paid, and, at the option of the Board, such dues and fees shall constitute an assessment on the Owner's Residence Lot.

7.3 Default in Payment of Assessments.

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

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

7.3.3 Recording Notice. At any time after a regular or special assessment has become delinquent, alternatively the Board, acting in the name of and on behalf of the Corporation, may elect to file for record in the office of the San Diego County Recorder a Notice of Delinquency as to the Owner and/or Owners and the Residence Lot in question, which notice shall state the following: (1) the name of the record or reputed record Owner of such Residence Lot; (2) the legal description of the Residence Lot in respect to which the delinquent assessment is owed; (3) all amounts which have become delinquent with respect to such Residence Lot, the costs, including attorneys' fees, penalties and interest which have accrued thereon; and (4) the amount of all regular or special assessments relating to such Residence Lot which are due and

payable although not delinquent. Such notice shall be signed by any two (2) officers of the Corporation. In the event the delinquent regular or special assessment, together with all costs including attorneys' fees, penalties and interest which have accrued on such amount and all regular or special assessments due and payable are fully paid or otherwise satisfied prior to the completion of any foreclosure or exercise of the power of sale to foreclose the lien provided for below, the Board shall record a further notice similarly signed, stating the satisfaction of all amounts due and the releasing of the lien against the Residence Lot, if any. Unless sooner satisfied and released or the enforcement thereof initiated as herein provided, such lien shall expire and be of no further force or effect one year from the date of recordation of said notice of assessment; provided, however, that said one-year period may be extended by the Corporation for not to exceed one additional year by recording a written extension thereof.

7.3.4 Lien. Immediately upon the recording of the notice of delinquency as provided for in paragraph 7.3.3 above, all delinquent amounts, as well as any amounts then due and payable although not delinquent as set forth in such notice, together with the costs including attorneys' fees, penalties and interest accruing thereon, shall become a lien upon the Residence Lot therein described, which lien shall also secure all other assessments which shall become due and payable prior to foreclosure of such lien with respect to such Residence Lot following such recording, and all costs, including attorneys' fees, penalties and interest accruing thereon. Such lien shall continue until all amounts secured thereby are fully paid or otherwise satisfied.

7.3.5 Foreclosure. Each lien established pursuant to paragraph 7.3.4 hereof shall be foreclosed either in the same manner provided for the foreclosure of a mortgage upon real property by means of the exercise of a power of sale pursuant to Sections 2924, 2924(b), and 2924(c), and 5710 of the California Civil Code, or in any other manner permitted by law. The Corporation shall have the power to bid for the Residence Lot at the foreclosure sale and to hold, lease, mortgage, and convey the same in the name of the Corporation.

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

7.3.7 Homesteads. Any homestead declared pursuant to Title V, Part IV, Division Second of the California Civil Code or any other applicable provisions, by an Owner against his Residence Lot shall be subordinate and subject to the charge of the lien described in paragraph 7.3.4 above.

7.4 Mortgage Protection. Notwithstanding all the other provisions of this Declaration, the lien provided for in paragraph 7.3.4 hereof which may be created on any Residence Lot shall be subject and subordinate to and shall not affect the lien of the holder of any recorded first mortgage (meaning a mortgage with first priority over all other mortgages) made in good faith and for value. The foreclosure of any lien established by this Declaration shall not operate to affect or impair the lien or charge of any such mortgage as described above. The foreclosure of any such mortgage as described above shall not operate to affect or impair the

covenants, conditions and restrictions established by this Declaration; provided, however, that any purchaser at any foreclosure sale or Trustee's Sale shall take title free of such lien for all assessments that have accrued prior to the foreclosure sale or Trustee's Sale, but subject to the lien for all assessments that shall accrue subsequent to the date of the foreclosure sale or Trustee's Sale. Notwithstanding anything to the contrary contained in paragraph 18.1, no amendment to this paragraph shall affect the rights of the holder of any mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof. The benefits of this paragraph 7.4 may, upon execution of a subordination agreement executed by a majority of the Board, be extended to mortgages not otherwise entitled thereto.

ARTICLE 8 MANAGER

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

ARTICLE 9 USE AND EASEMENTS

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

9.1.1 Residence. Each Residence Lot shall be improved, used and occupied only for private, single-family dwelling purposes and for no other purposes.

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

9.1.3 Pets. Each Owner may keep and maintain in his Residence Lot no more than (a) two domesticated dogs, cats or other commonly accepted household pets, (b) caged birds, and (c) fish in a household aquarium; provided that the same are kept for non-commercial purposes and (d) shall not in the Board's opinion create an unreasonable annoyance or nuisance to the Owners. Further, the Owners of each of Residence Lots 2,3,4,5,6,7,8,27,28,29,30,31,36,37,38, and 39 shall be entitled to keep and maintain not more than two (2) horses on each such Residence Lot subject always to a duty to comply with any applicable law or ordinance regulating the same. The same shall not be permitted in the Common Area except as allowed by rules and regulations adopted by the Board. No other

animals shall be kept, maintained or permitted on or in the Project without the express written consent of the Board or pursuant to regulations adopted by the Board.

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

9.1.5 Signs. No signs shall be erected or displayed on any Residence Lot except house numbering devices and signs of a customary and reasonable dimension giving notice that the property is for sale or lease. No signs shall be erected or displayed in the Common Area except signs placed by the authority of the Board for the purpose of identifying the Common Area and the streets, alleyways, courts and walkways therein, signs giving notice of rules relating to the use of the Common Area and improvements situated thereon and signs for such other purposes as the Board shall consider to require the use of such signs. The Grantor and its successors and assigns, however, reserve the rights to erect, post or display such signs and other devices as it deems necessary and desirable in connection with the sale, transfer or rental of any of the Residence Lots owned by the Grantor or its successors or assigns or in which the Grantor or its successors and assigns have a security interest.

9.1.6 Nuisance. No noxious or offensive activities shall be carried on in any Residence Lot or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the Owners. Nothing shall be done in any Residence Lot or in, on or to the Common Area which will impair the structural integrity of any improvements located thereon or which would structurally change any such improvements except as is otherwise provided for herein. No drilling or mining operations of any kind shall be permitted upon or in any Residence Lot or in the Common Area. Nothing shall be altered or constructed in or removed from the Common Area except upon the written direction and consent of the Board. All equipment, garbage cans, wood piles, and storage piles shall be kept screened and sealed from the view of neighboring Residence Lots, the streets and the Common Area. All rubbish, trash or garbage shall be regularly removed from each Unit and shall not be allowed to accumulate thereon or on the Common Area. No fences, hedges or walls shall be erected or maintained upon such Residence Lots except as are installed in accordance with the initial construction of the improvements located thereon or as provided by the Board. No exterior clotheslines shall be erected or maintained, except as allowed by the Board. No trees shall be allowed to grow above the height of any Residence if such trees obstruct the view of the Owners of other Residence Lots.

9.1.7 Specified Regulations. In addition to such rules and regulations as may be adopted by the Board its Architectural Committee, the Residence Lots shall be subject to the following regulations;

(i) Fences, Hedges and Rails. No fence, rail or hedge over 36 inches in height shall be placed in front of the most forward wall of the house located on each Residence Lot, and no fence, wall (except a retaining wall), rail or hedge shall be over 72 inches in height elsewhere on a Residence Lot except with the prior written consent of the Board.

(ii) Television Antenna. When Cable Television service becomes available to the project, all Owners shall, within six months thereafter, and at their own expense, remove all television antennae from their respective residence lots.

(iii) Mailboxes. There shall be no mail boxes detached from the dwelling structure except upon prior written approval from the Board.

(iv) No Tents, Shacks, Etc. No tent, shack, trailer, garage, or outbuilding shall at any time be used on any Residence Lot as a residence either temporarily or permanently; nor shall any residence of a temporary character be constructed, placed or erected on any Residence Lot.

(v) No Wells. No well for the production of, or from which there is produced water, oil or gas, shall be operated upon any Residence Lot; nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business.

(vi) Drainage. Each Owner of a Residence Lot will not in any way interfere with the established drainage pattern over his Residence Lot from adjoining or other Lots, and each Owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Residence Lot. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time the overall grading of said Residence Lot was completed by Grantor.

(vii) Slope Control, Use and Maintenance. Each Owner will keep, maintain, water, plant and replant all slope banks located on such Owner's Residence Lot so as to prevent erosion and to create an attractive appearance. No structure, planting, or other material shall be placed or permitted to remain or other activities undertaken on any of said slope banks 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. The Board or its Architectural Committee shall be the sole judge in determining compliance with the provisions of this paragraph, and each individual Owner shall promptly perform or conform to all directives issued by the Board or its Architectural Committee for compliance with the provisions of this paragraph.

(viii) Campers and trailers. All campers, trailers, boats and other recreational vehicles shall be stored in areas permanently screened from view from the streets.

9.1.8 Vehicles. The parking and storage of vehicles in the Common Area and in areas visible to the public shall be subject to restrictions and regulations by the Board of Directors. Vehicles shall include, without limitation, motor vehicles, trucks, motor bikes, campers, trailers, recreational vehicles, dune buggies, boats, etc. The Owners and their guests and invitees shall not park motor vehicles in the Common Area, except in the parking areas provided for such use. No power equipment, hobby shops or carpenter shops or other workshop shall be maintained in any parking area or other Common Areas. No automobile overhaul or

maintenance work, other than emergency repair work, shall be permitted in parking area or other Common Area.

9.1.9 Common Area Uses. The Common Area shall be improved and used only for the following purposes, subject to the Rules and Regulations of the Board of Directors:

(i) affording pedestrian movement within the Project, including access to the Residence Lots;

(ii) recreational use by the Owners and occupants of the Units in the Project and their guests, subject to the rules and regulations established by the Board;

(iii) beautification of the Project and providing privacy to the Owners thereof through landscaping and such other means as the Board shall deem appropriate;

(iv) a nonexclusive easement for ingress, egress and support throughout the Common Area is and shall be appurtenant to each Residence Lot and the Common Area is and shall be subject to such easement.

(v) equestrian riding trails and facilities and pedestrian traffic.

9.1.10 Prohibited Activities. No part of the Common Area shall be obstructed so as to interfere with its use for the purposes hereinabove permitted; nor shall any part of the Common Area be used for storage purposes (except as incidental to one of the permitted uses) or in a manner which shall increase the rate charged for insurance against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form or Public Liability or Property Damage Liability covering the Common Area and improvements situated thereon, or in a manner which shall cause said premises to be uninsurable against such risk or cause any policy or policies representing such insurance to be cancelled or suspended or the company issuing same to refuse renewal thereof.

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

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

9.1.13 The Owners holding seventy-five percent (75%) of the voting power of the Corporation, with the consent of the Mortgagees of said Owners, may amend this Declaration in the manner hereinafter provided to dedicate or transfer all or any part of the Common Area to

any public agency, authority, utility or political subdivision for such purposes and subject to such conditions as may be specified by said Owners.

9.2 Easements Over Common Area. Every Owner shall have a right and easement of enjoyment in and to the Common Area and all other real property owned by the Corporation, and such easement shall be appurtenant to each Residence Lot, subject to the following:

9.2.1 The right of the Corporation to reasonably limit the exercise of such right and easement on a non-discriminatory basis by establishing and enforcing rules and regulations; and

9.2.2 The right of the Corporation to borrow money and impose a lien upon the real property for the purpose of financing improvements thereon; and

9.2.3 The right of the Corporation to temporarily suspend an Owner's right to use any part of the Common Area because of such Owner's failure to abide by the rules and regulations adopted by the Corporation, provided such Owner is first given an opportunity for a hearing pursuant to Section 14.2 hereof.

9.3 Equestrian Riding Trails and Facilities. Every Owner shall have a membership in the Corporation which owns the Common Area over which equestrian riding trails and facilities will be established and maintained. The Board of Directors shall establish rules and regulations for the use of such equestrian trails and facilities.

ARTICLE 10 REPAIRS, MAINTENANCE AND LANDSCAPING

10.1 Owner's Obligation to Repair. Each Owner at his expense shall be responsible for the maintenance, repair and landscaping of his Residence Lot, including without limitation all improvements thereon, so as to keep it in good condition, including without limitation, the windows of his residence, the appliances and equipment located in his residence, and the plumbing, electrical, heating and cooling systems servicing his residence, whether located within the residence or underneath or within the exterior or interior bearing walls of such residence. The Corporation shall not be responsible for any maintenance and repair of the landscaping or improvements on the Residence Lots. At the option of the Corporation, the Corporation may elect to perform any one or more of the needed repair and maintenance services to the residences and Residence Lots on an equal non-discriminatory basis and the Corporation may assess the Owners for such services. Any such assessments may be collected in the manner provided for in ARTICLE 7 hereof.

10.1.1 Owner's Obligation for Landscaping. Each Owner shall be obligated to fully landscape his front yard at his expense in a manner and style consistent with the Project and any rules and regulations adopted by the Board or its Architectural Committee. Landscaping shall be commenced by each Owner within three (3) months and completed within six (6) months from the date title passed to the Owner.

10.1.2 Rights of the Corporation. In the event an Owner fails to adequately maintain and repair his Residence Lot and all landscaping and improvements thereon, the Corporation, in order to preserve the attractive appearance of the Project and the value thereof may, through the Board, give written notice to such Owner stating with particularity the work of maintenance or repair which the Board, acting in the name of and on behalf of the Corporation, finds to be required, and requesting that the same be carried out within a period of not to exceed ten (10) days from the date of such notice. In the event the Owner fails to carry out such maintenance or repair within the period specified by the notice, the Board may cause such work to be done and shall assess the cost thereof to the responsible Owner in the manner provided for in ARTICLE 7 hereof.

10.2 Corporation's Obligation to Repair. The Corporation shall, pursuant to its duty as specified in paragraphs 6.3(6) and 6.3(7) maintain and repair the Common Area and all improvements, landscaping, equipment, furnishings and facilities thereon.

10.3 Right of Entry for Repairs. The Corporation and its agents shall have the right to enter upon any Residence Lot to the extent that such entry is necessary to carry out the repair and maintenance of the Common Area or to perform any work reasonably related to the performance by the Corporation of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as to interfere with the possession and enjoyment of the Owner and/or Owners of such Residence Lot as little as is reasonably possible and shall be preceded by reasonable notice wherever the circumstances permit.

10.4 Alterations, Additions and Improvements of Residence Lots. No Owner shall make structural alterations, repairs of or additions to the Residence Lot and the improvements, buildings and structures located thereon, which such alterations, repairs or additions would alter exterior appearance thereof, without the prior written approval of the plans and specifications by the Board. The decision of the Board on any plans of specifications so submitted shall be final; provided, however, that the Board in accepting or rejecting plans or specifications shall not act arbitrarily or capriciously but shall exercise its discretion reasonably and in good faith and solely for the purpose of effectuating the intent and purposes of this Declaration, including among other things the purpose of insurance the harmonious development and improvement of the Project. The Board's approval or disapproval shall be in writing. In the event the Board fails to approve or disapprove such plans and specifications within sixty (60) days after the date they have been submitted to it or in any event if no suit to enjoin such work has been commenced before the completion thereof, approval will be conclusively presumed.

ARTICLE 11 BREACH

11.1 Notice and Remedies. A breach of any of the covenants contained in this Declaration which is not cured within a period of fifteen (15) days from the date of written notice of such breach given by the Corporation (such notice to set forth: (i) the facts constituting such breach, (ii) a description of the Residence Lot or the Common Area upon which such breach occurred, and (iii) the name of the Owner and/or Owners of such Residence Lot) to the Owner and/or Owners upon whose Residence Lot such breach occurred or whose act or omission

constituted such breach, shall permit the Corporation, the Grantor, any Owner or any political subdivision having jurisdiction over the project the right to enjoin, abate or remedy by all appropriate legal and equitable proceedings the occurrence of such breach. It is hereby agreed that damages at law for any such breach will and shall be inadequate.

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

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

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

ARTICLE 12 NOTICES

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

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

12.3 Notice to Grantor. Notice to the Grantor shall be delivered by United States mail, postage prepaid, addressed to the Grantor at 41 East 25th Street, National City, California, or such other address as it shall designate to the Board from time to time. Such notice shall be deemed to be delivered 48 hours after the time of such mailing.

ARTICLE 13 INSURANCE AND DESTRUCTION

13.1 Owner's Insurance on Residence Lot. Each Owner shall maintain fire insurance of extended coverage insuring his Residence Lot and the improvements located thereon in an amount equal to not less than ninety percent (90%) of the full insurable value thereof, keeping said insurance in full force and effect at all times. Each Owner shall promptly furnish to the Corporation a certificate from his insurance carrier certifying that such insurance coverage is in existence and in full force and effect and that it is evidence by a policy with premiums payable not less than at annual intervals and further certifying that said insurance coverage cannot be cancelled or reduced without ten (10) days' prior written notice to the Corporation.

13.2 Corporation's Insurance on Residence Lot. In lieu of the insurance specified in the preceding section, by the vote or written consent of the Owners entitled to exercise a majority of the voting power, the Corporation may be authorized to acquire and pay for out of the maintenance fund a blanket fire insurance policy including the perils of the extended coverage endorsement to the California Standard Fire Policy Form insuring all of the Residence Lots of the Project. Any such insurance coverage shall be for not less than ninety percent (90%) of the full insurable value thereof, and for the benefit of the Owners and each of them and their respective Mortgagees in accordance with their interests and shall provide for a separate loss payable endorsement in favor of the Mortgagee or Mortgagees of each Residence Lot, if any. Notwithstanding anything to the contrary contained in paragraph 18.1, no amendment to paragraphs 13.1 or 13.2 shall affect the rights of the holder of any mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof. Within three (3) days after the Corporation has obtained such an insurance policy, the Corporation shall give each owner written notice thereof, such notice among other things to specify the name of the issuing insurance company, the amount and type of coverage, and the amount of premiums thereof. Within fifteen (15) days thereafter, each Owner shall execute any and all documents necessary to effectuate fully such coverage with respect to his Residence Lot, including cancellations of any existing coverage which may in the opinion of the Corporation by operation of the co-insurance or other clause serve to affect or reduce the coverage or potential recovery under any such blanket policy. The amount of the premium for such policy shall be assessed equally among the Owners and such assessment shall be secured by a lien which may be created pursuant to the provisions of Section 7 hereof.

13.3 Insurance on Common Area. The Corporation shall maintain insurance on the Common Area pursuant to the provisions of Section 6.3 hereof.

13.4 Damage and Destruction Affecting Residence Lots. In the event of damage or destruction by fire or other casualty to the improvements on a Residence Lot, the Owner thereof shall reconstruct the same as soon as reasonably possible and substantially in accordance with the original plans and specifications therefor. Notwithstanding the foregoing, however, an Owner of such damaged Residence Lot may request permission from the Board to reconstruct or repair such Residence Lot in accordance with new or changed plans or specifications. The decision of the Board on any such plans or specifications so submitted shall be final, provided, however, that the Board in accepting or rejecting the plans or specifications shall not act arbitrarily or capriciously but shall exercise its discretion reasonably and in good faith and solely for the purpose of effectuating the intent and purposes of this Declaration including among other things the purpose of insuring the harmonious development and improvement of the Project. The Board's approval or disapproval as required herein shall be in writing. In the event the Board fails to approve or disapprove the plans and specifications within sixty (60) days after the date they have been submitted to it or in any event if no suit to enjoin such work has been commenced before completion thereof, approval shall be conclusively presumed. Any insurance proceeds received by the Corporation on account of destruction to improvements on a Residence Lot shall be used for repair of such improvements.

13.5 Damage and Destruction Affecting the Common Area. If any portion or all of the Common Area is damaged or destroyed by fire or other casualty, then:

13.5.1 If the estimated cost of repairing or rebuilding the damaged or destroyed portion of the Common Area does not exceed the amount of available insurance proceeds (defined as the balance of proceeds remaining after any Mortgagee has been paid its mortgagee's interest if any Mortgagee so elects) by more than ten percent (10%), the proceeds shall thereupon be paid to the Corporation and the Corporation shall contract to repair or rebuild damaged portions of the Common Area substantially in accordance with the original plans and specifications. If the insurance proceeds are insufficient to pay all of the cost of repairing or rebuilding, the Corporation shall levy a special assessment enforceable as provided in Section 7 hereof on all the Owners equally to make up any such deficiency.

13.5.2 If subparagraph (1) is inapplicable, then all available insurance proceeds shall be paid to the bank at which the general account of the Corporation is maintained, in trust for the benefit of the Owners and their respective Mortgagees as their interest shall appear subject to the provisions hereof. The Corporation is authorized on behalf of the Owners to enter into such agreements, consistent with these Restrictions, as such bank may require relating to its powers, duties and compensation and as the Corporation may approve.

13.5.3 Bids for Reconstruction. The Corporation shall obtain firm bids (including an obligation to obtain a performance or completion bond) from two (2) or more responsible contractors to rebuild the Common Area substantially in accordance with the original plans and specifications and shall, as soon as possible thereafter, call a special meeting of the members to consider such bids. If the Corporation fails to do so within sixty (60) days after the

date of the casualty, any Owner may obtain such bids and call and conduct such meeting as herein provided. At such meeting the Owners are entitled to exercise sixty-seven percent (67%) of the voting power may elect to reject all such bids. Failure to reject all such bids shall automatically authorize the Corporation to accept the bid it considers the most favorable. If all such original bids are rejected, the Corporation may prepare and present to the Owners various alternative plans for the repair and reconstruction of the Common Area, such plans to embody such changes and deviations from the original plans specifications as the Corporation may deem necessary or desirable. Before presenting any such new plans to the Owners, the Corporation shall obtain firm bids (including an obligation to obtain a performance and/or completion bond) from two (2) or more responsible contractors to perform the work of repair or reconstruction in accordance with each such new plan. Such bids shall be considered as soon as possible after they have been obtained. The Owners entitled to exercise sixty-seven percent (67%) of the voting power may elect to reject all such new bids. Failure to reject all such bids shall authorize the Corporation to accept the bid it considers most favorable.

13.5.4 Assessment for Costs of Reconstruction. If a bid is accepted, the Corporation shall immediately levy a special assessment equally among the Owners to make up any deficiency between the total insurance proceeds and the bid price for such repair and rebuilding, such assessment to be enforced pursuant to the provisions of Section 7 hereof. The amount of the assessment and all insurance proceeds, whether or not subject to the lien of mortgages, shall then be paid to the trustee holding such insurance proceeds to be used for such rebuilding. Upon payment of the total assessment, the Corporation shall let the contract to the successful bidder and the trustee shall disburse the sums held by it pursuant to the terms of such contract.

13.5.5 Demolition of Destroyed Premises. If no such bid is accepted within eighteen (18) months after the date the damage or destruction occurred, then the Corporation shall use the available insurance proceeds to demolish and remove all damage or destroyed structures and improvements from the common area and level and landscape the sites thereof. In the event that all of the insurance proceeds are not required to perform this work, the excess shall be distributed equally to the Owners and their respective Mortgagees as their interests shall appear. In the event the insurance proceeds are not sufficient to accomplish such demolition and removal and site finishing, then the Corporation shall levy a special assessment equally among the Owners to make up the deficiency, such special assessment to be enforced pursuant to the provisions of Article 7 hereof.

ARTICLE 14 RULES AND REGULATIONS

14.1 Rules and Regulations. The Board, in the name of and acting on behalf of the Corporation, shall have the right to adopt reasonable rules and regulations not inconsistent with the covenants contained in this Declaration and to amend the same from time to time relating to the use of the Residence Lots and the Common Area and the facilities situated thereon by Owners and by their tenants and guests, the conduct of such persons with respect to automobile parking, outside storage, boats and trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might

detract from the appearance of the Project or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide that the Owner and/or Owners of a Residence Lot whose occupant leaves property on the Common Area in violation of the rules and regulations may be assessed to cover the expense incurred by the Corporation in removing such property and storing or disposing of same. A copy of such rules and of all amendments thereto shall be mailed to each Owner and a copy may be posted in one or more places on the Project where the same may be conveniently inspected.

14.2 Notwithstanding anything to the contrary contained in this Declaration or the Bylaws, there shall not be any monetary penalty assessed against an Owner, there shall not be any suspension of voting rights or other privileges or rights of an Owner, and there shall not be any suspension of an Owner's right and privilege to use the Common Area on account of the Owner's breach of the Rules and Regulations of the Association, the Bylaws, or this Declaration without the Board first giving the Owner at least ten days prior written notice describing such breach and notifying the Owner of his right to present his position and defense before the Board at a time and place specified in said notice; and if the Owner so presents his position and defense, the Board shall give it fair consideration in determining what penalty or other disciplinary action to impose, if any.

ARTICLE 15 COVENANT AGAINST PARTITION

15.1 Individual Residence Lots. The component interests which comprise the Unit received by each Owner shall not and cannot be partitioned or otherwise separated. No Owner may sell, assign or convey his parking or storage space, interest in the Common Area, or membership in the Corporation separate and apart from his Residence Lot. Any attempted severance, partition, separation or conveyance in violation of this paragraph 15.1 shall be null and void. Each Owner covenants and agrees that the component parts of the Unit conveyed hereunder shall not be separated or separately conveyed and that any transfer or conveyance of a Residence Lot shall be presumed to and shall transfer and convey the entire Unit interest. Where a Residence Lot shall be owned by two or more Owners as co-tenants, tenants in common or joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such cotenants.

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

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

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

(ii) That more than fifty (50) years have elapsed from the date of recording of this Declaration and that the Project is obsolete and uneconomic and that the Owners holding in the aggregate more than a fifty percent (50%) interest in the Common Area are opposed to the repair or restoration of the Project. Except as hereinabove provided, no Owner shall seek judicial partition of the Common Area or any part thereof so long as this Declaration shall remain in effect.

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

15.3 Power of Attorney. The Corporation is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all Owners thereof when partition of the Owners' interests in said Project may be had pursuant to paragraph 15.2 hereof, or the Owners elect not to repair any damage or destruction to the Project as set forth in paragraph 13.1 hereof. The power of attorney herein granted shall be exercised by the Board, which is hereby authorized to record in the Office of the County Recorder of San Diego County, a certificate of exercise which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE 16 PARKING AND STORAGE SPACE

16.1 Parking and Storage. The Project has been so designed by the Grantor that each Residence Lot shall have an attached covered garage to be used for parking motor vehicles. No Owner shall be entitled to convert said garage from said use without the written consent of the Board of Directors pursuant to Section 10.4 hereof.

16.2 Extra Space. In the event there are any extra parking or storage spaces in the project, the Corporation may assign the exclusive use of them to Owners on any nondiscriminatory basis as may be selected by the Corporation for which an extra fee may be charged.

ARTICLE 17 ENCROACHMENT EASEMENT

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

ARTICLE 18
GENERAL PROVISIONS

18.1 Amendment. At any time(s), and from time to time hereafter, this Declaration may be amended by written instrument (or counterparts thereof) (i) signed and acknowledged by the Owners of at least seventy-five percent of the Residence Lots, (ii) bearing, or to which is attached, written consent of the holders of every mortgage or deed of trust encumbering (as of the time of recording such amendment) such Residence Lots, with each signing Owner certifying under penalty of perjury as to the names of all holders of every mortgage or deed of trust encumbering his Residence Lot, if any, and if no such holder is identified, said Owner's signed amendment shall conclusively be counted without consent from any other party, and (iii) filed for record in the Office of the Recorder of San Diego County, California. Each such amendment shall become effective upon such recording. Each amendment made pursuant to this Paragraph 18.1 shall, from and after its effective date, be as effective as this instrument as to all (i) the Common Area, (ii) the Units, (iii) the Residence Lots, (iv) the Project, and (v) the Owners (as of the effective date) and their successors in interest.

18.2 Severability. Should any of the covenants contained in this Declaration be held by a competent court to be void or unenforceable in law or in equity, the partial invalidity or unenforceability of any one such provision shall not affect the validity or enforceability of any other provisions hereof.

18.3 Term. Subject to the provisions of paragraph 18.1 hereof relating to amendments, this Declaration shall be in effect until 5:00 p.m. on December 31, 2033, and shall be automatically extended for successive periods of twenty (20) years each thereafter unless within six (6) months prior to the expiration of the initial term or of any succeeding twenty-year term a written agreement executed by Owners owning a majority of the Residence Lots shall be placed of record in the Office of the County Recorder of San Diego County terminating the effectiveness of this Declaration in whole or in part as to all or part of the Project.

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

18.5 Rights of Grantor. Notwithstanding anything to the contrary contained in this Declaration, the Grantor shall have the absolute right to use one or more of the Residence Lots prior to the sale thereof as sales offices and model Residence for display to prospective

purchasers until such time as all of the Residence Lots owned by the Grantor have been sold. Additionally, the Grantor shall have the absolute right to post such signs, make such displays, and to conduct such sales activities normally carried on by developers of similar residential projects until such time as all Condominiums owned by the Grantor have been sold. The Grantor shall additionally have the absolute right, until the Project is completed, to carry on any and all necessary or desirable construction activities, including without limitation, the construction of buildings and improvements, the operation of machinery, equipment and earth-moving equipment, the erection of temporary and permanent utility facilities, the maintenance of construction site job shacks and any other similar activities which are normally carried on by developers of similar residential housing projects.

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

ARTICLE 19 ANNEXATION

19.1 Annexation of Exhibit D Property. Grantor has, and shall have, the absolute right, without the consent of the other Owners, to impose this Declaration upon all or a portion of the property described on Exhibit D attached to the Declaration at any time on or before three (3) years after the date of the most recent Final Subdivision Public Report authorizing the sale of Residence Lots in any increment of the Project. Said additional land shall be made subject to the provisions of this Declaration by recording a Notice of Annexation containing the provisions set forth in paragraph 19.3 of this Article 19. Upon such recording the covenants contained in this Declaration, as modified by the notice recorded, shall apply to the added land in the same manner as if it were originally covered by this Declaration; and thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners, lessees and occupants of Residence Lots within the added land shall be the same as in the case of the original land.

19.2 Annexation of Other Property. Additional residential property and Common Area, other than as described in paragraph 19.1 of this Article 19, may be annexed to the Project upon approval by seventy-five percent (75%) of the voting power of the owners. Said additional land shall be made subject to the provisions of this Declaration by recording a Notice of Annexation containing the provisions set forth in paragraph 19.3 of this Article 19. Upon such recording the covenants contained in this Declaration, as modified by the notice recorded, shall apply to the added land in the same manner as if it were originally covered by this Declaration; and thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added land shall be the same as with respect to the original land, and the rights, privileges, duties and liabilities of the Owners, lessees and occupants of Residence Lots within the added land shall be the same as in the case of the original land.

19.3 Notice of Annexation. The Notice of Annexation of additional property referred to in paragraphs 19.1 and 19.2 of this Article 19 shall contain the following provisions:

19.3.1 A reference to the Declaration, which reference shall state the date of recording and the book or books of the records of San Diego County, California, and numbers, where the Declaration is recorded;

19.3.2 A statement that the provisions of the Declaration shall apply to the added territory in the manner set forth in paragraphs 19.1 and 19.2 of this Article 19 or setting for the respects in which the restrictions covering the additional land vary from the restrictions herein;

19.3.3 A legal description of the added territory, including a description of the Residence Lots to be conveyed to purchasers and the Common Area Lots conveyed to the Corporation.

In addition to the above provisions, the Notice of Annexation may contain such complimentary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall any such Notice of Annexation, merger or consolidation, revoke, modify or add to the covenants established by this Declaration within the existing Project, except as hereinabove otherwise provided.

19.4 Assessments on Annexed Property.

19.4.1 Anything in the Declaration (including the provisions of this Article 19) to the contrary notwithstanding, upon annexation of all or any portion of the property described on Exhibit D attached to the Declaration, the maintenance assessments for the Residence Lots therein shall not be or become an obligation of the Owners of such Residence Lots until the occurrence of one of the following events, whichever shall first occur:

(i) The first recording of a conveyance by Grantor of a Residence Lot within such annexed property, or

(ii) The first occupancy of a Residence Lot within such annexed property, or

(iii) Grantor commencing the payment of such maintenance assessment for each Residence Lot within such annexed property.

19.4.2 The actual commencement date for such maintenance assessment shall be the first day of the month next following the happening of one of the events described immediately above. Upon such commencement, the anticipated authorized expenses of the Corporation shall be adjusted to reflect the maintenance costs resulting from such annexation. The assessment upon each Residence Lot subject to assessment shall be accordingly adjusted so as to apportion all of said expenses among all of the Residence Lots equally.

19.4.3 Following annexation and prior to the commencement of assessment on such annexed Residence Lots, no vote(s) shall be attributed to such Residence Lots. Upon commencement of said assessments, the record Owner (including Grantor) of such Residence Lot(s) shall be entitled to vote on the same basis as all other Owners of Residence Lots who are Members of the Corporation.

19.5 Acceptance of Common Area. It is the intent of this Declaration that any land area designated as Common Area in real property annexed to the Project pursuant to paragraphs 19.1 and 19.2 above shall be owned by the Corporation, effective upon the recordation of the Notice of Annexation referred to in paragraph 19.3 above and the recordation in the office of the San Diego County Recorder of a grant deed conveying the Common Area from the Grantor to the Corporation, without the necessity of further documentation. In the event further action or documentation is required by Grantor or any lender or title company, the Corporation shall execute such documentation as may be required by the requesting party to evidence that said additional Common Area has been accepted by and is under the ownership of the Corporation.

19.6 Restriction on Amendment. Notwithstanding paragraph 18.1, no amendment, revocation or rescission of this Article 19 may be had prior to the conveyance by Grantor of the last Residence Lot within the Project without the (i) written consent of Grantor and (ii) recording of such consent in the Office of the Recorder of San Diego County, California.

CERTIFICATION

We, the undersigned, do hereby certify that we are the duly appointed Secretary and President of Bonita Highlands Homeowners' Association, a California non-profit mutual benefit corporation; and that this 2018 Restated & Amended Declaration of Covenants, Conditions & Restrictions And Easements for Bonita Highlands Homeowners' Association has been duly restated and amended in accordance with Civil Code §4235, and the provisions set forth in this Declaration.

In Witness Whereof, I sign my name this _____ day of _____, 2018.

BONITA HIGHLANDS HOMEOWNERS' ASSOCIATION, a California non-profit mutual benefit corporation

By: _____

Title: _____

In Witness Whereof, I sign my name this _____ day of _____, 2018.

BONITA HIGHLANDS HOMEOWNERS' ASSOCIATION, a California non-profit mutual benefit corporation

By: _____

Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

ss.

County of San Diego)

On _____, before me, _____,
Date Here Insert Name and Title of the Officer
personally appeared _____,
Name(s) of Signer(s)

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Notary Seal

Description of Attached Document:
Type of Document: _____
Document Date: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

ss.

County of San Diego)

On _____, before me, _____,
Date Here Insert Name and Title of the Officer
personally appeared _____,
Name(s) of Signer(s)

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Notary Seal

Description of Attached Document:
Type of Document: _____
Document Date: _____

EXHIBIT "A"

**EXHIBIT “B”
LEGAL DESCRIPTION**

Lots 1 through 53 of McMillin’s Bonita Highlands Unit No. 1, according to map thereof No. 7563, filed in the office of the County Recorder of San Diego County, State of California, on February 27, 1992, (hereinafter sometimes called the “subject Real Property”);

Legal description for Unit No. 2:

Lots 54 through 96, inclusive, of McMillin’s Bonita Highlands Unit No. 2 according to Map No. 7660, recorded in the Recorder’s Office of San Diego County, State of California, on June 13, 1973;

Legal description for Unit No. 3:

Lots 97 through 143, inclusive, of McMillin’s Bonita Highlands Unit No. 3 according to Map No. 7677, recorded in the Recorder’s Office of San Diego County, State of California, on June 27, 1973;

Legal Description of McMillin’s Bonita Highlands Unit No. 4:

Lots 144 through 181, inclusive, of McMillin’s Bonita Highlands Unit No. 4 according to Map No. 7879, recorded in the Recorder’s Office of San Diego County, State of California, on February 22, 1974;

Legal Description of McMillin’s Bonita Highlands Unit No. 5A1:

Lots 251 through 256, inclusive, and Lots 323 through 346, inclusive, of McMillin’s Bonita Highlands Unit No. 5, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin’s Bonita Highlands Unit No. 5B:

Lots 182 through 199, inclusive, and Lots 237 through 250, inclusive, and Lots 350 and 353 of McMillin’s Bonita Highlands Unit No. 5, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin’s Bonita Highlands Unit Nos. 5A2 & A3:

Lots 257 through 278, inclusive, and Lots 319 through 322, inclusive, of Bonita Highlands Unit No. 5A2, & A3, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin’s Bonita Highlands Unit No. 5C1:

Lots 310 through 318, inclusive, and Lots 279 through 293, inclusive, Bonita Highlands Unit No. 5C1, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin's Bonita Highlands Unit No. 5D1:

Lots 200 through 215, inclusive, and Lots 226 through 236, inclusive and Common Area Lot 352, Bonita Highlands Unit No. 5D1, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin's Bonita Highlands Unit No. 7A:

Lots 408 through 441, inclusive, and Common Area Lot Nos. 483 and 484, Bonita Highlands Unit No. 7, according to Map thereof No. 8175, recorded in the Office of the County Recorder of San Diego County, State of California, on September 17, 1975;

Legal Description of McMillin's Bonita Highlands Unit Nos. 5C2 & 5D2:

Lots 216 through 225, inclusive, and lots 294 through 309, inclusive, and Common Area lot nos. 349 and 351, Bonita Highlands Unit No. 5, according to Map thereof No. 7963, recorded in the Office of the County Recorder of San Diego County, State of California, on June 19, 1974;

Legal Description of McMillin's Bonita Highlands Unit No. 7C:

Lots 442 through 461, inclusive, Bonita Highland Unit No. 7C according to Map thereof No. 8175, recorded in the Office of the County Recorder of San Diego County, State of California, on September 17, 1975, in the Office of the County Recorder of San Diego County, State of California;

Legal Description of McMillin's Bonita Highlands Unit No. 7B:

Lots 390 through 407, and 462 through 466, inclusively, Bonita Highlands Unit No. 7B according to Map thereof No. 8175, recorded in the Office of the County Recorder of San Diego County, State of California on September 17, 1975, in the Office of the County Recorder of San Diego County, State of California;

Legal Description of McMillin's Bonita Highland Unit No. 8A:

Lots 499 through 515 inclusively, and Common Area lots 547 and 548, Bonita Highlands Unit No. 8A according to Map thereof No. 8280, recorded in the Office of the County Recorder of San Diego County, State of California, on March 24, 1976, in the Office of the County Recorder of San Diego County, State of California;

Legal Description of McMillin's Bonita Highlands Unit No. 7D:

Lots 377 through 389 and 467 through 482, inclusively, and Common Area lot 485, Bonita Highlands Unit No. 7D according to Map thereof No. 8175, recorded in the Office of the County Recorder of San Diego County, State of California, on September 17, 1975;

Legal Description of McMillin's Bonita Highlands Unit No. 6:

Lots 354 through 361 and 363 through 376 inclusively Bonita Highlands Unit No. 6 according to Map thereof No. 8128, recorded in the Office of the County Recorder of San Diego County, State of California, on June 17, 1975;

Legal Description of McMillin's Bonita Highlands Units No. 8B and 8C:

Lots 516-526, 527-539, 540-546, 486-498, and 547-548, inclusively Bonita Highlands Unit Nos. 8B and 8C according to Map thereof No. 8280, recorded in the Office of the County Recorder of San Diego County, State of California, on March 24, 1976;

Legal Description McMillin's Bonita Highlands Unit 9:

Lots 549-643 inclusively and Open Space lots 644-646 inclusively Bonita Highlands Unit No. 9 according to Map thereof No. 8286, recorded in the Office of the County Recorder of San Diego County, State of California on April 7, 1976; and

Legal Description McMillin's Bonita Valley View:

Lots 1-47 inclusively and Open Space Lots 48-50 inclusively Bonita Valley View, according to Map thereof No. 8554 recorded in the Office of the County Recorder of San Diego County, State of California on April 27, 1977.