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AND WHEN RECORDED MAIL TO:**

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DOC# 2017-0106033



Mar 07, 2017 03:22 PM
OFFICIAL RECORDS
Ernest J. Dronenburg, Jr.,
SAN DIEGO COUNTY RECORDER
FEES: \$33.00

PAGES: 7

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**FIRST AMENDMENT TO CORRECT SCRIVENER'S ERRORS
IN THE
AMENDED AND RESTATED DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM
OWNERSHIP FOR
CAREFREE EAST HOMEOWNERS ASSOCIATION**

This First Amendment is made on the day and year hereinafter written by Carefree East Homeowners Association, a California nonprofit mutual benefit corporation ("Association"), with reference to the following Recitals.

RECITALS

- A. The Association is a corporation whose Members are the Owners of all the Condominium Units within that certain real property in the City of Santee, County of San Diego, State of California, commonly known as Carefree East Homeowners Association, and more particularly described in Exhibit "A" attached hereto and made a part hereof ("Project").
- B. The Project was developed as a Condominium Project, as defined in section 4175 of the California Civil Code, and consists of three hundred (300) Condominium Units and related Common Areas. The development of the Condominium Units occurred in two (2) phases, as follows: Phase 1 consisted of 134 Condominium Units and Phase 2 consisted of 166 Condominium Units. Phase 1 was subject to the Enabling Declaration Establishing a Plan for Condominium Ownership, recorded in the Office of the San Diego County Recorder, on February 19, 1971, as File/Page No. 71-32194 ("Original CC&Rs") and Phase 2 was annexed into the Project and made subject to the Original CC&Rs by the Certificate of Annexation, recorded in the Office of the San Diego County Recorder, on May 2, 1972, as File/Page No. 72-109317.
- C. In 1991 the Association members approved and the Association recorded the Amended and Restated Declaration Establishing a Plan for Condominium Ownership, in the Office of the San Diego County Recorder, on September 4, 1991, as Document No. 1991-0453423 ("Restated Declaration"), a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, to replace the Original Declaration.
- D. This First Amendment is recorded for the purpose of correcting multiple scrivener's errors in the Restated Declaration.
- E. The first error is that Recital B of the Restated Declaration includes incorrect recording dates for various documents and inadvertently omitted recorded annexation documents in the list of documents to which the Association is subject.

- F. The second error is that the Restated Declaration, which was voted on by all 300 Condominium Units in or around 1991, erroneously describes the legal description of the Project, omitting the 166 Condominium Units in Phase 2 from the legal description of the 300 Condominium Unit Project subject to the Restated Declaration.
- G. More specifically, Phase 1 of the development included Lots 1 through 3, inclusive, of Carefree East Unit No. 1, in the County of San Diego, State of California, according to Map thereof No. 6826, filed in the Office of the San Diego County Recorder, on January 26, 1971 ("Unit 1"), comprised of 134 Condominium Units. In 1972, pursuant to the Certificate of Annexation, recorded in the Office of the San Diego County Recorder, on May 2, 1972, as File/Page No. 72-109317, the developer annexed in Lots 4 through 7, inclusive, of Carefree East Unit No. 2, in the County of San Diego, State of California, according to Map thereof No. 7216, filed in the Office of the San Diego County Recorder, on February 23, 1972 ("Unit 2"), comprised of 166 Condominium Units.
- H. The draft Restated Declaration only included the legal description from the Original Declaration and did not include the legal description from the Declaration of Annexation even though the Owners in both Unit 1 and Unit 2 voted on and approved the Restated Declaration.
- I. In and around 1990 and 1991, all Owners in the Project, including the Owners of 166 Units in Carefree East Unit 2, received the proposed Restated Declaration and a ballot to approve the Restated Declaration. The Unit 2 Condominium Units voted on and returned ballots to approve the Restated Declaration in the same manner as the Unit 1 Owners. Thus, although the Unit 2 Condominium Units were inadvertently omitted from the legal description of property which would ultimately be subject to the Restated Declaration, the Unit 1 and Unit 2 Condominium Unit Owners voted in the same manner with no distinction being made between the Owners. All available information (e.g., ballots, membership list, record of ballots returned) from that time period leads to a conclusion that all 300 Condominium Unit Owners were treated the same and expected to be equally subject to the Restated Declaration. The 166 Condominium Units in Carefree East Unit 2 were inadvertently omitted from the legal description in the Restated Declaration and should have been, and should now be, included in the legal description subject to the Restated Declaration.
- J. Despite this error in the legal description, the Association and the Owners in both Unit 1 and Unit 2 have operated for approximately 40 years with the understanding that all 300 Units are subject to the Restated Declaration. More specifically, the Owners of all 300 Units, including the 166 Condominium Units in Carefree East Unit 2, have (i) paid assessments in a 1/300th share, (ii) elected directors of the Association, (iii) conducted other Association member votes, (iv) benefited from use of the Project's Common Areas, the master policy of insurance, and the Association's maintenance of the Common Areas, and (v) voted on the approval of the Restated Declaration.
- K. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the affirmative vote or written consent of at least the required percentage of the voting power (225 of 300 Units) was obtained in approving the 1991 Restated Declaration.
- L. Because this First Amendment is being recorded to correct scrivener's errors in the approved Restated Declaration, there is no requirement that this First Amendment be

resubmitted to a vote of the Owners. Nevertheless, all 300 Owners were provided thirty (30) days' advance written notice that this First Amendment would be recorded.

NOW THEREFORE, to correct the scrivener's errors noted above, the Restated Declaration is hereby amended as follows:

1. Recital B of the Restated Declaration is deleted in its entirety and amended to add the omitted documents and to read as follows:

B. This Amended and Restated Declaration Establishing a Plan for Condominium Ownership ("Restated Declaration") is to replace the previously recorded Enabling Declaration Establishing a Plan for Condominium Ownership, recorded in the Office of the San Diego County Recorder, on February 19, 1971, as File/Page No. 71-32194 ("Declaration"), and amendments thereto including the First Amendment to Declaration recorded in the Office of the San Diego County Recorder, on April 7, 1971, as File/Page No. 71-68378, Second Amendment to Declaration recorded in the Office of the San Diego County Recorder, on November 19, 1971, as File/Page No. 71-270893, Third Amendment to Declaration recorded in the Office of the San Diego County Recorder, on July 6, 1972, as File/Page No. 72-174183, Fourth Amendment to Declaration recorded in the Office of the San Diego County Recorder, on October 10, 1984, as File/Page No. 84-384091, Fifth Amendment to Declaration recorded in the Office of the San Diego County Recorder, on October 10, 1984, as File/Page No. 84-384092, another Fourth Amendment to Declaration recorded in the Office of the San Diego County Recorder, on November 30, 1984, as File/Page No. 84-448610, another Fifth Amendment to Declaration recorded in the Office of the San Diego County Recorder, on November 30, 1984, as File/Page No. 84-448609, and annexation documents including the Certificate of Annexation, recorded in the Office of the San Diego County Recorder, on May 2, 1972, as File/Page No. 72-109317, and Amendment One to Certificate of Annexation Dated April 20, 1973 [sic],¹ recorded in the Office of the San Diego County Recorder, on October 15, 1973, as File/Page No. 73-291114.

2. Article I, Section 8 of the Restated Declaration is hereby amended to add the omitted property and to read follows:

Section 8. Condominium Property. That certain real property located in the City of Santee County of San Diego, California, described as Lots 1, 2, and 3 of Carefree East Unit No. 1, in the County of San Diego, State of California, according to Map thereof No. 6826, filed in the Office of the San Diego County Recorder, on January 26, 1971, and Lots 4, 5, 6, and 7 of Carefree East Unit No. 2, in the County of San Diego, State of California, according to Map thereof No. 7216, filed in the Office of the San Diego County Recorder, on February 23, 1972, comprised of three hundred (300) Condominium units and related Common Areas.

3. Article I, Section 16 of the Restated Declaration is hereby amended to add the omitted property and to read as follows:

Section 16. The Project. The real property, together with all structures and improvements erected thereon, located in the City of Santee, County of San Diego, California, legally described as:

¹ This should be April 20, 1972.

Lots 1, 2, and 3 of Carefree East Unit No. 1, in the County of San Diego, State of California, according to Map thereof No. 6826, filed in the Office of the San Diego County Recorder, on January 26, 1971, and

Lots 4, 5, 6, and 7 of Carefree East Unit No. 2, in the County of San Diego, State of California, according to Map thereof No. 7216, filed in the Office of the San Diego County Recorder, on February 23, 1972.

4. **Exhibit "A" of the Restated Declaration is hereby amended to add the omitted property and to read as follows:**

Exhibit "A"
Legal Description

Lots 1, 2, and 3 of Carefree East Unit No. 1, in the County of San Diego, State of California, according to Map thereof No. 6826, filed in the Office of the San Diego County Recorder, on January 26, 1971, and

Lots 4, 5, 6, and 7 of Carefree East Unit No. 2, in the County of San Diego, State of California, according to Map thereof No. 7216, filed in the Office of the San Diego County Recorder, on February 23, 1972.

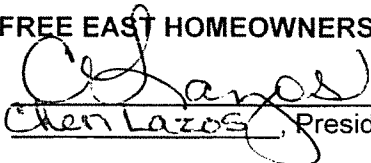
This completes the First Amendment to the Restated Declaration. It is intended that the terms of this Amendment shall control to the extent any other provisions of the Restated Declaration may conflict with it. This First Amendment shall take effect immediately upon recording. Except as expressly modified by this First Amendment, all remaining provisions of the Restated Declaration shall remain in full force and effect.

The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the affirmative vote or written consent of at least the required percentage of the voting power (225 of 300 Units) was obtained in approving the 1991 Restated Declaration, and that since this First Amendment is being recorded solely for the purpose of correcting scrivener's errors in the Restated Declaration, there is no need for this First Amendment to be resubmitted to a vote of the Condominium Unit Owners.

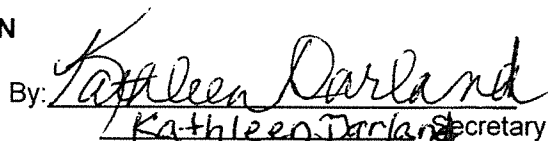
Executed and acknowledged on the date indicated hereafter.

CAREFREE EAST HOMEOWNERS ASSOCIATION

By:


Chen Lazos, President

By:


Kathleen Darland, Secretary

[Acknowledgment Attached on Next Page]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIV. 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.

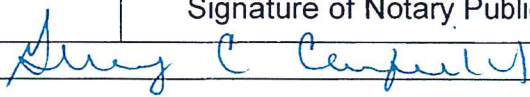
State of California					
County of	San Diego	On this	16	Day	of February 20 17
On		Before me,	Gerry C Canfield, Notary Public		
	Date		Here Insert Name and Title of Officer		
Personally appeared	Cheri Ann Lazos				
	Kathleen Louise Darland				
	Name(s) of Signer(s)				
Who proved to me on the basis of 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) 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		
					
Place Notary Seal Above					

Exhibit "A"

LEGAL DESCRIPTION OF CAREFREE EAST HOMEOWNERS ASSOCIATION

Carefree East Unit 1

Lots 1, 2, and 3 of Carefree East Unit No. 1, in the County of San Diego, State of California, according to Map thereof No. 6826, filed in the Office of the San Diego County Recorder, on January 26, 1971, and

Carefree East Unit 2

Lots 4, 5, 6, and 7 of Carefree East Unit No. 2, in the County of San Diego, State of California, according to Map thereof No. 7216, filed in the Office of the San Diego County Recorder, on February 23, 1972.

Exhibit "B"

A copy of the Amended and Restated Declaration Establishing a Plan for Condominium Ownership, recorded in the Office of the County Recorder of San Diego County, California, on September 4, 1991 as Document No. 1991-0453423, consisting of thirty-two (32) pages, is attached on the next pages.

DOC # 1991-0453423
04-SEP-1991 03:51 PM

RECORDING REQUESTED BY:
DAVID M. PETERS

1619

WHEN RECORDED, MAIL TO:

David M. Peters
Peters & Kovalsky
4401 Manchester Boulevard #206
Encinitas, California 92024

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
ANNETTE EVANS, COUNTY RECORDER

RF: 34.00
AF: 63.00
MF: 1.00

FEES:

98.00

AMENDED AND RESTATED DECLARATION ESTABLISHING A PLAN
FOR CONDOMINIUM OWNERSHIP

FOR

CAREFREE EAST HOMEOWNER ASSOCIATION

Effective: October 1, 1991

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AMENDED AND RESTATED DECLARATION
OF
CAREFREE EAST HOMEOWNER ASSOCIATION
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**AMENDED AND RESTATED DECLARATION ESTABLISHING A PLAN
FOR CONDOMINIUM OWNERSHIP**

FOR

CAREFREE EAST HOMEOWNERS ASSOCIATION

RECITALS

A. The Carefree East Homeowners Association is comprised of real property located in the City of Santee, County of San Diego, more particularly described in Exhibit "A".

B. This Amended and Restated Enabling Declaration of Establishing Condominium Ownership ("Declaration") is to replace the previously recorded Declaration recorded on November 19, 1971, as File/Page No. 71-32194 and amendments thereto recorded as Document File/Page No. 71-68378 on April 7, 1971, Document File/Page No. 71-270893 on November 19, 1971, Document File/Page No. 71-174183 on July 6, 1972, Document File/Page No. 84-448610 on November 30, 1984 and Document File/Page No. 84-448609 on November 30, 1984, of the Official Records of San Diego, California.

C. This Declaration is subject to the Articles of Incorporation recorded with the State of California on September 16, 1987, as File/Page No. 1417949.

ARTICLE I

DEFINITIONS

The following definitions are part of the Declaration for Carefree East Homeowners Association.

Section 1. Articles.

The Articles of Incorporation of the Association which legally established the Carefree East Homeowners Association as a California non-profit corporation.

Section 2. Association.

Carefree East Condominiums, a California non-profit corporation established to manage and operate the Condominiums and the Common Area.

Section 3. Board.

The Board of Directors of the Association who are elected by the Owners of the Condominiums.

Section 4. By-Laws.

The By-Laws of the Association are the legal procedures adopted for the government of its Members and the regulation of its affairs.

Section 5. Common Area.

All portions of the Project not located within a Condominium including the land, the structure and all walls, floors, mechanical, plumbing and other devices that are not within the defined airspace of a Condominium.

Section 6. Condominium.

(as defined in Section 1351 of the California Civil Code) An Ownership interest in the Project which consists of a separate interest in a Condominium together with an undivided fractional interest as a tenant in common in the Common Area.

Section 7. Condominium Plan.

The document prepared by a Civil Engineer and recorded with the San Diego County Recorder pursuant to California Civil Code Section 1351 which graphically and dimensionally describes the boundaries of the Condominiums, Common Area, and Exclusive Use Areas within the Project, including such amendments thereto as may from time to time be recorded.

Section 8. Condominium Property.

That certain real property located in the City of Santee, County of San Diego, California, described as Lots 1, 2 and 3, inclusive, of Carefree East, Condominium 1, according to Map No. 6826, filed in the Office of the County Recorder of San Diego County, January 26, 1971.

Section 9. Declarant.

Hallcraft Homes Company, Arizona corporation, its successors and assigns. The Declarant is the developer of the Project.

Section 10. Declaration.

This Declaration which legally establishes the organization of the Ownership of the Project and contains certain covenants, conditions and restrictions applicable to each Owner.

Section 11. Exclusive Use Area.

Those portions of the Common Area designated on the Condominium Plan or the Project as the Exclusive Use Areas. Each Condominium shall have the exclusive right to use those Exclusive Use Areas bearing the same number as that Condominium.

Section 12. Member.

Each person entitled to Membership in the Association as provided in this Declaration, the Articles and the By-Laws.

Section 13. Mortgagee.

A Beneficiary (or lender) under or holder of a Deed of Trust as well as mortgagee.

Section 14. Mortgagor.

The trustor of a Deed of Trust (or the Owner) as well as a mortgagor.

Section 15. Owner.

The Owner of record of any Condominium which is a part of the Project.

Section 16. The Project.

The real property, together with all structures and improvements erected thereon, located in the City of Santee, County of San Diego, California, legally described as:

Lots 1, 2 and 3 of Santee, according to Map thereof No. 6826 as filed for record in the Office of the Recorder of San Diego County, California, on January 26, 1971.

Section 17. Rules and Regulations.

The rules and regulations adopted by the Board which govern the use of the Common Area, Exclusive Use Area and Condominium.

Section 18. Condominium.

The air space within the Project which is owned of record by the Owner of the Condominium and which is graphically described as such on the Condominium Plan.

ARTICLE II**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION****Section 1. Membership.** [Formerly H,5]

Every Owner of a Condominium shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Condominium.

For each Condominium, the Association shall maintain a file containing the Owner's name, address, if different from the Condominium address, and a telephone number or numbers. Each Owner shall have the duty to notify the Association in the event of any change in such information.

Section 2. Transfer.

The transfer of title to a Condominium shall automatically transfer the Membership in the Association to the transferee.

A Member who has sold his Condominium to a contract purchaser under an agreement to purchase, shall be entitled to delegate to such purchaser his Membership rights. Such delegation shall be in writing and be delivered to the Board before such contract purchaser may vote. The contract seller shall remain liable for all charges and assessments attributable to his Condominium until fee title to the Condominium sold is transferred.

Section 3. Voting Rights.

All Members shall be entitled to one vote for each Condominium owned. When more than one person holds title to any Condominium, the vote for that Condominium shall be exercised as the Owners determine among themselves.

ARTICLE II**RIGHTS OF ENJOYMENT****Section 1. Members' Right of Enjoyment.**

Every Member shall have a nonexclusive easement for use and enjoyment in and to the Common Area of the Project in which his Condominium is located. Such right shall be appurtenant to and shall pass with the ownership of a Condominium, subject to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration, including, without limitation, the following provisions:

The right of the Association to limit the number of guests of Members;

The right of the Association to limit the use of the recreational facilities, if any, in the Common Area, by persons not in possession of a Condominium, but owning a portion of the interest in a Condominium required for Membership;

The right of the Association to establish reasonable Rules and Regulations pertaining to the use of the Common Area;

The right of the Association to temporarily suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessments remain unpaid. In addition, the Association may suspend a Member for a period not to exceed thirty (30) days for any infraction of its published Rules and Regulations by that Member or his lessees, or guests. Any action to suspend a Member shall only be valid after a hearing by the Board, in accordance with the provisions of the By-Laws and Section 7341 of the California Corporations Code;

The right of the Association to grant easements on, over and under the Common Area to public utilities or governmental entities or agencies; provided that such easement shall not unreasonably interfere with the right of any Owner to the use and enjoyment of his Condominium and the Common Area. No such easement shall be effective unless an instrument, signed by Members entitled to cast two-thirds (2\3) of the voting power of the Members residing in the Project, approving the grant of such easement has been recorded.

Section 2. Encroachment Easements. [Formerly H, 4; By-Law Art. VI, 5]

Each Owner is hereby granted an easement over all adjoining Condominiums, and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause.

There shall be easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments, settlement or shifting. In event shall an easement for encroachment be created in favor of an Owner if said encroachment occurred due to willful misconduct of any Owner. In the event any portion of a structure of the Project is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Condominiums, or Common Area shall be easements for the maintenance of said encroachments so long as they shall exist.

Section 3. Access Easement.

Each Owner and the Association shall have a right of access over the Common Area for the purpose of ingress and egress to and from other portions of the Common Area to the extent reasonably necessary to use and maintain those areas to which rights of use and obligations of maintenance are set forth in this Declaration. No such access shall unreasonably interfere with the use by others of any portion of the Project to which they are entitled pursuant to this Declaration.

Section 4. Utility and Equipment Easements.

Each Owner and the Association shall have the right and easement through the Common Area for the purposes of installation, maintenance, use, operation, repair, removal and replacement of pipes, ducts, wires, conduits, cables and other equipment and facilities which are reasonably necessary for the use, enjoyment and maintenance of the Condominiums, Common Area and Exclusive Use Areas. The rights and easements provided herein include the right of access, ingress and egress through the areas described above as may be reasonably necessary to use the easements for the purposes granted. However, no use shall unreasonably interfere with the use by others of any portion of the Project to which they are entitled pursuant to this Declaration. Any damage caused by the use of rights and easements herein granted shall be repaired by and at the expense of the persons causing the damage.

Section 5. Delegation of Use.

Any Member may delegate his right of enjoyment to the Common Area to the Members of his family, his tenants, or contract purchasers who reside in his Condominium.

Section 6. Obligation.

Subject to Section 1 of Article IX, each Owner shall, at his sole cost and expense, maintain and repair in good condition, his Condominium and the Exclusive Use Area appurtenant thereto.

Section 7. Restriction on Use of Owner's Condominium.

The Association may not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Condominium as a result of his failure to comply with the provisions of the Rules and Regulations, By-Laws, Articles and/or this Declaration, except where the loss or forfeiture is the result of a judgment of a court, a decision arising out of arbitration, or a foreclosure sale under a power of sale for failure of the Owner to pay assessments levied by the Association.

Section 8. Establishment of Easements.

Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration, and shall thenceforth be deemed to be covenants running with the land for the use and benefit of all of the Condominiums and the Common Area, as the case may be, superior to all other encumbrances applied against or in favor of any portion of the Project which is the subject of this Declaration. In furtherance of the easements provided for in this Declaration, the individual deeds to Condominiums may, but shall not be required to, set forth said easements.

Section 9. Waiver of Use.

No Member may exempt himself from personal liability for assessments duly levied by the Association, nor release the Condominium owned by him from the liens, charges and other provisions of this Declaration, the Articles, By-Laws and Rules and Regulations, by waiver of the use and enjoyment of the Common Area or the abandonment of his Condominium.

ARTICLE III**SEPARATION OF INTEREST AND PARTITION PROHIBITED****Section 1. Condominiums. [Formerly E]**

The Owner of a Condominium may not sell, assign, lease or convey his interest in the Common Area separate and apart from his Condominium nor any portion of his Condominium part from the entire Condominium.

Section 2. No Partition. [Formerly H,1]

The Owners of a Condominium, whether such Ownership is in sole Ownership, joint tenancy or as a tenant in common are prohibited from partitioning or in any other way severing or separating such Ownership from any of the other Ownerships in the Project, except upon the showing that such partition is consistent with the requirements of California Civil Code Section 1359 or its successor

statute. Nothing herein contained shall prevent the partition or division of interests between joint or common owners of one condominium.

ARTICLE IV

POWER OF ATTORNEY

[Formerly last paragraph of T]

The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all the Owners when partition of the Owners' interest in the Project may be pursuant to Article III above. The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least seventy-five percent (75%) of the Members of the Association. Upon such a vote of the Owners, the Board is hereby authorized to record a Certificate of Exercise in the Office of the San Diego County Recorder, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE V

MANAGEMENT OF THE ASSOCIATION AND THE PROJECT

Section 1. Management and Control of Common Area. [Formerly N] Except as otherwise provided in the Declaration, the Board shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all the Common Area and Exclusive Use Areas, together with the improvements thereon, in accordance with this Declaration, the Articles, Rules and Regulations and By-Laws.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the By-Laws, shall be deemed to be binding on all Owners of condominiums, their successors in interest and assigns.

Section 2. Adoption of Rules and Regulations.

The Board shall have the right to adopt reasonable Rules and Regulations relating to the use of the Common Area, the recreational and other facilities to which the Members have access, and the Exclusive Use Areas and the management and conduct of the employees of the Association. The Rules and Regulations may be amended only by the vote of a majority of the entire Board.

The Rules and Regulations may provide that an Owner determined to be in violation of the Rules and Regulations may be assessed a fine after appropriate notice and an opportunity for a hearing before the Board.

A copy of the Rules and Regulations, as they may from time to time be adopted, amended or repealed shall be delivered to each Owner in the same manner for providing notice as established in the By-Laws. In addition, a notice setting forth adoption, amendment or repeal of a specific portion of the Rules and Regulations shall also be delivered to each Owner in the same manner for providing notice as established in the By-Laws.

The Rules and Regulations as adopted, amended or repealed, shall be made available at the principal office of the Association to each Owner and Mortgagee upon request.

Section 3. Right of Entry. [Formerly By-Laws, Article VI, 5]
For the purpose of maintaining the Common Area or for any other purpose reasonably related to the Board's performance by the Board of its responsibilities under the Declaration, the Association's agents or employees shall have the right, after reasonable notice to the Owner(s), to enter any Condominium(s), or upon any portion of the Common Area at reasonable hours.

Except during an emergency, there shall be no entry into a Condominium or Exclusive Use Area without the Owner's written consent, which consent shall not be unreasonably withheld. When there is an entry into any Condominium or Exclusive Use Area, such entry shall be made with as little inconvenience to the Owner as possible.

Section 4. Limitation of Liability.
In discharging its duties and responsibilities, the Board acts on behalf of and as representative of the Association which in turn acts on behalf of and as representative of the Owners. No Member of the Board shall be individually or personally liable or obligated for performance or failure of performance of such duties or responsibilities unless he fails to act in good faith.

ARTICLE VI

USE OF CONDOMINIUMS, EXCLUSIVE USE AREAS AND COMMON AREA

Section 1. Residential Purposes. [Formerly H, 2; By-Laws, Article VI, 3]

Each Condominium may be used and occupied for the purposes of private, single-family dwelling. No Condominium, Exclusive Use Area or Common Area shall be used for commercial purposes.

Section 2. Lease of Condominium. [Formerly K]
Each Owner shall have the right to lease his Condominium. However, no Owner shall be permitted to lease his Condominium for less than one (1) month. The lease must be in writing and must require the lessee to be obligated to comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations. Failure to comply with the provisions of these documents shall be a default

under the lease and may be enforced by the Association.

A lender in possession of a Condominium following a default under a Mortgage by a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, may lease the Condominium upon acquisition of title or other right to possession for a period of less than one (1) month.

Section 3. Restriction of Timesharing.

No Owner shall be permitted to timeshare his Condominium.

Section 4. Use Causing Loss of Insurance.

No Condominium, Exclusive Use Area or Common Area shall be occupied or used for any purpose or in any manner which may cause that area to be uninsurable against loss by fire or other hazard, or for bodily injury or property damage, or cause any policy of insurance to be cancelled, or the premium to be increased, or the insurance company to refuse renewal of an insurance policy.

Section 5. Pets.

No pets shall be permitted in the Common Area. The number and conduct of pets permitted within a Condominium or Exclusive Use Area shall be regulated by the Rules and Regulations.

Section 6. Signs. [Formerly By-Laws, Article VI,6]

No sign, poster, billboard, advertising device or other display or any kind shall be displayed so as to be visible from outside any portion of the Project without the approval of the Board, except such signs of customary and reasonable dimensions as prescribed by the Board as may be displayed on or from a Condominium advertising the Condominium for sale or lease. Any "for sale" or "for lease" signs which are not attached to the exterior walls of a residence and are not more than six (6) square feet in size, shall not require Board approval. In no event shall any sign be displayed on any portion of the Project in contravention of any ordinance of the City of Santee.

Section 7. Antennae. [Formerly By-Laws, Article VI,6(f)]

There shall be no television or radio antennae, masts, poles or flag poles constructed, installed and/or maintained in a Condominium or Exclusive Use Area which are visible from outside such area for any purpose whatsoever without the prior written consent of the Board.

Section 8. Alteration of Common Area. [Formerly By-Laws, Article VI,4]

Except as otherwise specifically provided for in this Declaration or in the Rules and Regulations, no Owner shall alter, paint, decorate, remodel, landscape, resurface, penetrate the surface of, or adorn any part of the Common Area or any Exclusive Use Area, without the written consent of the Board.

Section 9. No Obstruction of Common Area. [Formerly By-Laws, Article VI,4]

There shall be no obstruction of the Common Area nor shall anything be stored in the Common Area without the prior written consent of the Board except as hereinafter expressly provided.

Section 10. Offensive Activity. [Formerly By-Laws, Article VI, 6(b)]

No noxious or offensive activity shall be conducted in any Condominium, Exclusive Use Area or on the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners other than construction or repair of improvements made at the Board's instruction.

Nothing shall be done in any Condominium, Exclusive Area or in, on or to the Common Area which will impair the structural integrity of the building, or which would structurally change any improvements or alter the landscape of the Project. Except as otherwise provided herein, nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Board.

Section 11. Floor Covering.

In the event that an Owner repairs or replaces the existing floor coverings within his Condominium, other than entry foyers, kitchens, utility rooms and bathrooms, he shall repair or replace such floor area with soft carpeting and carpet pad for the purpose of minimizing noise transmission. Alternate floor covering materials may not be used without the prior written consent of the Board.

Section 12. Use of Common Area. [Formerly By-Laws, Article VI,4]
Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

Affording vehicular passage and pedestrian movement within the Project, including access to and egress from the Condominiums and Exclusive Use Areas;

Recreational use by the Owners and occupants of Condominiums and their guests, subject to the Rules and Regulations;

Beautification of the Common Area and providing privacy to the residents of the Project through landscaping and such other means as the Board shall deem appropriate;

Parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board, upon such terms and conditions and for such fees as may from time to time be prescribed by the Board.

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes permitted by this Declaration, the By-Laws and the Rules and Regulations.

Section 13. Owners Responsible for Damage.

Each Owner shall be liable to the Association for all damages to the Common Area or to any improvements thereto caused by such Owner, his lessees, licensees, guests or any occupant of such Owner's Condominium, as such liability may be determined under California law.

Each Owner shall be responsible for compliance with the provisions of this Declaration, By-Laws, and the Rules and Regulations by his lessees, licensees, guests and all occupants of his Condominium. After written notice and an opportunity for a hearing, the Owner shall pay any penalties assessed pursuant to this Declaration, the By-Laws and Regulations for any violation by his lessees, licensees, guests and occupants of his Condominium.

Section 14. Interior Decoration. [Formerly H,3]

Each Owner shall have the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and/or finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of the Condominium and the surfaces of the bearing walls and partitions located within the Condominium. The Owner shall have the right to substitute new finished surfaces in place of those existing on said ceiling, floors, walls and doors of the Condominium.

Section 15. Exclusive Use Area. [Formerly By-Laws, Article VI,4]

Each Exclusive Use Area shall be appurtenant to the Condominium which bears the same number as that Exclusive Use Area, as set forth on the Condominium Plan, and used only for the purposes set forth in the Declaration. The right to use a Exclusive Use Area shall be exercisable only the Owner(s) and his lessees, licensees or guests of the Condominium appurtenant thereto. Conveyance of a Condominium shall effect conveyance of an Exclusive Use Area appurtenant thereto, and transfer of all rights thereto to the vested Owner of the Condominium. No Exclusive Use Area or any rights thereto shall be transferred or conveyed apart from conveyance of the Condominium to which it is appurtenant. Each Exclusive Use Area shall be deemed to be Common Area for all those purposes set forth in this Declaration which are not inconsistent with this Article or Article IX.

Section 16. Parking Spaces.

All Parking Space Exclusive Use Areas are assigned to the Owners of Condominiums by the deed conveying the Condominium to Owners.

Parking Spaces shown on the Condominium Plan which have not been assigned as Exclusive Use Area shall be part of the Common Area subject to the exclusive jurisdiction and control of the Board to

be used and assigned as the Board may deem proper in its management of the Common Area.

The assignment of a Parking Space to an Owner of a Condominium shall entitle the Owner to store no more than one motor vehicle within the Parking Space Exclusive Use Area for each Parking Space assigned.

Section 17. Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil or similar material.

Section 18. Structural Alterations of Condominiums of Restricted Common Area. [Formerly By-Laws, Article VI, 3(b)]
No Owner shall make or cause to be made structural alterations or modifications to the interior of his Condominium and/or the Exclusive Use Area which would have a material effect on another Condominium or Exclusive Use Area without the prior written consent of the Board.

The Owner shall submit a written plan to the Board prior to making the alteration. In the event that the Board fails to approve or disapprove such plan within (30) days after said plans have been submitted to it, such failure shall constitute approval.

Section 19. Utilities. [Formerly T,1]
Each Owner of a Condominium shall be obligated to pay any and all assessments for sewage, electricity, other utilities, taxes and other charges assessed individually against each Condominium.

Section 20. Garbage. [Formerly By-Laws, Article VI, 6(e)]
No Owner shall deposit any garbage, refuse or rubbish in or on the Common Areas unless such matter is deposited in appropriate containers suitably placed or designated by the Board so as not to detract from the physical appearance of the Common Area or the Project. Trash bins may be placed upon the Common Area by each Owner only in accordance with such Rules and Regulations as may be adopted by the Board.

Section 21. Rules of Association.
Each Owner and his lessee, licensees or guests of a Condominium shall comply with the provisions of this Declaration, the By-Laws, decisions and Rules and Regulations of the Association or its duly authorized representatives which may from time to time be promulgated, all as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due for damages, or for the injunctive relief, or for any other remedy permitted by law or by the terms of this Declaration.

ARTICLE VIICOVENANT FOR MAINTENANCE ASSESSMENTSSection 1. Covenant to Pay Assessment.

Each Owner covenants to pay to the Association annual and special assessments. Both assessments shall be established and collected as hereinafter provided.

The assessments shall be established and collected as set forth in this Declaration. The regular assessments and, except as otherwise provided in this Declaration, any special assessments with interest, costs, penalties and attorneys fees, shall be a charge and continuing lien upon the Condominium against which the assessment is made.

Each assessment, together with interest, costs, penalties and attorneys fees, will also be the personal obligation of the person(s) who were the Owner(s) at the time the assessment was due.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Project and for the improvement, operation and maintenance of the Common Area and the Project and for such obligations of the Association as may be created by its Declaration, Rules and Regulations, Articles and By-Laws.

Section 3. Annual Assessments.

The Board shall fix and determine, from time to time, annual assessments to be paid by each Owner for the purpose of operating, maintaining and repairing the Common Area, paying the necessary expenditures of the Association as provided in the By-Laws and this Declaration, and establishing an operating reserve fund and reserve for replacement. Annual assessments shall be levied upon each Condominium in the proportions set forth in this Declaration and shall be in an amount sufficient to include an adequate reserve fund for maintenance, repairs, and replacement of those portions of the Common Area which must be maintained, repaired and replaced on a periodic basis.

The due date of each monthly installment payment shall be established by the Board. Written notice of the annual assessment shall be sent to every Owner subject thereto.

The Board may not increase the annual assessments during any fiscal year of the Association more than twenty percent (20%) above the annual assessments established for the immediately preceding fiscal year without the vote or written assent of a majority of the Members of the Association.

Section 4. Special Assessments. [Formerly T,6]

In addition to the annual assessments, the Board may levy special assessments to be paid by each Owner for the purpose of defraying, in whole or in part, the cost of any capital improvement to the Common Area, including the cost of major repair or rebuilding of the Common Area, or for such other purpose as may be determined by the Board. Special assessments shall be levied upon each Condominium in the proportions set forth in this Declaration.

No special assessment shall exceed in aggregate, during any fiscal year of the Association, an amount equal to five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written assent of a majority of the Members of the Association.

The Board may also impose a special assessment against an Owner to reimburse the Association for costs and expenses incurred in enforcing compliance by such Owner with the Provisions of the Declaration, the Articles, the By-Laws, and the Rules and Regulations.

A special assessment for the purpose of major repair to or rebuilding of the Common Area may be made by the Board.

Section 5. Allocation of Assessments.

The annual and special assessments of the Association shall be levied upon all Condominiums in equal shares.

Section 6. Certificate of Payment.

The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association which states whether or not the assessments on a special Condominium have been paid. Said signed certificate shall be conclusive evidence to all third parties relying thereon to show that all assessments acknowledged therein have been paid but shall not relieve any Owner of the responsibility for assessments not in fact paid.

Section 7. Delinquent Assessments.

Any assessment of the Association not paid within thirty (30) days after the due date shall be delinquent and subject to penalties both of which will bear interest at a legally permissible rate determined by the Board. Late charges for delinquent assessments may be imposed by the Board in an amount not to exceed those permitted by California Civil Code Section 1366 or its successor statute.

No Member may waive or otherwise escape liability for the assessments by nonuse or abandonment of his Condominium.

Section 8. Effect of Nonpayment of Assessments. [Formerly I]

At any time after any regular or special assessments levied by the Association against any Condominium has become delinquent, the

Board may file for recording in the Office of the San Diego County Recorder a notice of delinquency against the Condominium.

The notice shall state all amounts which have become delinquent with respect to the Condominium plus the interest, costs, penalties and attorneys fees which have accrued thereon, and the amount of any assessments relating to the Condominium which are due and payable although not delinquent. The notice shall provide a description of the Condominium with respect to which the delinquent assessments are owned, and the name of the record Owner of the Condominium, and the name and address of the trustee authorized by the Association to enforce the lien by sale.

The notice shall be signed by the President or other officer of the Board, or by a majority of the Members of the Board, or by the Association's attorney.

In the event the delinquent assessments and all other assessments which have become due and payable with respect to the Condominium, together with interest, costs, penalties and attorneys fees which have accrued on such amounts, are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Board shall record a further notice, similarly signed, stating the satisfaction and releasing of the lien.

Immediately upon recording of any notice of delinquency pursuant to the foregoing provisions of this Section, the amounts delinquent, as set forth in the notice, together with interest, costs, penalties and attorneys fees accruing thereon, shall (except as otherwise provided in the Declaration) be and become a lien upon the Condominium described therein. The lien shall also secure all other payments and/or assessments which shall become due and payable with respect to the Condominium following the recording, and all interest, costs, penalties and attorneys fees accruing thereon. The lien shall continue until released by the Association.

Section 9. Foreclosure of Assessment Lien.

Each Association assessment lien (except those amounts specially assessed for fines) may be foreclosed in the same manner as the foreclosure of a Mortgage upon real property pursuant to the laws of the State of California, or may be enforced by sale pursuant to California Civil Code Sections 2924 and following and Section 1367 and their successors, and for that purpose a power of sale is hereby conferred upon the Association.

Section 10. Action for Delinquent Assessments.

The Association may bring an action at law against the Member personally obligated to pay the assessments and, in addition thereto, or in lieu thereof, may foreclose the lien on the Condominium. Interest, costs, penalties and reasonable attorneys

fees incurred in any such action (except for the amount specially assessed for fines) shall be added to the amount of such assessments. The Association may also undertake any other remedy permitted by law for the collection of unpaid assessments, interest, costs, penalties and attorneys fees.

Section 11. Subordination of Lien. [Formerly M,I,&J]

The lien of the Association for assessments and the interest, costs, penalties, and attorneys fees provided for herein shall be subordinate to the lien of any first Mortgage made in good faith and for value upon the Condominium. Sale or transfer of any Condominium pursuant to judicial or non-judicial foreclosure of the Mortgage shall extinguish the lien of the assessments as to payments which become due prior to the sale or transfer. No sale or transfer shall relieve such Condominium from lien rights for any assessments thereafter becoming due.

In a voluntary conveyance of a condominium, the grantee of same shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expense up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments against the grantor due the Association, and such grantee shall not be liable for, nor shall the condominium conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

ARTICLE VIII

RESPONSIBILITIES OF MAINTENANCE

Section 1. Maintenance by Owner of Condominium.

Each Owner shall be responsible for the maintenance and repair of the Condominium, including the window glass, the interior walls, ceilings, windows, floors and doors. The metal frames and tracks of glass doors and windows, and all appliances whether "built in" or freestanding within the Condominium. The Owner shall also be responsible for the maintenance and repair of the plumbing, electrical and heating systems servicing the Condominium and located within the outside perimeter of the exterior walls, floors and ceilings, thereof, including television cable equipment and connections, and all appliances and equipment located within or without said Condominium, so long as those systems are used exclusively by such Owner and not in common.

Each Owner shall also be responsible for the maintenance and repair of the Exclusive Use Are which he has the sole right to use,

including the interior surfaces of any walls, railings, windows and doors.

Maintenance and repairs shall be made by the Owner in such a manner as shall be deemed necessary in the judgement of the Board to preserve the attractive appearance and value of the Project.

Section 2. Maintenance by Association. [Formerly By-Laws, Article VI, 2]

In addition to the maintenance of the Common Area, including all private streets and drainage systems not dedicated and accepted by any public entity, the Association shall provide all exterior maintenance of Condominiums.

In the event that repairs made by the Association to such exterior of a Condominium which are required due to the negligent or wilful acts of the Owner thereof, his family, guests, lessees, or invitees, the Owner shall reimburse the Association for the cost thereof, plus interest thereon at a legally permissible rate determined by the Board from the date incurred until paid.

Section 3. Repair and Maintenance of Certain Common Areas by or at the Expense of Owners.

In the event that the Board shall determine that the walls, ceilings, floors, glass or doors forming the boundaries of the Condominium have been damaged from within the Condominium, notwithstanding that such damage may be to the Common Area, the Owner of the Condominium shall be responsible for repairing such damage in a timely manner and in accordance with such Rules and Regulations as the Board shall from time to time adopt.

In the event such repair is not so accomplished by the Owner, the Association or its delegates shall have the right, at reasonable times, to enter the Condominium to effect such repair, and the cost thereof shall be charged to the Owner of the Condominium and if not paid in a timely manner, shall be deemed a special assessment.

Section 4. Maintenance of Public Utilities.

Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities of public utilities which are located within an easement in the Common Area owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

ARTICLE IXDAMAGE, DESTRUCTION AND CONDEMNATION OF COMMON AREA AND EXCLUSIVE
USE AREAS

[Formerly L]

Section 1. Casualty Destruction.

If any portion of the Common Area or Exclusive Use Area is damaged or destroyed by fire or other casualty then:

If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than fifteen percent (15%) of the budgeted gross expenses of the Association for the fiscal year during which the repairs or rebuilding is necessitated, the Board shall contract to repair or rebuild the damaged portions of the Common Area or Exclusive Use Area substantially in accordance with the original plans and specifications therefor in a timely fashion.

If the cost of repairing or rebuilding exceeds the amount of available insurance proceeds by more than fifteen percent (15%) of the budgeted gross expenses of the Association for the fiscal year during which the repairs or rebuilding is necessitated and if a majority of the Owners agree to the repair or restoration of the Common Area or Exclusive Use Area, then the Board shall contract as provided above.

If a majority of the Owners do not agree to the repair or rebuilding of the Common Area, then each Owner (and his Mortgagee as their respective interests shall then appear) shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of his Condominium as compared to the aggregate decrease in fair market values of all the Condominiums caused by such damage or destruction. For purposes hereof, fair market value shall be determined by an MAI appraiser selected by the Board who shall be hired by and at the expense of the Association. Should any dispute arise as to the distribution of insurance proceeds, the dispute shall be decided by arbitration by the American Arbitration Association pursuant to its Commercial Rules of Arbitrations.

If a bid to repair or rebuild is accepted, the Board shall levy a special assessment against each Condominium pursuant to Section 4 of Article VIII of this Declaration, for purposes of raising funds for the rebuilding or major repair of a portion of the structural Common Area and to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding. Such assessment and all insurance proceeds, whether or not subject to liens of Mortgagees, shall be paid to the account of the Association to be used for such rebuilding.

Section 2. Condemnation.

If any portion of the Common Area of Exclusive Use Area is taken by condemnation, inverse condemnation, eminent domain or any proceeding in lieu thereof, and the award therefor is not apportioned among the Owners, and their Mortgagees as their respective interests then appear, by court judgement or by agreement between the condemning authority and each of the affected Owners, then the Owners, and their Mortgagees as their respective interests then appear, shall be entitled to receive a distribution from the award of such taking in the same proportion as insurance proceeds would be distributed pursuant to Section 1 above. Should it be determined to repair or rebuild any portion of the Common Area or Exclusive Use Areas, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth in Section 1 above for repairing damaged or destroyed portions of the Common Area. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided in Section 1 above for determination to rebuild or repair following damage or destruction.

ARTICLE X**DAMAGE, DESTRUCTION AND CONDEMNATION OF CONDOMINIUMS**
[Formerly I.]**Section 1. Casualty Destruction.**

In the event of damage or destruction to any Condominium, the Owner thereof shall, at his sole cost and expense, reconstruct the same as soon as reasonably practicable and substantially in accord with the original plans and specifications therefor. Any Owner may, with the written consent of the Board, reconstruct or repair the same pursuant to new or changed plans and specifications. In the event that the Board fails to approve or disapprove such changed plans and specifications within sixty (60) days following receipt thereof, they shall be deemed to have been approved.

Section 2. Condemnation.

If the event of any taking of a Condominium, the Owner (and his Mortgagees as their interests may appear) of the Condominium shall be entitled to receive the award for such taking and after acceptance thereof the Owner and his Mortgagee shall be divested of all further interest in the Project if such Owner vacates his Condominium as a result of the taking. In such event, the Owner shall grant his remaining interest in the Common Area appurtenant to the Condominium so taken to the other Owners in proportion to the fractional interest in the Common Area then owned by each.

ARTICLE XIASSOCIATION INSURANCE
[Formerly R,S and T,2]

The Association shall obtain and continue in effect the following insurance and any other insurance necessary to comply with Article XIII.:

A master fire insurance policy with glass coverage and extended coverage endorsement for the full insurable replacement value not including a reasonable deductible amount of the Common Area and Exclusive Use Areas. The form and content of such policy must be satisfactory to all institutional Mortgagees of first Mortgage.

A public liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any manager and the Owners against liability incident to Ownership or use of the Common Area. The limits of such insurance shall be not less than one million dollars (\$1,000,000.) covering all claims for death, personal injury and property damage arising from a single occurrence.

As determined by the Board, or if requested by any Mortgagee of a first Mortgage or any insurer or governmental guarantor or any first Mortgage, a fidelity bond covering officers and employees of the Association and employees of any manager or managing agent, whether or not any such persons are compensated for their services, naming the Association a obligee and written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association including reserves or in the minimum amount required by any such first Mortgagee or insurer or governmental guarantor, whichever is less.

Workers' compensation insurance covering any employees of the Association.

Premiums for the insurance policies as described above shall be a common expense to be included in the annual assessments levied by the Association against Condominiums. The deductibles shall be paid by the Association as a common expense. Each Owner may separately insure the improvements not covered by the Association fire insurance policy and personal property within his Condominium. No Owner shall insure his Condominium in any manner which would cause any diminution in insurance proceeds from the insurance carried by the Association. Should any Owner violate this provision he shall be responsible to the Association for any such diminution.

ARTICLE XII**SPECIAL RESTRICTIONS****Section 1. Actions Requiring Mortgagee Approval.**

Unless the Mortgagees of first Mortgagees encumbering at least fifty-one percent (51%) of the Condominiums which are then encumbered by a Mortgage have given their prior written consent, neither the Owners nor the Association shall:

Seek, by act or omission to abandon the Project or to terminate the Condominium Plan or this Declaration (whether or not because of any destruction to the Project), or change, waive or abandon any scheme of regulation or enforcement thereof, pertaining to the architectural design or the exterior appearance or maintenance of Condominiums or the Common Area;

Change the pro rata interest or obligations of any Condominium for purposes of levying assessments or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of the Common Area appurtenant to each Condominium;

Partition or subdivide any Condominium;

Seek, by act or omission, to abandon, partition, subdivide, encumber, sell or transfer the Common Area; however, the granting of easements for public utility or other public purposes consistent with the uses of the Common Area shall not be deemed a transfer within the meaning of this provision;

Use hazard insurance proceeds for losses to any portion of the Project for other than repair, replacement or reconstruction of the Project, except as may be provided by statute upon substantial loss to the Condominiums or Common Area respectively; or

Fail to maintain fire and extended insurance coverage on the Common Area on a current replacement cost basis in an amount less than one hundred percent (100%) of the insurable value excluding a reasonable deductible amount, based on current replacement costs.

Section 2. Restoration Approval.

Any restoration or repair of the Project, including the real property and all improvements built upon it, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the original plans, unless other action is approved by Mortgagees of fifty-one percent (51%) of first Mortgages on Condominiums which are then encumbered by a Mortgage.

Section 3. Notification.

Upon written request to the Association identifying the name and address of the Mortgagee, insurer or guarantor and the Condominium number or address, any Mortgagee or Insurer or Guarantor of a first Mortgage on a Condominium will be entitled to receive from the Association timely written notice of:

Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is a Mortgage held, insured or guaranteed by such Mortgagee or Insurer or Guarantor, as applicable.

Any default in the performance by the Owner of a Condominium subject to the Mortgage held, insured or guaranteed by such first Mortgagee or Insurer or Guarantor, of any obligations under this Declaration or the Bylaws, which remains uncured for a period of sixty (60) days.

Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Any proposed action which would require the consent of a specified percentage of Mortgagees of first Mortgages as required by the Bylaws, or this Declaration.

Section 4. Priority of Mortgage Lien.

No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value, however, all of the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure sale, trustee's sale or otherwise.

ARTICLE XIII**COMPLIANCE AND ENFORCEMENT**

[Formerly H, 6 and 7]

Section 1. Owner Compliance.

Each Owner, lessee, licensee, guest and occupant of a Condominium shall comply with the provisions of this Declaration, the By-Laws, the Rules and Regulations, the decisions and resolutions of the Association or its duly authorized representative. Failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages and/or for injunctive relief.

Section 2. Breach.

A breach of any provision of the Declaration, which is not cured within thirty (30) days from the date notice of such breach is given by the Board or Declarant to the Owner (on whose property

such breach occurs or whose acts or omission constitutes such breach), shall give to any Owners and the Board the remedies hereinafter set forth within this Article.

Every act or omission which constitutes a breach is hereby declared to be either a public or private nuisance, and right to remedy such nuisance may be exercised by any Owner or the Board.

Section 3. Enforcement. [Formerly last paragraph of T]
The Association, the City of Santee and any Owner shall have the right to enforce by enjoining, abating or rendering, through any proceeding at law or in equity, the provisions of this Declaration. It is hereby agreed that damages at law for such breach are inadequate.

The remedies herein provided for breach of the covenants contained in this Declaration shall be deemed cumulative and shall not be deemed exclusive.

Failure of the Board or any Owner to enforce any of the covenants contained in the Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 4. Penalties and Suspension. [Formerly H,7]
The Board may impose monetary penalties as a means of reimbursing the Association for costs incurred in the repair of damage to the Common Area for which the Member was responsible.

The Board may temporarily suspend an Owner's Membership privileges, (including his right to vote) or impose other appropriate discipline for failure to comply with this Declaration, By-Laws, Rules and Regulations and Articles.

The Board may impose the penalties, suspend a Member of his Membership privileges or impose other discipline as long as the Member who is to be subject to such action is given notice and an opportunity for a hearing in accordance with the California Civil Code Section 7341 or its successor statute.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Terms of Declaration. [Formerly V]
This Declaration shall run with and bind the land and shall continue in full force and effect for a period of fifty (50) years from the date of recordation of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years unless a declaration to the contrary is signed by the owners of at least fifty percent (50%) of the condominium owners, and recorded in the Office of the San Diego County Recorder within one hundred and eighty (180) days from the expiration of

said fifty (50) year period, or any subsequent ten (10) year extension period, as the case may be.

Section 2. Severability. [Formerly P]

Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgement or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 3. Construction of Declaration.

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a Condominium Residential Community and for the maintenance of the Community Recreational Facilities and Common Area. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 4. Amendment by Association. [Formerly H,8]

Except as provided in Section 5 below, this Declaration may be amended at any time and from time to time by vote or written consent of seventy-five percent (75%) of the Members of the Association. Any amendments shall be effective upon the recording thereof with the Office of the County Recorder of San Diego County, California.

Section 5. Amendments Requiring First Mortgagee Approval.

Anything herein stated to the contrary notwithstanding, no material amendment may be made to this Declaration without the prior written consent of Mortgagees of first Mortgages which encumber fifty-one percent (51%) or more of the Condominiums within the Project which are then encumbered by a Mortgage. "Material amendment" shall mean, for purposes of this Section, any amendments to provisions of this Declaration governing any of the following subjects:

The fundamental purpose for which the Project was created (such as a change from residential use to a different use);

Assessments, assessment liens or subordination thereof;

Reserves for maintenance, repair and replacement of the Common Area;

Property maintenance and repair obligations;

Insurance or fidelity bonds;

Reconstruction or repair in the event of damage, destruction or partial condemnation;

Voting rights;

The percentage of interest of the Owners in the Common Area;

Expansion or contraction of the Project or the annexation, addition or withdrawal of real property to or from the Project;

Boundaries of an Condominium;

Interests in Exclusive Use Areas, Common Area or rights to their use;

Leasing of Condominiums;

Convertability of Condominiums into Common Area or Common Area into Condominiums;

Imposition of any restriction on the right of a Condominium Owner to sell, transfer or otherwise convey his Condominium;

Any provision which, by its terms, is specifically for the benefit of Mortgagees of first Mortgages, or Insurers or Guarantors of first Mortgages; or

A Mortgagee of a first Mortgage who receives a written request to approve amendments (including additions) who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request.

Section 6. Conflicts. [Formerly H,6]

If there are conflicts or inconsistencies between the provisions of California law, the Articles, the Rules and Regulations, the By-Laws and this Declaration, the provisions of California law, this Declaration, the Articles of Incorporation, the By-Laws and the Rules and Regulations (in that order) shall prevail.

Section 7. Attorneys Fees.

In the event that the Association or any Owner shall commence litigation to enforce any of the covenants, conditions or restrictions in this Declaration, the prevailing party in the litigation shall be entitled to costs of suit and such attorneys fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgement is entered.

Section 8. Common Plan Declaration.

The covenants, conditions and restrictions set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Project to enhance the value, desirability and attractiveness of the Condominiums for the benefit of all Owners of Condominiums therein.

By acceptance of a deed or by acquiring any Ownership interest in any Condominium subject to this Declaration, each person or entity, for himself or itself, his heirs, person representatives, successors, transferrers and assigns, agrees to be subject to all of the provisions restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof.

In addition, by doing so each such person thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Project covered hereby, and hereby evidence his intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof.

Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

CERTIFICATE OF AMENDMENT

This instrument has been executed as of the date first set forth above. I, the undersigned, do hereby certify:

1. That I am duly elected and acting Secretary of CAREFREE EAST HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation certify:

2. That the foregoing AMENDED AND RESTATED ENABLING DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP comprising 28 pages, was duly adopted by a vote of at least seventy-five percent (75%) of the voting power for the Association.

IN WITNESS WHEREOF I hereunto subscribe my name and affix the seal of said corporation this 3rd day of September, 1991.

Dated: Sept 3, 1991 CAREFREE EAST HOMEOWNER ASSOCIATION

By: Mark Scott
Mark Scott, Secretary

STATE OF CALIFORNIA)
) ss
 COUNTY OF SAN DIEGO)

On September 4, 1991, before me, a Notary Public of the State of California, personally appeared, Mark Scott, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executes the within document in her capacity as Secretary of the Corporation, and that by his signature on the instrument on behalf of the Corporation executed the instrument.

WITNESS my hand and official seal.

Signature Deborah L. Wigbert (Seal)



Exhibit A

LEGAL DESCRIPTION

Lots 1, 2 and 3 of Santee, according to Map thereof No. 6826 as filed for record in the Office of the Recorder of San Diego County, California, on January 26, 1971.