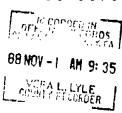
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DECLARATION OF COVENANTS,

CONDITIONS, AND RESTRICTIONS

FOR

RANCHO SIERRA ESTATES

CAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE,

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FICIAL RECORDS, SAN DIEGO COUNTY, VERA L. LYLE, RECO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR RANCHO SIERRA ESTATES

This Declaration is made this day of 1988, by BOCZANOWSKI, INC., a California Corporation, which shall be referred to hereinbelow as "Declarant".

RECITALS

- A. Declarant is the owner of certain real property located in The City of Escondido, County of San Diego, State of California, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").
- B. Declarant has deemed it desirable to impose a general plan for the protection, maintenance, improvement, development, use, occupancy, and enjoyment of the Property and to adopt and establish covenants, conditions and restrictions upon the Property for the purpose of enforcing and protecting the value, desirability and attractiveness thereof.
- C. Declarant intends to convey all of the Property subject to the protective covenants, conditions and restrictions set forth hereinbelow.

NOW, THERFFORE, Declarant hereby certifies, agrees and declares that it has established and does hereby establish, a general plan for the protection, maintenance, improvement and development of the Property and has fixed, and does hereby fix, the covenants, conditions, restrictions, casements, reservations and charges upon and subject to which all of the Property and each portion thereof shall be held, used, leased, rented, hypothecated, occupied, encumbered, improved, sold and conveyed, and each and all of which is and are declared hereby to be for the benefit of all the Property and each portion thereof and each present and each future Owner (as hereinbelow defined) thereof These covenants, conditions, restrictions, and Declarant. easements, reservations and charges shall run with the Property and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any portion thereof and shall inure to the benefit of and bind each Owner thereof and their respective successors in interest, and are imposed upon the Property and each and every portion thereof as a servitude in favor of the Property and each and every portion thereof as the dominant tenement or tenements, all of follows, to wit:

ARTICLE I

DEFINITIONS

Section 1.01. "Committee" shall mean the single architectural and landscaping committee formed pursuant to Article V hereof.

Section 1.02. "Close of Escrow" shall mean the date on which a deed conveying any hot is recorded in the Office of the County Recorder of the County.

Section 1.03. "Declarant" shall mean the entity or person first described above, its successors and any person to which it shall have assigned its rights hereunder by an expressed written assignment.

 $\frac{\text{Section 1.04}}{\text{it may be amended from time to time}}$.

Section 1.05. "Dwelling Unit" shall mean a detached building located on a Lot and designed and intended for use and occupancy as a residence by a single Family.

Section 1.06. "Family" shall mean (1) a group of natural Persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of not more than five (5) Persons not all so related, inclusive of their domestic servants, who maintain a common household in a Dwelling Unit.

Section 1.07. "Improvement" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, walkways, bicycle trails, sprinkler pipes, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, poles, signs, exterior air conditioning and water-softener fixtures or equipment, slopes, drainage facilities, and all landscaping, hedges, windbreaks, plantings, planted trees and shrubs.

Section 1.08. "Lot" shall mean any residential plot of land shown upon any recorded subdivision map or recorded parcel map of the Project.

Section 1.09. "Mortgage" shall mean any mortgage or decd of trust or other conveyance of a Lot to secure the performance of an obligation, which will be reconveyed upon the completion of such performance. The term "Deed of Trust" or "Trust Deed" when used herein shall be synonymous with the term "Mortgage".

Section 1.10. "Mortgagee" shall mean a Person to whom a Mortgage is made and shall include the beneficiary of a Deed of Trust; "Mortgagor" shall mean a Person who mortgages his or its

property to another (i.e., the maker of a Mortgage), and shall include the Trustor of a Deed of Trust. The term "Trustor" shall be synonymous with the term "Mortgagor", and the term "Beneficiary" shall be synonymous with the term "Mortgagee".

Section 1.11. "Owner" shall mean the Person or Persons, including Declarant, holding fee simple interest of record to any Lot which is a part of the Project, including sellers under executory contracts of sale, but excluding those having such interest merely as security for the performance of an obligation. For purposes of Article Improvements only, unless the context otherwise requires, "Owner" shall also include the family, guests, invitees, licensees and lessees of any Owner.

Section 1.12. "Person" shall mean a natural individual, a corporation or any other entity with the legal right to hold title to real property.

Section 1.13. "Project" shall mean that certain real property described in Paragraph A of the Recitals to this Declaration and all Improvements now or hereafter constructed thereon.

Section 1.14. "Recorded" of "Filed" shall mean, with respect to any document, the recordation or filing of such document in the Office of the County Recorder of the County.

Section 1.15. "Street" shall mean any street or other thoroughfare, shown on any recorded subdivision may or parcel map of the Project.

The foregoing definitions shall be applicable to this Declaration and also to any Declaration of Amendment, unless otherwise expressly provided, recorded pursuant to the provisions of this Declaration.

ARTICLE II

"SE RESTRICTIONS

All real property within the Project shall be held, used and enjoyed subject to the following limitations and restrictions, subject to the exemptions of Declarant set forth therein:

Section 2.01. Single Family Residence. Each Lot shall have a Dwelling Unit constructed thereon which shall be used as a residence for a single Family and for no other purpose.

Section 2.02. Buildings. No Dwelling Unit shall be erected, altered, placed, or permitted to remain on any Lot other than one designed to accommodate no more than a single Family and its servants and occasional guests, plus an attached garage and fencing and such other Improvements as are necessary or customarily incident to a single Family Dwelling Unit.

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Section 2.03. Signs. No sign, poster, billboard, advertising device or other display of any kind shall be displayed to the public view on any portion of the Project without the prior written consent of the Committee, except one sign for each Dwelling Unit, of customary and reasonable dimensions, advertising the property for sale or rent, or except signs, regardless of size, used by Declarant, its successors or assigns, for directional or informational purposes or to advertise the Project during the construction and sale period. All signs or billboards and the conditions promulgated for the regulation thereof shall conform to the requirements of all applicable governmental ordinances.

Section 2.04. Temporary Buildings. Subject to the provisions of Article VII of this Declaration, no outbuilding, basement, tent, privy, shack, shed or other temporary building of any kind shall be placed upon any portion of the Project either temporarily or permanently.

Section 2.05. Nuisances. No Lot shall be used in such manner as to obstruct or interfere unreasonably with the residential uses of other Lots. No noxious or offensive activity (including, but not limited to, the repair of motor vehicles) shall be carried on, in or upon any Lot, nor shall anything be done thereon which may be or become an unreasonable annoyance or nuisance to any other Owner. Without limiting the generality of the foregoing provisions, no loud noises or noxious odors, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), no noisy or smoky vehicles, power equipment or power tools, unlicensed offroad motor vehicles or items which may unreasonably interfere with television or radio reception of any Owner in the Project, shall be located, used, operated or placed on any portion of the Project, or exposed to view within the Project of other Owners without the prior written approval of the Committee. The Committee shall have the right to determine if any noise, odor, interference or activity producing the noise, odor or interference constitutes a nuisance.

Section 2.06. Antennae. No television or radio antenna, C.B. antenna, pole or other antenna of any type shall be erected or maintained on any portion of a Lot unless located entirely within the Dwelling Unit. A master antenna or cable televisions system may be provided for the use of all Owners, and Declarant may reserve and grant easements for such purposes.

Section 2.07. Animal and Insect Restriction. No reptiles, insects, poultry or other animals of any kind shall be raised, bred or kept on any Lot, except domestic dogs, cats, fish, birds and other household pets may be kept on Lots, provided that they are not kept, bred or maintained for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreason-

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able quantities" shall ordinarily mean more than two (2) pets per Dwelling Unit, provided, however, that the Committee may determine that a reasonable number in an instance may be more or less. The Committee shall have the right to prohibit maintenance of any animal which in its opinion constitutes a nuisance to any other Owner. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Project must be either kept within an enclosure, or enclosed patio or on a leash being held by a Person capable of controlling the animal. Furthermore, the Owner shall be absolutely liable to each and all remaining Owners, their families, guests, tenants and invitees, for damage or injury to any person or property caused by any animal brought or kept upon the Project by an Owner or by members of his family, his tenants or his guests.

Section 2.08. Vehicles and Garages. No Owner shall park, store or keep anywhere within the Project any commercial-type venicle (dump truck, cement-mixer truck, oil or gas truck or delivery truck or any truck which exceeds three-quarter (3/4/) ton, any recreational vehicle (camper unit, house, car, motor home), bus, trailer, trailer coach, camp trailer, boat, aircraft, mobile home or inoperable vehicle, or any kind unless obscured from view by a fence or other appropriate screening device. With the exception of normal washing and polishing, no Owner shall conduct repairs or restorations of any motor vehicle, boat, trailer, aircraft, or other vehicle upon any portion of the Project unless such repairs or restoration is obscured from view by a fence or other appropriate screening device. Garage doors shall remain closed except for reasonable periods while the garages are being used. Garages shall be used for garage purposes only and shall not be converted to other uses. Vehicles owned, operated or within the control of any Owner shall be parked in the garage of such Owner to the extent of the space available therein, and each Owner shall ensure that his garage is maintained so as to be capable of accommodating at least one (1) full-sized automobile. No trailer, camper, motor home, boat or recreational vehicle shall be used as a residence in the Project, either temporarily or permanently. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner so as to permit any activity which would be contrary to any local governmental ordinances.

Section 2.09. Eusiness or Commercial Activity. No part of the Project shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such non-residential purposes; except Declarant, its successors or assigns, may use any portion of the Project owned by Declarant for a model home site, display and sales office during the construction and sales period in accordance with this Declaration, and except professional and administrative occupations

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without external evidence thereof, for so long as such occupations are in conformance with local governmental ordinances and are merely incidental to the use of the Dwelling Unit as a single Family residential home. Each Owner may rent or lease the Dwelling Unit on the Lot, by means of a written lease or rental agreement subject to the provisions of Sections 2.13 hereof.

Section 2.10. Trash. No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Lot, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Project, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants, Trash containers shall be exposed to the view of neighboring Lots only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours). There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor and fire pits in the enclosed yards designed in such a manner that they do not create a fire hazard. No clothing or household fabrics shall be hung, dried or aired in such a way in the Project as to be visible to other Lots in the Project, and no lumber, grass, shrub, or tree clippings or plant waste, metals, bulk materials, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Project except within an enclosed structure or appropriately screened from view.

Section 2.11 No Hazardous Activities. No activities shall be conducted on any portion of the Project, and no Improvements shall be constructed on any lot which are or might be unsafe or hazardous to any Person or property.

Section 2.12. No Mining and Drilling. No portion of the Project shall be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth.

Section 2.13. Further Subdivision. No Owner shall further subdivide or partition his Lot; provided, however, that this provision shall not be construed to limit the right of an Owner (1) to rent or lease all of his Lot by means of a written lease or rantal agreement subject to the restrictions of this Declaration, so long as the Lot is not leased for transient or hotel purposes; (2) to sell his Lot; or (3) to transfer or sell his Lot to more than one Person to be held by them as tenants-in-common, joint tenants, tenants by the entirety or as community property. The terms of any such rental or lease agreement shall provide that such agreement is subject in all respects to the provisions of this Declaration, and any failure by the Lessee of such Lot to comply with the terms of this Declaration shall constitute a default under the lease.

Section 2.14. Water and Sewer Systems. No individual water supply system, water softener system or sewage disposal system shall be permitted on any Lot unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district and any applicable governmental health authority having jurisdiction.

Section 2.15. Drainage. There shall be no interference with or obstruction of the established surface drainage pattern over any Lot within the Project, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Committee. Any alteration of the established drainage pattern must at all times comply with all applicable local governmental ordinances. For the purpose thereof, "established" drainage is defined as the drainage which exists at the time the overall grading of any Lot is completed by Declarant, or that which is shown on any plans approved by the Committee or the applicable governmental agency or entity having jurisdiction. Each Owner shall maintain, repair and replace and keep free from debris or obstructions the drainage system and devices, if any, located on his Lot.

Section 2.16. Lawful Use. Neither the Property, nor any portion thereof, shall be used for any purpose tending to injure the reputation thereof, or to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance, or in violation of any public law, ordinance, or regulation in any way applicable thereto.

ARTICLE III

EASEMENTS, SLOPES, AND ENCROACHMENTS

Section 3.01. Utility Easements. Each Owner agrees that his Lot is granted subject to easements for utility installations and maintenance. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on any recorded map of the Project. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities. The utility easement areas of each lot and all Improvements located within any such easement areas shall be maintained continuously by the Owner of such Lot, except for those Improvement for which a public authority or utility company is responsible.

Section 3.02. Access to Slopes and Drainage Ways. Each Owner shall permit free access by Owners of other Lots to slopes or drainage ways, if any, located on his Lot, which slopes or drainage ways affect said other Lots, when such access is essentiated.

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tial for the maintenance of permanent stabilization on such slopes or for the maintenance of said drainage ways for the protection or use of said other Lots.

Section 3.03. Slope and Drainage Facility Maintenance. The slope areas, if any, of each Lot and all Improvements in them shall be maintained continuously by the Owner of the Lot. Each Owner shall also maintain all drainage facilities on his lot in proper working order including keeping the facility free from debris and obstructions. No landscaping or irrigation materials shall be installed within such slope areas except for landscaping and irrigation materials approved by the City. Any modifications to the slope areas shall be undertaken only with the approval of the Committee and only in compliance with local ordinances pertaining to the same.

Section 3.04. Sight Lines. No Improvements shall be constructed, located or maintained upon any Lot which, without proper care, in the reasonable opinion of the Committee, will unduly impede or detract from the view of any Lot. The Committee shall have the right to require any Owner to remove, trim, top or prune any Improvement which, in the reasonable opinion of the Committee, impedes or detracts from the view of any Lot. The Committee may from time to time adopt landscaping standards which shall govern the planting and emplacement of trees, bushes, shrubs or plants from and after the date of adoption of such standards by the Committee. Nothing contained herein shall be construed in derogation of any local ordinances pertaining to such matters.

Section 3.05. Preservation of Trees and Natural Slopes. The oak trees existing on Lots 4, 5, 6, 15, and 16 shall not be removed by the Declarant or Owner of each of such Lots without the prior written consent of the Committee and appropriate agency of the City of Escondido.

All future construction or grading on Lots 8, 9, 12, 15 and 23 shall comply with the City of Escondido Grading Ordinance and Guidelines for Grading Design by utilizing terrain conforming foundations, such as pole, split levels, retaining wall treatments to minimize grading.

Section 3.06. Landscape Maintenance Easement. The "Landscape Maintenance Easement" shall be maintained by the City of Escondido. The "Landscape Maintenance Easement" refers to that property adjacent to Lots 2, 3, 4, 5, 6, 7, 8, 25, 26, and 27 bordered on the north by Citracado Parkway running up slope to the fences and/or mow strips for said lots; that property adjacent to Lot 1 bordered on the north by Citracado Parkway and on the east by Scenic Trails Way running up slope to the fence and/or mow strip for said lot; that property adjacent to Lot 24

bordered on the north by Citracado Parkway and on the west by Scenic Trails Way running up slope to the fence and/or mow strip for said lot. Owners may not landscape, excavate, build upon or otherwise disturb improvements located within the "Landscape Maintenance Easement".

ARTICLE IV

LANDSCAPE, IRRIGATION AND MAINTENANCE

Section 4.01. Installation of Landscaping and Fencing. Within ninety (90) days after the Close of Escrow for the sale of a Lot with a Dwelling Unit thereon in the Project from Declarant to a purchaser, the Owner of such Lot may, but shall not be required to, install fencing (which, subject to Section 3.04 hereof, shall be no higher than the maximum allowable under the City Code of the City of Escondido for the location of each such fence, but in any event not to exceed sixty (60) inches in height, and constructed of wrought iron, splir block, slumpstone, approved wood, or a combination thereof), plant lawns or otherwise landscape his Lot and thereafter maintain the landscaping of his Lot in a neat and attractive condition, in accordance with a landscape plan approved in writing by the Committee pursuant to Article V, Section 5.03, of this Declaration. Said plan shall provide for landscaping sufficient to prevent drainage or flow of water from said Owner's Lot onto any adjacent Lot. All vegetation on the Lots shall be irrigated and fertilized regularly. Each Owner of a Lot shall cut, prune, irrigate and maintain regularly the landscaping thereon. In the event of a failure of an Owner to comply with any of the foregoing requirements (which failure shall be regarded as a nuisance), the Committee or its duly authorized appointees or agents shall or any Owner may so notify the Owner in writing and direct such Owner to do whatever work is necessary to secure compliance with this Section. within thirty (30) days after such Owner's receipt of said written notice, the Owner's Lot still does not conform to the requirements of this Section, the Committee or its duly authorized appointees or agents shall or any other Owner may have the right either to seek any remedies at law or in equity which it may have or to enter upon the offending Lot and remove weeds, rubbish or other materials and do all things necessary to place such Lot in compliance with this Section, including the installation, irrigation and fertilization of vegetation and other landscaping. The Committee shall have the right to order such work to be accomplished by any third party at any time after sending notice to such Owner. The Committee or any other Owner shall have the right to commence an action at law against any such Owner to recover the cost of such work or to require the Owner to perform such work. Interest shall accrue on such delinquent amounts at the then maximum rate permitted under the law from and after expiration of such thirty (30) day period, and any judgment in favor of the Committee or any other Owner shall include all costs of suit and reasonable attorneys fees.

Section 4.02. Exterior Maintenance and Repair; Owner's ations. No Improvement anywhere within the Project shall Obligations, be permitted to fall into disrepair, and each improvement shall at all times be kept in good condition and repair and free from debris and obstructions. In the event that any Owner shall permit any Improvement which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Committee upon fifteen (15) days prior written notice to the Owner of such property, shall have the right to correct such condition, and to enter upon such Owner's Lot for the purpose of doing so, and such Owner shall promptly reimburse the Committee for the cost there-of. Such cost shall be recoverable by the Committee in the same manner as set forth in Section 4.01 of this Article. The Owner of the offending Lot shall be personally liable, and his Lot may be subject to a mechanic's lian, for all costs and expenses incurred by the Committee intaking such corrective action, plus costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor.

Ecction 4.03. Maintenance Upon Landscape Maintenance Easement. It shall be the sole responsibility and obligation of the City of Escondido to maintain all landscape in the "Landscape Maintenance Easement".

ARTICLE V

ARCHITECTURAL AND LANDSCAPING COMMITTED

Section 5.01. Members of Committee. The Architectural and Landscaping Committee, sometimes referred to in this Declaration as the "Committee", shall consist of three (3) members. initial members shall be those individuals identified at Exhibit attached hereto and by this reference incorporated herein. The initial business address of the Committee shall be the location specified on such Exhibit "B". Declarant shall have the unrestricted right to appoint and remove a majority of the Members of the Committee and to fill any vacancy of such majority until the "turnover date" which shall be the date on which either (1) ninety percent (90%) of the Lots subject to this Declaration have been sold and the deed recorded ("Close of Escrow"), or (2) five years following the date this Declaration is recorded, whichever occurs earlier. Declarant may at any time assign in writing such powers of removal and appointment to any developer of Lots in the Project, subject to such terms and conditions as Declarant may impose. Commencing one (1) year from the date of Close of Escrow for the sale of the first Lot in the Project to a purchaser (other than a developer) from Declarant, the Owners of a majority of the Lots (excluding Lots owned by Declarant) shall have the power to appoint in writing one (1) member to the

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Committee, until the turnover date. Thereafter, the Owners of a majority of the Lots (including Lots owned by Declarant) shall have the power to appoint and remove all of the members of the Committee. Members of the Committee appointed to the Committee by Declarant need not be residents of the Project, but all other Members of the Committee must be full-time residents of the Project.

Section 5.02. Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder; provided, however, the Committee shall not meet less than once each year. The Committee may from time to time, by resolution unanimously adopted in writing, designate a Committee Pepresentative (who may, but need not, be one of its Members) to take any action or perform any duties for and on behalf of the Committee, except the granting of variances pursuant to Section 5.08 hereof. In the absence of such designation, the vote or the written consent of a majority of the Committee taken without a meeting, shall constitute an act of the Committee.

Section 5.03. Review of Proposed Construction, Subject to Article VII of this Declaration, no building, fence, wall, patio cover or other Improvement shall be constructed, erected, painted, repaired or maintained upon the Project, nor shall any exterior addition thereto or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmory of external design and color, location in relation to surrounding structures and topography, and, whenever reasonably possible, the preservation of views, by the Committee. The Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration or addition contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Project as a whole and that the appearance of any structure affected thereby will be in harmony with the surrounding structures. The Committee may condition its approval of proposals or plans and specifications on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Committee may also issue standards or guidelines setting forth procedures for the submission of plans for approval, requiring a reasonable fee payable to the Committee for any costs involved to accompany each application for approval, or additional factors which it will take into consideration in reviewing submissions. The Committee may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as the reasonable cost of the construction, alteration or addition contemplated. The Committee may require such detail in plans and

specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Until receipt by the Committee of any required plans and specifications, the Committee may postpone review of any plans submitted for approval. Each Owner shall obtain a written receipt for any plans and specifications submitted to the Committee for approval. Decisions of the Committee and the reasons therefor shall be transmitted by the Committee to the applicant at the address set forth in the application for approval. within thirty (30) days after receipt by the Committee of all materials required by the Committee. Any application submitted pursuant to this Section 5.03 shall be deemed approved, unless written disapproval or a request for additional information or materials by the Committee shall have been transmitted to the applicant within thirty (30) days after the date of receipt by the Committee of such application or additional information. Notwithstanding the foregoing, Declarant need not seek approval of the Committee with respect to its construction activities, until Close of Escrow for the sale of he last Lot in the Project from Declarant to a member of the public pursuant to a Final Subdivision Public Report as issued by the California Department of Real Estate.

Section 5.04. No Waiver of Future Approvals. The approval of the Committee to any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matter whatever subsequently or additionally submitted for approval or consent.

Section 5.05. Compensation of Members. The Members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses actually incurred by them in the performance of their duties thereunder.

section 5.06. Correction of Defects. Inspection of work
and correction of defects therein shall proceed as follows:

(a) The Committee or its duly authorized representative may at any time inspect any Improvement for which approval of plans is required under this Article V; provided, however, that the Committee's right of inspection of Improvements for which plans have been submitted and approved shall terminate sixty (60) days after such work of Improvement shall have been completed and the respective Owner shall have given written notice to the Committee of such completion. The Committee's rights of inspection shall not terminate pursuant to this paragraph in the event that plans for the work of Improvement have

not previously been submitted to and approved by the Committee. If, as a result of such inspection, the Committee finds that such Improvement was done without obtaining approval of the plans therefor or was not done in substantial compliance with the plans approved by the Committee, it shall notify the Owner in writing of failure to comply with this Article V within sixty (60) days from the inspection, specifying the particulars of noncompliance. The Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the non-compliance.

- (b) If upon the expiration of sixty (60) days from the date of such notification, the Owner shall have failed to remedy such non-compliance, the Committee shall determine the estimated cost of correcting or removing the same, and the Committee, at its option, may record a Notice of Non-Compliance and may peacefully remedy the non-compliance, and the Owner shall reimburse the Committee, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Committee, then the Committee shall have all rights at law or in equity to collect such expenses, in accordance with the provisions of Section 4.01 of this Declaration.
- (c) If for any reason the Committee fails to notify the Owner of any non-compliance with previously submitted and approved plans within sixty (60) days after receipt of said written notice of completion form the Owner, the Improvement shall be deemed to be in accordance with said approved plans.
- Section 5.07. Non-Liability of Committee Members. Neither Declarant, the Committee nor any Members thereof, nor their duly authorized representatives shall be liable to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder, unless duc to the willful misconduct or bad faith of the Committee. The Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, on the basis of satisfaction of the Committee with the grading plan, location of the Improvements on the Lot, the finished ground elevation, the color scheme, finish, design, proportions, architecture, shape, height, style and appropriateness of proposed Improvements to views from adjoining Lots, the materials used therein, the kinds, pitch or type of roof proposed to be placed thereon, the planting, landscaping, size, height or location of vegetation on a Lot, or on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Project generally. The Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plans or design be deemed approval of, any

plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 5.08. Variance. The Committee may variances from compliance with any of the architectural provisions of this Declaration, including without limitation restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require. Such variances must be evidenced in writing, must be signed by at least a majority of the Members of the Committee and shall become effective upon recordation. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaracion for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the use of his Lot, including but not limited to zoning ordinances, sight line requirements and Lot setback lines or requirements imposed by any governmental authority.

ARTICIE VI

TERMINATION, AMENDMENT AND SEVERABILITY

Section 6.01. Termination and Amendment. All the covenants, conditions, and restrictions contained in this Declaration shall run with the Project and shall be binding on, and enforceable by, all Owners for a period of time extending until the thirtieth (30th) anniversary of the recordation of this Declaration, and thereafter said covenants, conditions and restrictions shall automatically be extended for successive periods of ten (10) years, unless, by a written instrument signed by the Owners of seventy-five percent (75%) of the Lots at any time and Recorded, the Owners determine to revoke or change in whole or in part this Declaration, subject to the provisions of Article VI of this Declaration. Mo amendment co Articles II, III, or IV or to this Section of this Declaration may be made without prior written consent from the City of Escondido.

Section 6.02. Severability. Invalidation of any one of the easements, covenants, conditions or restrictions of this Declaration by judgment or court order shall not affect other provisions of this Declaration, which provisions shall remain in full force and effect.

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ARTICLE VII

EXEMPTION AND RIGHTS OF DECLARANT

Nothing in this Declaration shall limit the right of Declarant to complete construction of Improvements on the Project or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to the completion and the sale by Declarant, of all of the Lots in the Project. Such rights shall include, but shall not be limited to, erecting, constructing, and maintaining on any portion of the Project owned by Declarant such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease, or otherwise. Declarant specifically reserves the right to use any unsold Lots on the Project for model and sales offices, and further reserves the right to rent any unsold Lots. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title to a Lot by a purchaser from Declarant to establish on the Lot additional easements, reservations and rights-of-way for itself, utility companies, or others as may from time to time be reasonably necessary for the proper development and disposal of the Project. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. Declarant further reserves the right to alter floor plans, styles, quality, size and cost of Dwelling Units owned by Declarant in the Project without first seeking the approval of the Committee. Declarant may further subdivide any Lot owned by Declarant. The rights of Declarant in the Project and/or as the Declarant hereunder may be assigned in part or in whole by Declarant to any successor. The provisions of this Article shall not be altered or terminated without the prior written consent of Declarant for so long as any Lots in the Project remain unsold.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Enforcement. Breach of any of the easements, covenants, conditions, and restrictions contained in this Declaration and the continuation of any such breach may be enjoined, abated, or remedied by appropriate legal or equitable proceedings by an Owner, by the Committee (or member thereof), or by Declarant; provided, however, that any matter duly approved by the Committee as provided herein shall be deemed not to be in violation of any provision of this Declaration. It is hereby agreed that recovery of damages at law for any breach of the provisions of this Declaration would not be an adequate remedy. Breach of any easements, covenants, conditions or restrictions contained in this Declaration shall not defeat or render invalid

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the lien of any recorded Mortgage, or any part thereof, made in good faith and for value as to any Lot of the Project; but such easements, covenants, conditions and restrictions shall be binding and effective against any Owner of a Lot or Lots whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

Section 8.02. Costs and Attorneys Fees. If an action is instituted in a court of competent jurisdiction to enforce any of the covenants, conditions, restrictions, or easements contained in this Declaration, the party against whom the judgment, decree, order, or declaration is entered shall, and agrees to, pay all costs of suit and reasonable attorneys fees, such as may be established by said court.

Section 8.03. No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant, or its agents or employees in connection with the Project or any portion of the Project dealing with its physical condition, zoning, compliance with applicable laws, purpose of intended use, the preservation of views, if any, nor in connection with the subdivision, sale operation, or use of the Project except as specifically and expressly set forth in this Declaration and except as may be filed by Declarant from time to time with the California Department of Real Estate or with any other governmental authority.

Section 8.04. Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Project does and shall be conclusively deemed to have consented and agreed to the reasonableness and binding effect of every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in the Project, or any portion thereof.

Section 8.05. Insurance Obligations of Owners. Each Owner shall be solely responsible for insuring all of his Dwelling Unit or Units, including without limitation the structural portions of such Dwelling Unit or Units, against loss or damage by fire or other casualty. Each Owner shall also be solely responsible for obtaining adequate comprehensive public liability insurance, including medical payments and malicious mischief, insuring against liability for bodily injury, death and property damage arising from his activities on his Lot or Lots.

Section 8.06. Notices. Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48)

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Non-Order Search Doc: SD:1988 00557639

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hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Committee for the purpose of service of such notice, or to the residence of such person if no address has been given to the Committee. Such address may be changed from time to time by notice in writing to the Committee.

Declarant has executed this Declaration as of the date first written above.

DECLARANT:

BOCZANOWSKI, INC. A California Corporation

Procident

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ACKNOWLEDGMENT

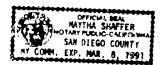
STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

On this 20 day of the public in and for said State, personally appeared PHILIP J. BOCZANOWSKI, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President of BOCZANOWSKI, INC., the Corporation that executed the within instrument and acknowledged to me that such Corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public

(SEAL)



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EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Parcel 1 through 4 of Parcel Map 12713, in the County of San Diego, State of California, as filed in the Office of the County Recorder of San Diego County, May 19, 1983 as file No. 83-166660 of Official Records.

Together with the North 51.00 feet of said Parcel Map.

EXHIBIT "B"

ARCHITECTURAL AND LANDSCAPING COMMITTEE

Initial Members:

MARY SILLS ROBERT A. BOOKER ROBERT G. LUCIDO

Initial Business Address:

BOCZANOWSKI, INC. 6335 Nancy Ridge Drive San Diego, CA 92121