REAL ESTATE TRANSFER DISCLOSURE STATEMENT

(CALIFORNIA CIVIL CODE §1102, ET SEQ.)

(C.A.R. Form TDS, Revised 6/24)

☐ This property is a duplex, triplex or fourplex. A TDS is required for all units. This TDS is for ALL units (or ☐ only unit(s) ___).

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Spring Valley, **COUNTY OF** San Diego, **STATE OF CALIFORNIA, DESCRIBED AS** 8745 Spring Canyon Dr, Spring Valley, CA, 91977 .

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH § 1102 OF THE CIVIL CODE AS OF (DATE) 07/22/2026 **. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.**

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to § 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

☒ Inspection reports completed pursuant to the contract of sale or receipt for deposit.

☒ Additional inspection reports or disclosures: Seller may have obtained a limited number of third-party inspections that will be supplied to Buyer at buyers request if available.

☒ *No substituted disclosures for this transfer.*

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller ☐ is ☒ is not occupying the property.

A. The subject property has the items checked below:*

☒ Range
☒ Oven
☒ Microwave
☒ Dishwasher
☐ Trash Compactor
☐ Garbage Disposal
☒ Washer/Dryer Hookups
☐ Rain Gutters
☐ Burglar Alarms
☐ Carbon Monoxide Device(s)
☒ Smoke Detector(s)
☒ Fire Alarm
☐ TV Antenna
☐ Satellite Dish
☐ Intercom
☒ Central Heating
☒ Central Air Conditioning
☐ Evaporator Cooler(s)

☐ Wall/Window Air Conditioning
☐ Sprinklers
☒ Public Sewer System
☐ Septic Tank
☐ Sump Pump
☐ Water Softener
☒ Patio/Decking
☐ Built-in Barbecue
☐ Gazebo
☐ Security Gate(s)
☒ Garage:
☐ Attached ☒ Not Attached
☐ Carport
☐ Automatic Garage Door Opener(s)
☒ Number Remote Controls ____
☐ Sauna
☐ Hot Tub/Spa:
☐ Locking Safety Cover

☐ Pool:
☐ Child Resistant Barrier
☐ Pool/Spa Heater:
☐ Gas ☐ Solar ☐ Electric
☒ Water Heater:
☒ Gas ☐ Solar ☐ Electric
☒ Water Supply:
☒ City ☐ Well
☐ Private Utility or
Other Otay Water district
☒ Gas Supply:
☒ Utility ☐ Bottled (Tank)
☐ Window Screens
☐ Window Security Bars
☐ Quick Release Mechanism on Bedroom Windows
☐ Water-Conserving Plumbing Fixtures

Exhaust Fan(s) in No 220 Volt Wiring in ______ Fireplace(s) in Living Room
☐ Gas Starter ______ ☒ Roof(s): Type: Asphalt Shingles Age: Unknown (approx.)
☐ Other: ______

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? ☐ Yes/☒ No. If yes, then describe. (Attach additional sheets if necessary): List of items in the home may not be complete. Any items remaining in home at time of sale will be left. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.

(*see note on page 2)

Property Address: 8745 Spring Canyon Dr, Spring Valley, CA, 91977 Date: 07/22/2026

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? ☐ Yes/☒ No. If yes, check appropriate space(s) below.

☐ Interior Walls ☐ Ceilings ☐ Floors ☐ Exterior Walls ☐ Insulation ☐ Roof(s) ☐ Windows ☐ Doors ☐ Foundation ☐ Slab(s) ☐ Driveways ☐ Sidewalks ☐ Walls/Fences ☐ Electrical Systems ☐ Plumbing/Sewers/Septics ☐ Other Structural Components (Describe:)

If any of the above is checked, explain. (Attach additional sheets if necessary.):

*Installation of a listed appliance, device, or amenity is not a precondition of sale or transfer of the dwelling. The carbon monoxide device, garage door opener, or child-resistant pool barrier may not be in compliance with the safety standards relating to, respectively, carbon monoxide device standards of Chapter 8 (commencing with § 13260) of Part 2 of Division 12 of, automatic reversing device standards of Chapter 12.5 (commencing with § 19890) of Part 3 of Division 13 of, or the pool safety standards of Article 2.5 (commencing with § 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code. § 1101.4 of the Civil Code requires all single-family residences built on or before January 1, 1994, to be equipped with water-conserving plumbing fixtures after January 1, 2017. Additionally, on and after January 1, 2014, a single-family residence built on or before January 1, 1994, that is altered or improved is required to be equipped with water-conserving plumbing fixtures as a condition of final approval. Fixtures in this dwelling may not comply with § 1101.4 of the Civil Code.

C. Are you (Seller) aware of any of the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property . . . . . ☐ Yes ☒ No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property . . . . . ☒ Yes ☐ No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property . . . . . ☐ Yes ☒ No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. . . . . ☐ Yes ☒ No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes . . ☐ Yes ☒ No

   (**Note to C4 and C5:** If transferor acquired the property within 18 months of accepting an offer to sell it, transferor shall make additional disclosures regarding the room additions, structural modifications, or other alterations or repairs on a Seller Property Questionnaire (C.A.R. Form SPQ).)
6. Fill (compacted or otherwise) on the property or any portion thereof . . . . . ☐ Yes ☒ No
7. Any settling from any cause, or slippage, sliding, or other soil problems . . . . . ☐ Yes ☒ No
8. Flooding, drainage or grading problems . . . . . ☐ Yes ☒ No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides . . . . . ☒ Yes ☐ No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements . . . . . ☐ Yes ☒ No
11. Neighborhood noise problems or other nuisances . . . . . ☒ Yes ☐ No
12. CC&R's or other deed restrictions or obligations . . . . . ☒ Yes ☐ No
13. Homeowners' Association which has any authority over the subject property . . . . . ☒ Yes ☐ No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . ☒ Yes ☐ No
15. Any notices of abatement or citations against the property . . . . . ☐ Yes ☒ No
16. Any lawsuits by or against the Seller threatening to or affecting this real property, claims for damages by the Seller pursuant to § 910 or 914 threatening to or affecting this real property, claims for breach of warranty pursuant to § 900 threatening to or affecting this real property, or claims for breach of an enhanced protection agreement pursuant to § 903 threatening to or affecting this real property, including any lawsuits or claims for damages pursuant to § 910 or 914 alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) . . . . . ☐ Yes ☒ No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.):

Property shares party walls and other features in common with adjoining units (townhome). Prior Ownership: insurance claim filed under prior ownership; kitchen and main bathroom renovated. Property is subject to traffic noise. HOA: Spring Canyon Homeowners Association, 619-697-3191. Monthly fee: $701.00. HOA Demand and CCRs attached. HOA has authority over the property. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information relating to this property.

D. 1. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 13113.8 of the Health and Safety Code by having operable smoke detector(s) which are approved, listed, and installed in accordance with the State Fire Marshal's regulations and applicable local standards.

2. The Seller certifies that the property, as of the close of escrow, will be in compliance with § 19211 of the Health and Safety Code by having the water heater tank(s) braced, anchored, or strapped in place in accordance with applicable law.

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller Brad Bonney Authorized Signer on Behalf of Opendoor Property Trust I Date 07/22/2026

Seller Date

III. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- [X] See attached Agent Visual Inspection Disclosure (AVID Form)
- [ ] Agent notes no items for disclosure.
- [ ] Agent notes the following items: ______

Agent (Broker Representing Seller) Opendoor Brokerage Inc. (Please Print) By Lisa Soltez (Associate Licensee or Broker Signature) Date 07/22/2026

IV. AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

- [ ] See attached Agent Visual Inspection Disclosure (AVID Form)
- [ ] Agent notes no items for disclosure.
- [ ] Agent notes the following items: ______

Agent (Broker Obtaining the Offer) ______ (Please Print) By ______ (Associate Licensee or Broker Signature) Date ______

V. BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller Brad Bonney Authorized Signer on Behalf of Opendoor Property Trust I Date 07/22/2026 Buyer ______ Date ______

Seller ______ Date ______ Buyer ______ Date ______

Agent (Broker Representing Seller) Opendoor Brokerage Inc. (Please Print) By Lisa Soltez (Associate Licensee or Broker Signature) Date 07/22/2026

Agent (Broker Obtaining the Offer) ______ (Please Print) By ______ (Associate Licensee or Broker Signature) Date ______

§ 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

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CALIFORNIA ASSOCIATION OF REALTORS®

SELLER PROPERTY QUESTIONNAIRE

(C.A.R. Form SPQ, Revised 6/26)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed. If Seller is exempt from completing a TDS, Seller should either complete an Exempt Seller Disclosure (C.A.R. Form ESD) or use this SPQ form instead:

NOTE TO SELLER: YOU ARE STRONGLY ADVISED TO CAREFULLY REVIEW THE DISCLOSURE INFORMATION ADVISORY (C.A.R. Form DIA) BEFORE YOU COMPLETE THIS SELLER PROPERTY QUESTIONNAIRE. ALL SELLERS OF CALIFORNIA REAL PROPERTY ARE REQUIRED TO PROVIDE VARIOUS DISCLOSURES, WHETHER BY CONTRACT, STATUTE, OR CASE LAW. MANY DISCLOSURES MUST BE MADE WITHIN CERTAIN TIME LIMITS. TIMELY AND THOROUGH DISCLOSURES HELP TO REDUCE DISPUTES AND FACILITATE A SMOOTH SALES TRANSACTION.

Seller makes the following disclosures with regard to the real property or manufactured home described as 8745 Spring Canyon Dr, Spring Valley, CA, 91977, Assessor's Parcel No. 586-190-52-16, situated in Spring Valley, County of San Diego California ("Property").

☐ This property is a duplex, triplex, fourplex, or otherwise has additional dwelling units. A SPQ is required for all units. This SPQ is for ALL units (or ☐ only unit(s) ________________).

1. **Disclosure Limitation: The following are representations made by the Seller and are not the representations of the Agent(s), if any. This disclosure statement is not a warranty of any kind by the Seller or any agents(s) and is not a substitute for any inspections or warranties the principal(s) may wish to obtain. This disclosure is not intended to be part of the contract between Buyer and Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker, has not verified information provided by Seller. A real estate broker is qualified to advise on real estate transactions. If Seller or Buyer desires legal advice, they should consult an attorney.**
2. **Note to Seller, PURPOSE:** To tell the Buyer about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
   - Answer based on actual knowledge and recollection at this time.
   - Something that you do not consider material or significant may be perceived differently by a Buyer.
   - Think about what you would want to know if you were buying the Property today.
   - Read the questions carefully and take your time.
   - If you do not understand how to answer a question, or what to disclose or how to make a disclosure in response to a question, whether on this form or a TDS, you should consult a real estate attorney in California of your choosing. A broker cannot answer the questions for you or advise you on the legal sufficiency of any answers or disclosures you provide.
3. **Note to Buyer, PURPOSE:** To give you more information about known material or significant items affecting the value or desirability of the Property and help to eliminate misunderstandings about the condition of the Property.
   - Something that may be material or significant to you may not be perceived the same way by the Seller.
   - If something is important to you, be sure to put your concerns and questions in writing (C.A.R. Form BMI).
   - Sellers can only disclose what they actually know. Seller may not know about all material or significant items.
   - Seller's disclosures are not a substitute for your own investigations, personal judgments, or common sense.
4. **SELLER AWARENESS:** For each statement below, answer the question "Are you (Seller) aware..." by checking either "Yes" or "No."
   - **A "Yes" answer is appropriate no matter how long ago the item being asked about happened or was documented unless otherwise specified.**
   - **Explain any "Yes" answers** in the space provided or attach additional comments and check **paragraph 19B** is checked and attach additional comments.
5. **DOCUMENTS:** Documents include any reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys, or other documents that pertain to:
   (i) the condition or repair of the Property;
   (ii) any improvement on this Property;
   (iii) easements, encroachments, or boundary disputes affecting the Property.
   These documents include, but are not limited to, any document:
   (i) prepared in the past or present;
   (ii) provided during any previous transaction or from a previous owner;
   (iii) indicating the condition or proposing recommendations, whether or not Seller acted upon them; and
   (iv) whether or not it was provided to the Seller.
   A. Are you (Seller) aware of any Documents regarding the Property that were prepared before your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
   B. Are you (Seller) aware of any Documents regarding the Property that were prepared for you during your ownership, whether in your possession or in the possession of others? ☒ Yes ☐ No
   C. Are you (Seller) aware of any Documents regarding the Property that were provided by others during your ownership (such as Documents obtained by potential buyers)? ☒ Yes ☐ No
   Note: If yes to any, provide any such documents in your possession to Buyer. Receipt for Reports (C.A.R. Form RFR) may be used to list such documents and explanation can be given to provide context.
   If Yes to any, provide explanation: Seller is a corporate entity. Documents in Seller's possession during ownership include work orders, inspection reports, renovation scopes, and third-party assessments. Seller will provide available details upon request.
6. **STATUTORILY OR CONTRACTUALLY REQUIRED OR RELATED: ARE YOU (SELLER) AWARE OF...**
   A. Within the last 3 years, the death of an occupant of the Property upon the Property ☐ Yes ☒ No
   (Note to Seller: The manner of death may be a material fact to the Buyer, and should be disclosed, except for a death by HIV/AIDS.)
   B. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) ☐ Yes ☒ No

C. The release of an illegal controlled substance on or beneath the Property .... ☐ Yes ☒ No
D. Whether the Property is located in, or adjacent to, an "industrial use" zone .... ☐ Yes ☒ No
(In general, a zone or district allowing manufacturing, commercial or airport uses.)
E. Whether the Property is affected by a nuisance created by an "industrial use" zone .... ☐ Yes ☒ No
F. Whether the Property is located within 1 mile of a former federal or state ordnance location (In general, an area once used for military training purposes that may contain potentially explosive munitions.) .... ☐ Yes ☒ No
G. Whether the Property is **(i)** a condominium or **(ii)** located in a planned unit development or **(iii)** other common interest subdivision (see **paragraph 14** for more disclosures).......... ☒ Yes ☐ No
H. Insurance claims affecting the Property within the past 5 years .... ☒ Yes ☐ No
I. Matters affecting title of the Property .... ☐ Yes ☒ No
J. Plumbing fixtures on the Property that are non-compliant plumbing fixtures as defined by Civil Code § 1101.3 ..... ☐ Yes ☒ No
K. Any inspection reports on any exterior balconies, stairways, or other "Elevated Elements" on buildings with 3 or more units on the Property prepared within the last 6 years, or 9 years for condominiums .... ☐ Yes ☒ No
(See C.A.R. Form WBSA for more information)
L. Material facts or defects affecting the Property not otherwise disclosed to Buyer .... ☐ Yes ☒ No

If Yes to any, provide explanation:
G) Property is part of HOA. H) Insurance claim filed under prior ownership; kitchen and main bathroom renovated. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

7. REPAIRS AND ALTERATIONS: **ARE YOU (SELLER) AWARE OF...**

A. Any alterations, modifications, replacements, improvements, remodeling, or material repairs on the Property (including those resulting from Home Warranty claims) .... ☒ Yes ☐ No
B. Any alterations, modifications, replacements, improvements, remodeling, or material repairs to the Property done for the purpose of energy or water efficiency improvement or renewable energy? .... ☐ Yes ☒ No
C. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service) .... ☐ Yes ☒ No
D. Any part of the Property being painted within the past 12 months .... ☒ Yes ☐ No
E. Whether the Property was built before 1978 (if No, leave (1) and (2) blank).......... ☐ Yes ☒ No
(1) If yes, whether any renovations (i.e., sanding, cutting, demolition) of lead-based paint surfaces started or completed (if No, leave (2) blank) .... ☐ Yes ☒ No
(2) If yes to (1), whether such renovations were done in compliance with the Environmental Protection Agency Lead-Based Paint Renovation Rule .... ☐ Yes ☒ No
F. Whether you acquired the property within 18 months of accepting an offer to sell it.......... ☒ Yes ☐ No
If yes, have any room additions, structural modifications, or other alterations or repairs (collectively "Improvements") been performed by a contractor while you have owned the Property?.......... ☒ Yes ☐ No
Note 1: If yes to F(1), Seller shall provide in the Explanation below: **(i)** a list of such Improvements and (ii) the name and contact information for each contractor who performed services of $1,000 or more.
Note 2: If yes to F(1), Seller shall provide in the Explanation below **(i)** a list of those Improvements for which Seller has obtained permits, and Seller shall attach copies of those permits to this SPQ, and **(ii)** for those Improvements for which Seller does not have a permit, Seller shall include a statement identifying those Improvements stating that Seller was not provided permits by the third party making the Improvement, and providing the contact information for such third parties from whom the Buyer may obtain those permits.

If Yes to any, provide explanation:
A) Per work order, general readiness and maintenance work was performed during current ownership; no work required a permit. D) Interior and exterior surfaces were painted within the past 12 months. F) Property was acquired within 18 months of accepting Buyer's offer to purchase.

8. STRUCTURAL, SYSTEMS AND APPLIANCES: **ARE YOU (SELLER) AWARE OF...**

A. Defects in any of the following (including past defects that have been repaired): heating, air conditioning, electrical, plumbing (including the presence of polybutylene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors, or appliances .... ☐ Yes ☒ No
B. The existence of a solar power system (if yes, Seller to provide C.A.R. Form SOLAR).......... ☐ Yes ☒ No
C. The existence of a septic system, well, or propane tank (if yes, Seller to provide C.A.R. Form SWPI-Q).......... ☐ Yes ☒ No
D. The leasing of any of the following on or serving the Property: water softener system, water purifier system, or alarm system .... ☐ Yes ☒ No
E. Whether any structure on the Property other than the main improvement is used as a dwelling .... ☐ Yes ☒ No
(1) If Yes to E, whether there are separate utilities and meters for the dwelling.......... ☐ Yes ☒ No
(2) If Yes to E, whether the dwelling received a permit or other government approval as an Accessory Dwelling Unit (ADU) .... ☐ Yes ☒ No

If Yes to any, provide explanation:
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

9. DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT: **ARE YOU (SELLER) AWARE OF...**

A. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs .... ☐ Yes ☒ No
If yes, was federal flood disaster assistance conditioned upon obtaining and maintaining flood insurance on the Property .... ☐ Yes ☒ No
(NOTE: If the assistance was conditioned upon maintaining flood insurance, Buyer is informed that federal law, 42 USC 5154a requires Buyer to maintain such insurance on the Property, and if such insurance is not maintained, and the Property is damaged by a flood disaster, Buyer may be required to reimburse the federal government for the disaster relief provided.)

B. Receiving domestic water storage tank assistance pursuant to § 13194 of the Water Code or whether the real property ever received such assistance and the real property currently still has the domestic storage tank.............. ☐ Yes ☒ No
If yes, the following disclosure is made: (1) This property has a domestic water storage tank provided by a county, community water system, local public agency, or nonprofit organization, pursuant to § 13194 of the Water Code. (2) The domestic water storage tank was made available to households that had a private water well that had gone dry, or had been destroyed due to drought, wildfire, other natural disasters, or was otherwise nonfunctioning. (3) The domestic water storage tank provided pursuant to § 13194 of the Water Code might not convey with the real property. (4) Due to the water well issues that led to this property obtaining assistance pursuant to § 13194 of the Water Code, the buyer is advised to have an inspection of the water well and to have a professional evaluate the availability of water to the property to ensure it suits the purposes for which the buyer is purchasing the property.

If Yes to any, provide explanation:
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

10. WATER-RELATED AND MOLD ISSUES: **ARE YOU (SELLER) AWARE OF...**

A. Water intrusion, whether past or present, into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property .... ☒ Yes ☐ No
B. Any problem with or infestation of mold, mildew, fungus, or spores, past or present, on or affecting the Property.. ☐ Yes ☒ No
C. Rivers, streams, flood channels, underground springs, high watertable, floods, or tides, on or affecting the Property or neighborhood .... ☐ Yes ☒ No

If Yes to any, provide explanation:
A) Water intrusion insurance claim filed under prior ownership; kitchen and main bathroom renovated. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

11. PETS, ANIMALS, AND PESTS: **ARE YOU (SELLER) AWARE OF...**

A. Past or present pets on or in the Property .... ☐ Yes ☒ No
B. Past or present problems with livestock, wildlife, insects, or pests on or in the Property .... ☐ Yes ☒ No
C. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above .... ☐ Yes ☒ No
D. Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above .... ☐ Yes ☒ No
If so, when and by whom ______________________

If Yes to any, provide explanation:
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

12. BOUNDARIES, ACCESS, AND PROPERTY USE BY OTHERS: **ARE YOU (SELLER) AWARE OF...**

A. Surveys, easements, encroachments or boundary disputes .... ☐ Yes ☒ No
B. Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways, or other forms of ingress or egress or other travel or drainage.................. ☐ Yes ☒ No
C. Use of any neighboring property by you .... ☐ Yes ☒ No

If Yes to any, provide explanation:
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

13. LANDSCAPING, POOL AND SPA: **ARE YOU (SELLER) AWARE OF...**

A. Diseases or infestations affecting trees, plants, or vegetation on or near the Property .... ☐ Yes ☒ No
B. Operational sprinklers on the Property .... ☐ Yes ☒ No
(1) If yes, are they ☐ automatic or ☐ manually operated.
(2) If yes, are there any areas with trees, plants, or vegetation not covered by the sprinkler system. ☐ Yes ☒ No
C. A pool heater on the Property .... ☐ Yes ☒ No
If yes, is it operational? .... ☐ Yes ☐ No
D. A spa heater on the Property .... ☐ Yes ☒ No
If yes, is it operational? .... ☐ Yes ☐ No
E. Past or present defects, leaks, cracks, repairs, or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage, or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired .... ☐ Yes ☒ No

If Yes to any, provide explanation:
Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

14. CONDOMINIUMS, COMMON INTEREST DEVELOPMENTS AND OTHER SUBDIVISIONS (AND ANY OTHER PROPERTIES FOR WHICH ANY PARAGRAPH A-F APPLIES): (IF APPLICABLE) **ARE YOU (SELLER) AWARE OF...**

A. Property being: **(i)** a condominium; **(ii)** being located in a planned unit development or; **(iii)** being located in a common interest subdivision.................. ☒ Yes ☐ No
B. Any Homeowners' Association (HOA) which has any authority over the subject property.................. ☒ Yes ☐ No
C. Any "common area" (facilities such as pools, fitness centers, walkways, conference rooms, or other areas co-owned in undivided interest with others) .... ☐ Yes ☒ No
D. CC&R's or other deed restrictions or obligations .... ☒ Yes ☐ No
E. Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues, or litigation by or against or fines or violations issued by a Homeowner Association or Architectural Committee affecting the Property .... ☐ Yes ☒ No
F. CC&R's or other deed restrictions or obligations or any HOA Committee that has authority over improvements made on or to the Property .... ☒ Yes ☐ No

Property Address: 8745 Spring Canyon Dr, Spring Valley, CA, 91977

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # ______________.

(1) If Yes to F, any improvements made on or to the Property inconsistent with any declaration of restrictions or HOA Committee requirement .... ☐ Yes ☒ No

(2) If Yes to F, any improvements made on or to the Property without the required approval of an HOA Committee .... ☐ Yes ☒ No

If Yes to any, provide explanation:

A) Property is located in a planned unit development. B) Property is part of HOA. D) Property has CC&Rs or other deed restrictions. F) Contact HOA for specific guidelines and requirements. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

15. TITLE, OWNERSHIP, LIENS, AND LEGAL CLAIMS: **ARE YOU (SELLER) AWARE OF...**

A. Other than the Seller signing this form, any other person or entity with an ownership interest .... ☐ Yes ☒ No

B. Leases, options, or claims affecting or relating to title or use of the Property .... ☐ Yes ☒ No

C. Past, present, pending or threatened lawsuits, settlements, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association, or neighborhood .... ☐ Yes ☒ No

D. Features of the property shared in common with adjoining landowners, such as walls, fences and driveways, whose use or responsibility for maintenance may have an effect on the subject property.......... ☒ Yes ☐ No

E. Any encroachments, easements, boundary disputes, or similar matters that may affect your interest in the subject property, whether in writing or not .... ☐ Yes ☒ No

F. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest-based groups, or any other person or entity. .... ☒ Yes ☐ No

G. Any PACE lien (such as HERO or SCEIP) or other lien on your Property securing a loan to pay for an alteration, modification, replacement, improvement, remodel, or material repair of the Property .... ☐ Yes ☒ No

H. The cost of any alteration, modification, replacement, improvement, remodel, or material repair of the Property being paid by an assessment on the Property tax bill .... ☐ Yes ☒ No

If Yes to any, provide explanation:

F) Per HOA demand statement, a transfer fee of $325.00 is due and payable to the HOA management company at close of escrow. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

16. NEIGHBORS/NEIGHBORHOOD: **ARE YOU (SELLER) AWARE OF...**

A. Neighborhood noise, nuisance, or other problems from sources such as, but not limited to, the following: Neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, underground gas pipelines, cell phone towers, high voltage transmission lines, or wildlife .... ☒ Yes ☐ No

B. Any past or present disputes or issues with a neighbor which might impact the use, development and enjoyment of the Property .... ☐ Yes ☒ No

If Yes to any, provide explanation:

A) Property is subject to traffic noise. Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

17. GOVERNMENTAL: **ARE YOU (SELLER) AWARE OF...**

A. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that applies to or could affect the Property .... ☐ Yes ☒ No

B. Existence or pendency of any rent control, occupancy restrictions, improvement restrictions, or retrofit requirements that apply to or could affect the Property .... ☐ Yes ☒ No

C. Existing or contemplated building or use moratoria that apply to or could affect the Property .... ☐ Yes ☒ No

D. Any state or local requirements or restrictions relating to the future replacement of existing gas-powered appliances that are being transferred with the property. Gas-powered appliances include, but are not limited to, appliances fueled by natural gas or liquid propane .... ☐ Yes ☒ No

E. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property .... ☐ Yes ☒ No

F. Proposed construction, reconfiguration, or closure of nearby Government facilities or amenities such as schools, parks, roadways, and traffic signals .... ☐ Yes ☒ No

G. Existing or proposed Government requirements affecting the Property **(i)** that tall grass, brush or other vegetation be cleared; **(ii)** that restrict tree (or other landscaping) planting, removal, or cutting or **(iii)** that flammable materials be removed .... ☐ Yes ☒ No

H. Any protected habitat for plants, trees, animals, or insects that apply to or could affect the Property.......... ☐ Yes ☒ No

I. Whether the Property is historically designated or falls within an existing or proposed Historic District .... ☐ Yes ☒ No

J. Any water surcharges or penalties being imposed by a public or private water supplier, agency or utility; or restrictions or prohibitions on wells or other ground water supplies .... ☐ Yes ☒ No

K. Any differences between the name of the city in the postal/mailing address and the city which has jurisdiction over the property .... ☐ Yes ☒ No

If Yes to any, provide explanation:

Seller has never occupied this property. Seller encourages Buyer to have their own inspections performed and verify all information.

18. OTHER: **ARE YOU (SELLER) AWARE OF...**

A. Any occupant of the Property smoking or vaping any substance on or in the Property, whether past or present .... ☐ Yes ☒ No

B. Any residue, which may be indicated by smell or test results, from smoking tobacco or nicotine products, which includes the use of an electronic cigarette or vape device.......... ☐ Yes ☒ No

C. Any use of the Property for, or any alterations, modifications, improvements, remodeling or material change to the Property due to, cannabis cultivation or growth .... ☐ Yes ☒ No

D. Whether the Property was originally constructed as a Manufactured or Mobile home .... ☐ Yes ☒ No

Property Address: 8745 Spring Canyon Dr, Spring Valley, CA, 91977

If this Property is a duplex, triplex, fourplex, or otherwise has additional dwelling units this SPQ is for unit # _______________.

E. Whether the Property is tenant occupied .... ☐ Yes ☒ No
If Yes, do you have photographs from the beginning of the tenancy (if in your possession, provide along with any other move-in reports created at the beginning of the tenancy)........................ ☐ Yes ☒ No

F. Whether the Property was previously tenant occupied even if vacant now .... ☐ Yes ☒ No
If yes, disclose if you know the method or manner of how the tenancy ended.

If Yes to any, provide explanation: ____________________

19. MATERIAL FACTS:

A. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer .... ☐ Yes ☒ No

B. ☐ **(IF CHECKED) ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

If Yes to any, provide explanation: ____________________

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from Seller's own duty of disclosure.

Seller *Brad Bonney* Authorized Signer on Behalf of Opendoor Property Trust I Date 07/22/2026

Seller ____________________ Date __________

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer ____________________ Date __________

Buyer ____________________ Date __________

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Opendoor

8745 Spring Canyon Dr # 16, Spring Valley, CA 91977

Information on permits (if any) may be obtained from the contractor

Description	Contractor	Contact Information
Interior paint completed.	G 3 Equity - SAN	G 3 Equity - SAN g3equity@gmail.com (310) 867-1045

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Spring Canyon Homeowners Association

Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 06-15-2026

General Information

This information is good through	06-25-2026
Is this account in collections?	No
What is the current regular assessment against the unit?	701.00
What is the frequency of the assessment charge?	Monthly
The regular assessment is paid through:	06-30-2026
The regular assessment is next due:	07-01-2026
What day of the month are regular assessments due?	1st
How many days after the due date is the regular assessment considered delinquent?	15
The penalty for delinquent assessments is:	10%

Specific Fees Due To Spring Canyon Homeowners Association

Closing agent is required to collect the following number of additional regular assessments at closing:	2
Comments: SELLER MUST PROVIDE BUYER WITH POOL KEYS, GATE TRANSMITTERS(2), AND PARKING PASSES.	
Assessment Data:	
Assessment - Homeowner (Frequency: Monthly)	$701.00
Are there any current special assessments or governing body approved special assessments, against units within the association? If yes, a comment is provided.	No
Is there any change in the association's current regular and special assessments and fees which have been approved by the board, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision? If yes, please comment	No
Owner's current balance due (you may total the owners balance due using the breakdown below):	$0.00

General Association Information

Are there any violations against this unit?	No
Is the association or the developer (if the project has not been turned over to the homeowners association) involved in any current or pending litigation? If yes, a comment is required. (Do not include neighbor disputes or rights of quiet enjoyment, litigation where the claim amount is known and the insurance carrier will provide defense and coverage, or where the HOA is named as a plaintiff in a foreclosure action or to collect past due assessments).	No

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Spring Canyon Homeowners Association

Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: J[redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 06-15-2026

Is there a restriction in the governing documents limiting the occupancy, residency, or use of a separate interest on the basis of age in a manner different from that provided in California Civil Code Section 51.3? If yes, please comment.

Is there a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee or tenant? If yes, please comment

Does a preliminary list of defects exist pursuant to Section 6000 of the Davis Stirling Act? If yes, please comment and provide the list.

Does a Settlement Notice regarding common area defects exist pursuant to Section 6100 of the Davis Stirling Act? If yes, please comment and provide the list.

Insurance Information

Insurance broker's or agent's company name:	Chris DiNino Insurance
Identify the insurance agent's name:	Chris DiNino
Insurance agent's phone number:	760-746-3200
Insurance agent's fax number:	
Insurance agent's email address:	

*Tina Kallas

***Tina Kallas, Escrow Specialist**

Date: 06-11-2026

Castle Breckenridge Management

Phone: 619-697-3191 Ext: 105

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Spring Canyon Homeowners Association

Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: J[redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 06-15-2026

Comments:

SELLER MUST PROVIDE BUYER WITH POOL KEYS, GATE TRANSMITTERS(2), AND PARKING PASSES.

Transfer Fees: There is a transfer fee of $325.00 due and payable to Castle Breckenridge Management at the close of escrow.

Payment Instructions: Please include a detailed cover letter that provides both the seller and buyer mailing addresses.

PLEASE INCLUDE A COPY OF THE RECORDED GRANT DEED.

Violations: All information needed will be sent via fax or e-mail within 48 business hours if there are violations attached to this unit. I am waiting for confirmation from the property manager concerning this matter. If you do not receive any information within the stated 48 hours, this concludes that there are NO violations attached to the unit in question.

Updates: The figures provided will change. Request an updated demand from your account on HomeWiseDocs.com for an update 24-48 hours prior to the close of escrow.

THIS DISCLOSURE IS INTENDED STRICTLY FOR THE USE OF REAL ESTATE AND LENDING PROFESSIONALS. THIS INFORMATION, WHILE DEEMED TO COME FROM RELIABLE SOURCES, IS NOT GUARANTEED. PROSPECTIVE BUYERS OF REAL ESTATE SHOULD SEEK APPROPRIATE AND COMPLETE DISCLOSURES FROM THE SELLER OF THE SUBJECT PROPERTY.

THE RESPONSES HEREIN ARE MADE IN GOOD FAITH AND TO THE BEST OF MY ABILITY AS TO THEIR ACCURACY.

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)
Spring Canyon Homeowners Association
Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: J[redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 06-15-2026

Fee Summary

Amounts Prepaid

Convenience Fee	$9.95
Rush Fee	$100.00
Closing Statement of Fees, Association Documents and Minutes (Required Civil Code Sec. 4525)	$445.00
Insurance Dec Page (Non Required Civil Code Sec. 4525)	$35.00
Annual Board Meeting Minutes (Non Required Civil Code Sec. 4525)	$40.00
Total	**$629.95**

Fees Due to Castle Breckenridge Management

New Account Setup Fee	$325.00
Total	**$325.00**

Fees Due to Spring Canyon Homeowners Association

Prepaid Assessments	$1,402.00
Total	**$1,402.00**

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

Spring Canyon Homeowners Association

Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: J[redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
678-282-2342
Estimated Closing Date: 06-15-2026

PLEASE RETURN THIS FORM WITH YOUR CHECK AND CERTIFIED COPIES OF THE CLOSING DISCLOSURE FORM (FORMERLY THE HUD-1 FORM) AND THE GRANT OR WARRANTY DEED. PLEASE INDICATE CONFIRMATION NUMBER 9254DRL89 ON THE CHECK TO ENSURE PAYMENT IS CREDITED PROPERLY.

Fees Due to Castle Breckenridge Management

New Account Setup Fee	$325.00
Total	**$325.00**

Fees Due to Spring Canyon Homeowners Association

Prepaid Assessments	$1,402.00
Total	**$1,402.00**

Include this confirmation number 9254DRL89 on the check for $325.00 payable to and send to the address below.

Castle Breckenridge Management

5185 Comanche Drive, Suite D

La Mesa, CA 91942

Include this confirmation number 9254DRL89 on the check for $1,402.00 payable to and send to the address below.

Spring Canyon Homeowners Association

5185 Comanche Drive, Suite D

La Mesa, CA 91942

Please return check with barcode for faster processing

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)
Spring Canyon Homeowners Association
Castle Breckenridge Management

Property Information:
8745 Spring Canyon Dr Unit: # 16
Spring Valley, CA 91977-6441
Seller: [redacted]
Buyer: OPENDOOR PROPERTY TRUST I a Delaware

Requestor:
OS National
Processing Team
3097 Satellite Blvd, Suite 500
Duluth , GA 30096
678-282-2342
souprocessing@osnational.com

Closing Information

File/Escrow Number: CA110550
Estimated Close Date: 06-15-2026
HomeWiseDocs Confirmation #: 9254DRL89

Sales Price: $555,000.00
Closing Date:
Is buyer occupant? No

Status Information

Date of Order: 06-02-2026
Board Approval Date:
Order Completion Date: 06-11-2026
Date Paid: 06-05-2026

Order Retrieved Date:
Inspection Date:

Community Manager Information

Company: Castle Breckenridge Management
Completed By: *Tina Kallas
Primary Contact: *Tina Kallas
Address:
5185 Comanche Drive, Suite D
La Mesa, CA 91942
Phone: 619-697-3191 Ext: 105
Fax: 619-697-3164
Email: tkallas@cbmgmt.com

The following notice is pursuant to California Government Code Section 12956.1(b)(1))

Notice

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Restrictive Covenant Modification

Under current state law, including AB1466 effective January 1, 2022, homeowners can request to modify property documents that contain unlawful discriminatory covenants. Government Code Section 12956.2 allows a person who holds an ownership interest of record in property that the person believes is the subject of an unlawfully restrictive covenant to record a Restrictive Covenant Modification document to have the illegal language stricken. Unlawful restrictions include those restrictions based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, national origin, source of income as defined in Government Code Section 12955subdivision (p), ancestry, or genetic information.

To Record a Restrictive Covenant Modification, you must:

- Complete a Restrictive Covenant Modification Form; this must be signed in front of a notary public.
- Attach a copy of the original document containing the unlawful restrictive language with the unlawful language stricken.
- Submit the completed document to the County Recorder.

This document requires the following:

1. Name(s) of current owner(s)
2. Identification of document page number and language in violation
3. Recording reference of document with unlawful restrictive covenant
4. Copy of referenced document attached complete with unlawful restrictive language stricken out
5. Signature(s) of owner(s)
6. Signature(s) acknowledged
7. Approval by County Counsel provided to County Recorder

Upon receipt, the Recorder's office will submit the document to County Counsel who will determine whether the original document contains any unlawful restrictions, as defined in Government Code Section 12956.2 subdivision (b). Only those determined to be in violation of the law will be recorded and those that are not, will be returned to the submitter unrecorded.

Please note that the County Recorder is not liable for modification not authorized by law. This is the sole responsibility of the holder of ownership interest who caused the modified recordation per Government Code Section 12956.2 subdivision (f).

Pursuant to the requirements of AB1466, and no later than July 1, 2022, the Assessor-County Clerk-Recorder will post an implementation plan outlining our strategy to identify records with discriminatory restrictions.

Recording Requested By

When recorded mail document to

____

____

____

Above Space for Recorder's Use Only

RESTRICTIVE COVENANT MODIFICATION

I (We) ____have an ownership interest of record in the property located at ____ that is covered by the document described below.

The following referenced document contains a restrictive covenant based on race, color, religion, sex, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry that violates state and federal fair housing laws and that restriction is void. Pursuant to Section 12956.2 of the Government Code, this document is being recorded solely for the purpose of eliminating that restrictive covenant as shown on page(s)_______________ of the document recorded on ________________ (date) In book _____________ and page___________ , or Document No. ______________________________ of the Official records of the County of____ , State of California.

The document referenced above was originally indexed in the following manner___________________________ __________________________ and this document shall be indexed in like manner pursuant to Section 12956.2 (e).

The effective date of the terms and conditions of this modification document shall be the same as the effective date of the original document referenced above.

Dated_______________________

____

____

____

Printed Name(s)

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 ______________________________}

On _________________________________ before me, ________________________________, a Notary Public, personally appeared ____ 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/their/her authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

*Signature*____

DOC # 2008-0234134

Recording Requested By:
JOEL M. KRIGER, Esq.

When Recorded, Mail to:
Anderson + Kruger
8220 University Ave 2nd fl
La mesa CA 91941-3837

51p

MAY 01, 2008 11:39 AM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 159.00

PAGES: 51

5578

(Space Above for Recorder's Use)

2007 RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

SPRING CANYON HOMEOWNERS ASSOCIATION

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

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2007 RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SPRING CANYON HOMEOWNERS ASSOCIATION

PREAMBLE

The Declaration of Covenants, Conditions, and Restrictions and all subsequent amendments thereto through the date of recordation of this Declaration for SPRING CANYON HOMEOWNERS ASSOCIATION, executed by SPRING CANYON ENTERPRISES, INC., a California Corporation ("Declarant"), and recorded on November 9, 1984, as Document No. 84-438231 of the Official Records of San Diego County, California ("Original Declaration"), which affects all of the Properties described and commonly known as SPRING CANYON HOMEOWNERS ASSOCIATION are hereby amended, restated and superceded in their entirety to read as follows:

RECITALS

A. Declarant was the Owner of that certain real property ("Properties") located in the County of San Diego, State of California, which is more particularly described as follows and incorporated herein by reference:

> LOT 1 OF COUNTY OF SAN DIEGO TRACT NO. 4160, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10904, FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 12, 1984.

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

C. It was the further intention of the Declarant to sell and convey residential Condominiums, subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes between Declarant and such Owners which are set forth in this First Restated Declaration and which are intended to be in furtherance of a general plan for the subdivision, development, sale and use of the Properties in furtherance of a plan of Condominium ownership as described in Section 1351(e) of the California Civil Code.

D. There currently exists upon the above-described real property a Common Interest Subdivision subject to the provisions of the Davis-Stirling Common Interest Subdivision Act (California Civil Code Section 1350, et seq.). The project consists of 72 condominium units on a single lot, which was constructed in three phases. Included as part of the Common Area is a recreational building, pool and spa, and appurtenant landscaping, paved parking spaces, together with streets and uncovered parking spaces. Each member receives fee simple ownership in a Living Unit and Garage, an undivided 1/72nd ownership in the Common Area, as tenants in common with the owners of other Units, and an Exclusive Use Area, or in most Units, a Yard Easement Area or areas over a portion or portions of the Common Area appurtenant to each Unit space. Exclusive Use Areas include balconies and yard easements. The Units and their appurtenant Exclusive Use Areas and yard easements are all designated in the Condominium Plan.

E. Prior to the date shown hereunder, seventy-five percent (75%) of the Owners of Condominiums within the Properties voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of said Owners to replace the Original Declaration, in its entirety, with the recordation of this Declaration. The Owners' action to amend and restate the Original Declaration as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this First Restated Declaration by duly authorized officers of the Association, as required by California Civil Code Section 1355(a). As so amended, restated and superceded in its entirety, the easements, covenants, restrictions and conditions set forth herein shall run with the Properties and shall be binding upon all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I
DEFINITIONS

Section 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association and any amendments to said Articles.

Section 1.2 "Association" shall mean and refer to Spring Canyon Homeowners Association, a California nonprofit mutual benefit Corporation, its successors and assigns.

Section 1.3 "Board" or "Board of Directors" shall mean and refer to the governing body of said Association.

Section 1.4 "Boundaries" shall mean that in interpreting deeds and plans, the then existing physical boundaries of a Living Unit Garage, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building.

Section 1.5 "By-Laws" shall mean and refer to the By-Laws of the Association and any amendments to said By-Laws.

Section 1.6 "Common Area" shall mean and refer to all portions of the Project not located within a Living Unit or Garage.

Section 1.7 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Condominium Property and any reasonable reserve for such purposes.

Section 1.8 "Condominium" shall mean and refer to a fee simple estate in the Condominium Property as defined in Section 783 of the California Civil Code and shall consist of a separate interest in a Living Unit and Garage and an undivided fractional interest as tenant in common in the Common Area.

Section 1.9 "Condominium Building" shall mean and refer to a residential structure containing Condominium Living Units and Garages.

Section 1.10 "Condominium Plan" shall mean and refer to the Condominium Plan recorded pursuant to California Civil Code Section 1351 covering the entire Condominium Property, including such amendments thereto as may from time to time be recorded.

Section 1.11 "Condominium Property" shall mean and refer to that certain real property located in the County of San Diego, State of California, more particularly described as:

LOT 1 OF COUNTY OF SAN DIEGO TRACT NO. 4160, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10904, FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 12, 1984.

Section 1.12 "Declarant" shall mean the original Developer of the Project, namely Spring Canyon Enterprises, Inc.. This information is included for historical purposes only and control of the Association has since been transferred to the members.

Section 1.13 "Declaration" means this First Restated Declaration of Covenants, Conditions and Restrictions.

Section 1.14 "Eligible Insurer of Guarantor" shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the By-Laws of the Association.

Section 1.15 "Eligible Mortgage Holder" shall mean and refer to a holder of a first Mortgage on a Condominium who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or the By-Laws of the Association.

Section 1.16 "Exclusive Use Area" shall mean and refer to those portions of the Common Area to which an exclusive right to use is granted to an Owner as shown and described on the Condominium Plan and shall consist of balconies. Yards and Yard Easement Areas are subparts of "Exclusive Use Areas," but with easement rights rather than exclusive use rights.

Section 1.17 "Yard" shall mean and refer to those portions of the Condominium property to which an exclusive use easement is granted to an Owner as shown and described as such on the recorded Condominium Plan covering the Condominium Property. Reference to "Yards" or "Yard Easement Area" shall be synonymous. Any reference to "Yards within an exclusive use area" shall mean "yard easement."

Section 1.18 "FHA" shall mean and refer to the Federal Housing Administration.

Section 1.19 "Garage" shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan; provided, however, that the following are not part of any Garage: Bearing walls, columns, floors, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located on the Garage.

Section 1.20 "Living Unit" shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan; provided, however, that the following are not part of any Living Unit: Bearing walls, columns, floors, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires and other utility installations, whenever located, except the outlets thereof when located in the Living Unit.

Section 1.21 "Member of Association" shall mean and refer to an Owner as defined in Section 1.24 of Article I herein.

Section 1.22 "Mortgage" shall mean and refer to a Deed of Trust as well as a mortgage.

Section 1.23 "Mortgagee" shall mean and refer to a beneficiary under or holder of a Deed of Trust given for value, which encumbers any Condominium.

Section 1.24 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Condominium which is part of the Condominium project, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 1.25 "Project" shall mean and refer to the entire real property above described, including all structures and improvements erected or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

Section 1.26 "VA" shall mean and refer to the Veterans Administration.

ARTICLE II
PROPERTY, MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 2.1 Property Rights.

Section 2.1.1 Property Subject to Declaration. All the real property previously described in the Preamble and the improvements thereon, shall be subject to this Declaration.

Section 2.1.2 Elements of Condominium. Ownership of each Condominium within the Project shall include a Unit; an undivided interest in the Common Area, as specified in the deed to each Owner; Exclusive Use Common Area as designated in the Condominium Plan; a membership in the Association; and any exclusive or nonexclusive easement or easements appurtenant to such Condominium over the Common Area as described in this Declaration, the Condominium Plan and the deed to the Condominium.

Section 2.1.3 Nonexclusive Easements. Each Member shall have a nonexclusive easement for use and enjoyment of the Common Area and for ingress, egress, and support over and through the Common Area. These easements shall be appurtenant to, and shall pass with the title to, each Unit and shall be subordinate to the exclusive easements granted elsewhere in this Declaration, as well as to the right of the Association to regulate time and manner of use, to charge reasonable admission fees, and to perform its obligations under this Declaration.

Section 2.1.4 Delegation of Use. Any Owner may delegate his or her rights of use and enjoyment of the Project, including any recreational facilities, to the members of his or her family, his or her guests and tenants, and to such other persons as may be permitted by the Bylaws and the Association Rules. However, if an Owner has sold his or her Unit to a contract purchaser or has leased or rented it, the Owner, members of the Owner's family, and guests shall not be entitled to use and enjoy any of such rights while the Owner's Unit is occupied by the contract purchaser or tenant. Instead, the contract purchaser, or tenant, while occupying such Unit, shall be entitled to use and enjoy such rights, including the recreational facilities, and can delegate the rights of use and enjoyment in the same manner. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of Assessments or performance of the covenants, conditions and restrictions contained in this Declaration.

Section 2.1.5 Obligation to Supply Tenant Information. Each Owner shall notify the Secretary or management company of the Association of the names of any contract purchasers or tenants of such Owner's Unit and such other information such as telephone number for contact and identification of resident vehicles, if required by rules enacted by the Board.

Section 2.1.6 Lease Must Require Conformance to Governing Documents. Any lease, rental agreement or contract of sale entered into between an Owner and a tenant or contract purchaser of a Unit shall require compliance by the tenant or contract purchaser with all of the Governing Documents, which provision shall be for the express benefit of the Association and each Owner. The Association and each Owner shall have a right of action directly against any tenant or contract purchaser of an Owner, as well as against the Owner, for nonperformance of any of the provisions of the Governing Documents to the same extent that such right of action exists against such Owner. Any lease shall specify that failure to abide by such provisions shall be a default under the agreement.

Section 2.1.7 Discipline of Lessees. In the event that any tenant or lessee fails to honor the provisions of any Governing Document, the Association shall be entitled to take such corrective action as it deems appropriate under the circumstances in order to preserve the quiet enjoyment of other Owners and residents within the Project. Without limiting the foregoing, the Association's actions may include suspension of the tenant's privileges to use the Common Area or the imposition of fines and penalties against such Owner.

Section 2.1.8 Hotel or Transient Purposes; Minimum Lease Term. There shall be no hotel or transient use of any Unit located within the Properties. No Property shall be leased, rented or sublet for less than a thirty(30) day period.

Section 2.1.9 Owner Liability for Common Area Damages. Each Owner shall be liable to the Association and the remaining Owners for the cost of repair of any damage to the Common Area that may be sustained by reason of the negligent act or omission of that Owner, that Owner's family members, contract purchasers, tenants, guests, or invitees. The Board shall be solely responsible for determining whether or not a claim shall be submitted to an insurer for damage to Common Area. In the event a claim is submitted, and repair funds collected, such Owner shall only be responsible for the costs over and above the amount recovered. If the Owner refuses or fails to reimburse the Association for the demanded funds, the amount may be added to the Owner's assessment account in accordance with Section 3.12.1 and 3.13 herein.

Section 2.1.10 Notification of Association of Water Intrusion. The Owners shall cause notice to be given to the Association of any water within, or water intrusion into, their Unit immediately upon discovery of such leak or water intrusion. Owner shall be responsible for causing all water to be extracted from the Unit within twenty-four (24) hours of discovery, whether or not performed by Association contractors. Owner and his or her tenants, guests, invitees, agents, or employees shall be solely responsible for any claim of property damage or personal injury alleged which arises from the presence of mold or fungi resulting from water intrusion into the property when said Owner, tenants, guests, invitees, agents or employees failed to notify the Association immediately of discovery of said water intrusion or failed to immediately cause all water to be extracted from the Unit. The Association shall not be liable for any property damage or personal injury alleged to arise from the presence of mold or fungi in any property unless the damages or injuries were caused by the gross negligence of the Association, its Board, officers, agents or employees.

Section 2.1.11 Unassigned Parking Areas. Each parking space within the Common Area which has not been assigned in the Condominium Plan or by deed to an Owner as Exclusive Use Common Area shall remain within the jurisdiction of the Association for designation as guest parking or rental to residents of the Association. These guest parking spaces and/or rental spaces shall be subject to additional rules adopted by the Board of Directors.

Section 2.1.12 Exclusive Use of Common Area. With the approval of 51% of the membership, the Board shall have the right to allow one or more Owners to exclusively use portions of the otherwise nonexclusive Common Area. Any measure placed before the Members requesting that the Board grant exclusive use of any portion of the Common Area shall specify whether the Association will receive any monetary consideration for the grant and whether the Association or the transferee will be responsible for providing any insurance coverage for the exclusive use of the Common Area. Owner approval will not be required if the provisions of Civil Code Section 1363.07(a)(3)(E) are applicable (Owner approval is not required if the portion of the Common Area is generally inaccessible and is not of general use to the membership at large). If approved, the Association will grant the Owner a revocable license to use the property. A license agreement will be signed between the Owner and the Association specifying the permitted use of the property and the conditions under the license can be revoked.

Section 2.2 Management, Membership and Voting Rights.

Section 2.2.1 Association to Manage Common Areas. The management of the Common Area shall be vested in the Association in accordance with its Governing Documents. The Members covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles, Bylaws and Rules of the Association.

Section 2.2.2 Membership. The Owner of a Condominium shall automatically, upon becoming the Owner of same, be a Member of the Association, and shall remain a Member thereof until such time as the ownership ceases for any reason, at which time the membership in the Association shall automatically cease. Membership shall be held in accordance with this Declaration, the Articles, and Bylaws of the Association.

Section 2.2.3 Transfer. The Association membership held by any Owner in the property shall not be transferred, pledged or alienated in any way except upon the sale of an ownership interest and then only to the purchaser. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner should fail or refuse to transfer the membership registered in his or her name to the purchaser of such Unit, the Association shall have the right to record the transfer upon the books of the Association.

Section 2.2.4 Voting Rights. The Association shall have one class of membership. When more than one person holds an interest in any Condominium, all such persons shall be Members. Each Condominium in the property is entitled to one vote. The vote for such Condominium shall be exercised as the Owners of interest therein decide, but in no event shall more than one vote be cast with respect to any Condominium.

Section 2.2.5 Joint Owner Disputes. The vote for each such Condominium may be cast only as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Condominium. In the event more than one vote is cast for a particular Condominium, none of said votes shall be counted and all of said votes shall be deemed void.

ARTICLE III
ASSESSMENTS

Section 3.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments or charges, (2) Special Assessments for purposes permitted herein, and (3) Individual Assessments (as more fully described in Section 3.12 herein); such Assessments to be established and collected as hereinafter provided. The Annual and Special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Unit and shall be a continuing lien upon the separate interest against which each such Assessment is made, the lien to become effective upon recordation of a notice of Assessment. Each such Assessment together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Unit at the time when the Assessment fell due. No Member may exempt himself or herself from liability for this contribution towards the common expenses by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his or her Unit.

Section 3.2 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the economic interest, recreation, health, safety, and welfare of all the residents in the entire Project and for the improvement and maintenance of the Common Area and those other portions of the property for which the Association is responsible and for the common good of the Project.

Section 3.3 Annual Assessment. The Board of Directors shall determine and fix the amount of the Annual Assessment against each Unit in accordance with the procedures described below.

Section 3.3.1 Preparation of Annual Budget. Not less than 30 nor more than 90 days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated common expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the common facilities) by preparing and distributing to all Association Members a budget. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this Section, the Board shall not be permitted to increase regular assessments for that fiscal year unless the Board first obtains the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting of the Association.

Section 3.3.2 Reserve Contributions and Accounts. As part of the Annual Assessments for maintenance authorized above, the Board of Directors shall annually fix the amount to be contributed to reserve funds for the purpose of defraying, in whole or in part, the cost or estimated cost of any reconstruction, repair or replacement of improvements, including fixtures and personal property related thereto. Separate records shall be maintained for all funds deposited to the said account, which shall be designated as a reserve account.

Section 3.4 Special Assessments for Capital Improvements or Extraordinary Expenses; Reserves for Replacement. The Board of Directors may levy, in any Assessment year, a Special Assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for extraordinary expenses incurred by the Association.

Section 3.5 Limits for Increases of Annual and Special Assessments. The Board of Directors of the Association may not impose an Annual Assessment that is more than twenty percent (20%) greater than the Annual Assessment for the Association's preceding fiscal year or impose Special Assessments which in aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of Owners casting a majority of the votes at a meeting of the Association at which a quorum is present.

This Section does not limit Assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following: (i) An extraordinary expense required by an order of a court; (ii) An extraordinary expense necessary to repair or maintain the Common Area for which the Association is responsible where a threat to personal safety is discovered; and (iii) An extraordinary expense necessary to repair or maintain the Common Area that could have not been reasonably foreseen by the Board in preparing and distributing the current year's operating budget.

Section 3.6 Required Notice of Assessment Increases. Whenever there is an increase in Annual Assessments or Special Assessments, all Members shall be notified by first class mail, not less than thirty (30) nor more than sixty (60) days prior to the Assessment due date.

Section 3.7 Division of Assessments; Payment of Assessments. Except as otherwise provided herein, both annual and special assessments shall be fixed at a uniform rate for all Condominiums and may be collected on a monthly basis or as otherwise determined by the Board. A special assessment against members to raise funds for the rebuilding or major repair of a portion of the structural Common Area shall be levied upon the basis of the ratio of the square footage of the floor area of the Living Unit of the Condominium to be assessed to the total square footage of the aggregate floor area of the Living Units in all Condominiums to be assessed.

Section 3.8 Effect of Nonpayment of Assessments. Assessments are delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) of the delinquent Assessment or ten dollars ($10), whichever is greater shall be imposed upon any delinquent payment. Interest on delinquent Assessments and late charges shall be imposed at an annual percentage rate of twelve percent (12%) interest commencing thirty (30) days after the Assessments become due. Late charges and interest on past due amounts may be modified by the Board in accordance with any changes permitted by state law.

Section 3.9 Transfer of Unit by Sale or Foreclosure. Sale or transfer of any Unit shall not affect the Assessment lien. However, the sale of any Unit pursuant to foreclosure of a first Mortgage shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer (except for Assessment liens recorded prior to the Mortgage). No sale or transfer shall relieve such Unit from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 3.10 Notice of Delinquent Assessment.

Section 3.10.1 Assessment Lien. If any Annual or Special Assessment is delinquent, the Association may record an Assessment Lien against the Condominium of the delinquent Owner. Notwithstanding any provision of this Declaration to the contrary, the Assessment lien provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust upon any Condominium. The lien shall be signed by any officer of the Association or any agent designated by the Association.

Section 3.10.2 Requirements Before Recording Liens. The recordation of liens shall be done in accordance with Civil Code Section 1367.1 and any amendments thereto. At least 30 days prior to recording a lien against the separate interest of any Owner of record, the Association shall notify the Owner of record, in writing, by certified mail of the following: (1) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the Owner of the Condominium has the right to inspect the Association records, pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION;" (2) An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent Assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any; (3) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the Association; (4)The right to request a meeting with the Board; (5) The right to dispute the Assessment debt by submitting a written request for dispute resolution pursuant to Civil Code Sections 1363.810, et. seq.; and (6) The right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 1369.510, et. seq. before the Association may initiate foreclosure against the Owner's Condominium, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

Prior to recording a lien for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to Civil Code Sections 1363.810, et. seq. For liens recorded on or after January 1, 2006, the decision to record a lien for delinquent assessments shall be made only by the Board and may not be delegated to an agent of the Association. The Board shall approve the decision by a majority vote of the directors in an open meeting. The Board shall maintain the confidentiality of the Owner or Owners of the Condominium by identifying the matter in the minutes by the parcel number of the property, rather than the name of the Owner or Owners. The Board shall record the vote in the minutes of that meeting.

Section 3.10.3 Secondary Address. In receipt of a written request by an Owner identifying a secondary address for purposes of collection notices, the Association shall send additional copies of any notices required by this Section to the secondary address provided. The Association shall notify Owners of their right to submit secondary addresses to the Association at the time the Association issues the pro forma operating budget pursuant to Civil Code Section 1365. The Owner's request shall be in writing and shall be mailed to the Association in a manner that shall indicate the Association has received it. The Owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

Section 3.10.4 Contents of Lien. Any notice of delinquent assessment shall state the amount of the Assessment and other sums imposed in accordance with Section 1366, a legal description of the Owner's Condominium, and the name of the record Owner of the Condominium. The itemized statement of the charges owed by the owner described in paragraph 3.10.2 shall be recorded together with the notice of delinquent assessment. In order for the lien to be enforced by nonjudicial foreclosure, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the Declaration or by the Association for that purpose, or if no one is designated, by the president of the Association.

Section 3.10.5 Requirements after Lien is Recorded. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an Owner of the Condominium in the Association's records, and the notice shall be mailed no later than 10 calendar days after recordation.

Section 3.10.6 Erroneous Recording of Lien. If it is determined through dispute resolution that the Association has recorded a lien for delinquent assessments in error, the Association shall promptly reverse all late charges, fees, interest, attorney's fees, costs of collection, and costs of recordation and release of the lien, and pay all costs related to the dispute resolution or alternative dispute resolution.

Section 3.10.7 Release of Liens. Within 21 days of the payment of the sums specified in the notice of delinquent assessments, the Association shall record a lien release and provide the Owner a copy of same.

Section 3.10.8 Nonexclusive Remedy. Nothing in this Section or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the Owner of a Condominium to recover sums for which a lien is created pursuant to this Section or prohibits the Association from taking a deed in lieu of foreclosure.

Section 3.11 Collection of Delinquent Assessments.

Section 3.11.1 Delinquencies Less than $1,800 or One Year. If the Association seeks to collect delinquent Annual or Special Assessments of an amount less than one thousand eight hundred dollars ($1,800), not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, it may not collect that debt through judicial or nonjudicial foreclosure, but may attempt to collect or secure that debt in any of the following three ways:

(1) By a civil action in small claims court. If the Association chooses to proceed by an action in small claims court, and prevails, may enforce the judgment as permitted under the Code of Civil Procedure. The amount that may

be recovered in small claims court to collect upon a debt for delinquent Assessments may not exceed the jurisdictional limits of the small claims court and shall be the sum of the following: (A) The amount owed as of the date of filing the complaint in the small claims court proceeding; and (B) In the discretion of the court, an additional amount to that described in subparagraph (A) equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid Assessments and any reasonable late charges, fees and costs of collection, attorney's fees, and interest, up to the jurisdictional limits of the small claims court.

(2) By recording a lien on the Owner's Condominium as provided in Section 3.10 upon which the Association may not foreclose until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars ($1,800) or the assessments are more than 12 months delinquent.

(3) Any other manner provided by law, except for judicial or nonjudicial foreclosure.

Section 3.11.2 Delinquencies Greater than $1,800 or One Year. If the Association seeks to collect delinquent Annual or Special Assessments of an amount of one thousand eight hundred dollars ($1,800) or more, not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, or any Assessments that are more than 12 months delinquent, it may use judicial or nonjudicial foreclosure subject to the following conditions:

(1) Prior to initiating a foreclosure on an Owner's Condominium, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to Civil Code Section 1363.810 et. seq., or alternative dispute resolution as set forth in Civil Code Section 1369.510 et. seq. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

(2) The decision to initiate foreclosure of a lien for delinquent Assessments that has been validly recorded shall be made only by the Board and may not be delegated to an agent of the Association. The Board shall approve the decision by a majority vote in an executive session. The Board shall record the vote in the minutes of the next meeting of the Board open to all Members. The Board shall maintain the confidentiality of the Owner or Owners of the Condominium by identifying the matter in the minutes by the parcel number of the property, rather than the name of the Owner or Owners. A Board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale.

(3) The Board shall provide notice by personal service to an Owner of a Condominium who occupies the Condominium or to the Owner's legal representative, if the Board votes to foreclose upon the Condominium. The Board shall provide written notice to an Owner of a Condominium who does not occupy the Condominium by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the Owner to the Association, the address of the Owner's Unit may be treated as the Owner's mailing address.

(4) A nonjudicial foreclosure by the Association to collect upon a debt for delinquent assessments shall be subject to a right of redemption. The redemption period within which the Condominium may be redeemed from a foreclosure sale under this Paragraph ends 90 days after the sale.

Section 3.11.3 Foreclosure of Lien. Once the requirements of this Section are followed, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent Assessment, or sale by a trustee substituted pursuant to California Civil Code Section 2934(a). Any sale shall be conducted in accordance with the provisions of Sections 2924, 2924(b), 2924(c), 2924(f), 2924(g) and 2924(h) of the California Civil Code, or any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, acting on behalf of the Condominium Owners, shall have the power to bid for the Condominium at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 3.12 Individual Assessments. In addition to the Special Assessments levied against all Owners in accordance with Section 3.4 above, the Board of Directors may impose Individual Assessments against an Owner in any of the circumstances described below, provided that no Individual Assessments may be imposed against an Owner pursuant to this Section 3.12 until the Owner has been afforded notice and the opportunity for a hearing, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Individual Assessments include the following:

Section 3.12.1 Damage to Common Area. In the event that any damage to, or destruction of, any portion of the Common Area, including any portion of the Unit which the Association is obligated to repair and maintain is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Individual Assessment.

Section 3.12.2 Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to bring the Owner and/or his or her Condominium into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable fines and penalties duly imposed hereunder, title company fees, accounting fees, and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as an Individual Assessment.

Section 3.12.3 Transfer Fees. A transfer fee may be assessed against each Unit at the time escrow closes on the conveyance of title to such Unit, if title is transferred, or as of the date a new tenant takes possession of the Unit, if the Unit is leased. The charge shall be an amount not to exceed the Association's actual costs to change its records in connection with said change of ownership or possession of the Unit.

Section 3.13 Levy of Individual Assessment and Payment. Once an Individual Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in Section 3.12, such Individual Assessment shall be recorded on the Owner's account, notice thereof shall be mailed to the affected Owner and the Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within 30 days after the mailing of notice of the Assessment.

Section 3.14 Foreclosable Lien for Damage to Common Area. Once an Individual Assessment has been imposed by the Association's Board of Directors pursuant to Section 3.12.1 with regard to damage to Common Area, such charge may be collected as provided in Section 3.11.

ARTICLE IV
RESPONSIBILITIES OF MAINTENANCE

Section 4.1 Owner Maintenance of Living Unit and Garage. Each Owner of a Condominium shall be responsible for the maintenance and repair of the glass doors and windows enclosing his Living Unit and Garage, the interior of his Living Unit and Garage and all appliances whether "built-in" or freestanding within the Living Unit and Garage, the interior surfaces of the Living Unit and Garage, and shall also be responsible for the maintenance and repair of the plumbing, water heater, electrical and heating systems servicing his Living Unit and Garage located within the outside perimeter of the exterior bearing walls thereof, including television cable , satellite equipment and connections and all appliances and equipment located in or on said Living Unit and Garage. Each Owner shall also be responsible for the maintenance, and landscaping of the Yards and balconies which he has the exclusive right to use including the interior surfaces of any fence or railing (but not the exterior surfaces), and shall make such repairs or install and maintain such landscaping as the Board deems necessary to preserve the attractive appearance and protect the value thereof.

Section 4.2 Owner's Grant of Easements. Each Owner hereby grants easements to other Owners to enter into each Condominium and to have utility companies enter in to Condominiums to repair the plumbing, heating, and electrical systems located thereon, subject to the following limitations. Entry into a Living Unit or Garage for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party. Entry in to a Living Unit and Garage for other than emergency repairs shall be made only after three (3) days notice has been given to the Owner and shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party.

Section 4.3 Association Maintenance of Common Area. Except as otherwise provided herein, the Association acting through the Board and its officers shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the Common Area or any portion thereof, together with the improvements, trees, shrubbery, plants and grass thereon, all as more fully set forth in this Declaration of Restrictions, the Articles and By-Laws. The Association shall maintain and repair all parking areas and the exterior portion of all Garages; provided, however should said maintenance or repair result from the negligence of an Owner, or his guests or licensees, the Owner shall reimburse the Association for the costs of such maintenance or repair in accordance with Section 2.1.10. The maintenance of the landscaping of the Yard Easement Areas for each unit is the responsibility of each Owner having such yard easement use and is not the responsibility of the Association.

Section 4.3.1 Recovery of Costs of Certain Repairs and Maintenance. In the event that an Owner fails to perform maintenance functions for which he or she is responsible under this Article, the Association may give written notice to the offending Owner with a request to correct the failure within 15 days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Section 4.4, to enter the Owner's Unit and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing. The cost of the repairs may be billed to the owner as an Individual Assessment in accordance with Section 3.12.

Section 4.3.2 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

Section 4.3.3 Maintenance Responsibility Checklist. A Maintenance Responsibility Checklist is attached hereto and marked as Exhibit "A." The Checklist sets forth specifically those components of the Project that are the respective responsibility of the Owners and Association to maintain. In the event of a conflict between the division of maintenance responsibility set forth in the Governing Documents and the Checklist, the Checklist shall be followed.

Section 4.4 Association Right of Entry. For the purpose of performing the maintenance of the Common Area or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Associations agents or employees shall have the right to enter any Living Unit, Garage, or upon any portion of the Common Area to effect emergency repairs or corrections. For other than emergency repairs, the Association's agents or employees shall have the right to enter any Living Unit, Garage or any portion of the Common Area to effect repairs, improvements, replacements or maintenance which the Association, after approval by two-thirds (2/3) vote of the Board, reasonably deems necessary. Such entry shall be made with as little inconvenience to the Owner as possible and any damage caused thereby shall be repaired by the Association. Further, such entry for other than emergency repairs shall be made only after not less than three (3) days' notice has been given to the Owner.

Section 4.5 Association Right to Adopt Rules. The Association shall have the power to adopt reasonable operating rules governing the Project, use of the Common Area and any facilities located thereon, and of any other Association property. Such rules may include, but are not limited to, reasonable restrictions on use by the Members and their guests, rules of conduct, and the setting of reasonable fees for the use of recreational facilities. Rules must be in writing and must be consistent with applicable law and the governing documents. A copy of the current Association Rules shall be given to each Member.

Section 4.5.1 Review and Comment Period. Prior to enacting certain classes or types of rules, the Association shall provide Owners with a 30 day advance notice of a rule adoption or change, which shall include a copy of the proposed rule and a description of the purpose and effect of the proposed rule, and allow Owners to provide comments to the Board regarding the proposed rule. After the 30 day comment period has expired, the Board shall meet to discuss any comments received, and decide whether to proceed with adoption of the proposed rule. If the rule is adopted, the Board shall provide notice to the Owners of the rule adoption within fifteen (15) days of adopting the rule.

Section 4.5.2 Rule Classes Subject to Review and Comment - "Class 1 Rules." The following classes or types of rules (Class 1 Rules) shall be subject to the rights of Owners to review and comment: common area use rules; exclusive-use common area rules (for example, balcony storage); home use rules (for example, noise regulations); architectural rules, including procedures for review, approval and disapproval of applications; discipline rules, including any fine schedule, payment plans for delinquent assessments; dispute resolution procedures; and procedures for elections.

Section 4.5.3 Rule Classes Not Subject to Review and Comment - "Class 2 Rules." Except as otherwise required by law, the following classes or types of rules (Class 2 Rules) shall not be subject to the rights of Owners to review and comment: common area maintenance, a decision on a specific matter that is not intended to apply generally, regular or special assessment amounts, any rule required by law, and any repeating of existing law or governing document provision.

Section 4.5.4 Owner Veto Rights of Class 1 Rules. Members of the Association owning five percent (5%) or more of the votes may call a special meeting of the membership to reverse a rule change to a Class 1 Rule. Special meeting of the Members may be called by delivering a written request to the president or secretary of the Board, after which the Board shall deliver notice of the meeting to the membership and hold the meeting in conformity with Section 7511 of the Corporations Code. The written request may not be delivered more than thirty (30) days after the Members are notified of the rule change. Members are deemed to have been notified of a rule change on delivery of notice of the rule change, or on enforcement of the resulting rule, whichever is sooner. For the purposes of Section 8330 of the Corporations Code, collection of signatures to call a special meeting under this Section is a purpose reasonably related to the interests of the Members of the Association. A Member request to copy or inspect the membership list solely for that purpose may not be denied on the grounds that the purpose is not reasonably related to the member's interests as a member. In lieu of calling the meeting described in this Section, the Board may distribute a written ballot to every Member of the Association in conformity with the requirements of Section 7513 of the Corporations Code. The rule change may be reversed by the affirmative vote of a majority of the votes represented and voting at a duly held meeting at which a quorum is present or by ballot (which affirmative votes also constitute a majority of the required quorum). A rule change reversed under this Section may not be readopted for one year after the date of the meeting reversing the rule change. Nothing in this Section precludes the Board from adopting a different rule on the same subject as the rule change that has been reversed. As soon as possible after the close of voting, but not more than fifteen (15) days after the close of voting, the Board shall provide notice of the results of the vote to every Member. This Section does not apply to an emergency rule change.

Section 4.5.5 Emergency Rules. The Board may enact a temporary emergency rule dealing with any class or type of rule if the Board determines that an immediate rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the Association. The Board shall provide notice to the Owners of adoption of the emergency rule within fifteen (15) days of its adoption, which shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires. Such an emergency rule may be effective for up to 120 days, and may not be readopted as an emergency rule under this Section but may be readopted pursuant to Section 4.5.1 above.

Section 4.6 Association Right to Grant Permits. The Association shall have the right to grant permits, licenses and utility easements over, under, upon and across the Common Area for purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

ARTICLE V
ARCHITECTURAL CONTROL

Section 5.1 Improvements in General. No Improvement of any kind shall be commenced, erected or maintained within the Properties, nor shall any exterior addition to or change or alteration be made in or to any Unit or Common Area or to any Exclusive Use Area until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same shall have been submitted to and approved in writing by the Association's Architectural Review Committee as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines, topography and finish grade elevation.

Section 5.2 Appointment of Architectural Review Committee. The Board of Directors may appoint an Architectural Review Committee (hereinafter referred to as "Committee") composed of not less than three nor more than five members. Committee members appointed shall be from the membership of the Association. A majority of the Committee may designate a representative to act on its behalf. Members of the Committee shall serve for a term of one year. In the event of the death or resignation of any member of the Committee, a successor shall be appointed by the Board. Neither the members of the committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. In the event the Board has not appointed a Committee, it shall fulfill the duties of that Committee until such time as members are appointed to it in accordance with this Section.

Section 5.3 Submission of Plans; Action by Committee. Plans and specifications for the proposed Improvement shall be submitted to the Committee, Secretary of the Association or professional management company, if any, by personal delivery or certified mail, return receipt requested. In the event the Committee fails to approve or disapprove the plans within forty five (45) days after said plans and specifications have been submitted to it, the Owner requesting said approval may submit a written notice to the Board advising them of the Committee's failure to so approve or disapprove. If the Committee still fails to approve or disapprove said plans, within thirty (30) days after the receipt of said notice from the Owner, said plans shall be deemed approved.

Section 5.4 Approval/Disapproval of Plans. Any approval or disapproval of plans submitted to the Committee shall be in writing. An approval of plans by the Committee may be qualified. All qualifications, imposed by the Committee must be in writing. If a plan is disapproved, in whole or in part. the written decision from the Committee shall include both an explanation of why the proposed change was disapproved and a description of the procedure for reconsideration of the decision by the Board of Directors.

Section 5.5 Reconsideration. If plans are disapproved, in whole or in part, the Owner is entitled to reconsideration by the Board of Directors of the Association if a written request is made within thirty (30) days of the Owner's receipt of the disapproval. The Board of Directors shall schedule a meeting for reconsideration of said Owner's plans to take place within thirty (30) days after receipt of such request. The Owner is entitled to be present at the meeting for reconsideration and to address the Board. The Owner shall also be entitled to bring one or more representatives to assist in explaining technical or design issues with regard to the plans. Said meeting for reconsideration does not need to be noticed to the membership of the Association. The Board shall have fifteen (15) days from the date of the meeting for reconsideration in which to render its decision in writing to the Owner. This paragraph does not require reconsideration of a decision that is made by the Board of Directors where the Board of Directors is acting as the Committee pursuant to Section 5.2 herein.

Section 5.6 Architectural Rules and Regulations. The Committee may, subject to review by the Board of Directors, from time to time adopt, amend and repeal rules and regulations to be known as "Architectural Rules." Said rules shall interpret and implement the provisions of this Declaration and Civil Code Section 1378 by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Properties, provided that said rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail. Architectural rules, regulations and/or guidelines shall be adopted consistent with the procedures of Section 4.5 herein.

Section 5.7 Owner Responsibility for Modification. As a condition of approval for a requested architectural change, modification, addition or alteration, an Owner, on behalf of himself or herself and his or her successors-in-interest, shall assume all responsibilities for maintenance, repair, replacement and insurance to and on such change, modification, addition, or alteration. At the discretion of the Board or the Committee, an Owner may be made to verify such condition of approval by written instrument acknowledged by such Owner on behalf of himself or herself and all successors-in-interest.

Section 5.8 Waiver. The architectural standards and the enforcement thereof may vary from one term of the Committee or Board of Directors to another term of the Committee or Board. These variances shall not constitute a waiver by the Committee or the Board of the right to adopt and enforce architectural standards under this Section. No decision by the Committee or Board shall constitute a binding precedent with respect to subsequent decisions of the Committee or Board. However, nothing in this paragraph shall permit the Committee or the Board to enforce retroactively its architectural standards against any Owner whose architectural change has been approved under the architectural standards of a previous Committee or Board.

Section 5.9 Inspection of Work. With consent of the Owner, which consent shall not be unreasonably withheld, any member or authorized representative of the Committee may, at any reasonable hour and upon reasonable notice, enter and inspect any Condominium which has been the subject matter of an approval of a submission for an Improvement. A request for inspection must be made within six (6) months after substantial completion of the Improvements. Such entry shall be made with as little inconvenience to the Owner as reasonably possible, and any damage caused thereby shall be repaired by the Association. If the Committee finds that such work was not done in substantial compliance with the approved plans and specifications, it shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If the noncompliance is not corrected within thirty (30) days, the Board may utilize the procedures set forth in the article entitled "Dispute Resolution and Enforcement," Section 10.1 herein to gain compliance.

Section 5.10 Nonliability of Committee Members. Neither the Association, the Board or the Committee or designated representatives thereof, shall be liable for damages to any Owner submitting plans or specifications to them for approval, or to any Owner in the Project affected by this Declaration by reason of mistake in judgment, negligence or nonfeasance, unless due to willful misconduct or bad faith of that person. The Committee's approval or disapproval of a submission shall be based solely on the considerations set forth in this Article, and in such rules and regulations as may be promulgated by the Committee, and the Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design from the standpoint of structural safety and conformance with building or other codes.

Section 5.11 Annual Architectural Procedures Disclosure. The Association shall annually provide its Members with notice of any requirements for Association approval of physical changes to the property. The notice shall describe the types of changes that require Association approval and shall include a copy of the procedure used to review and approve or disapprove a proposed change.

ARTICLE VI
PROHIBITION OF PARTITION OR SEPARATION OF INTEREST

Section 6.1 Separation of Interest. No Owner may sell, assign, lease or convey (i) his interest in the Common Area separate and apart from his Living Unit and Garage, nor (ii) his interest in any Exclusive Use Area separate and apart from his interest in the Common Area, Living Unit and Garage.

Section 6.2 Prohibition of Partition. Each of the Owners of a Condominium, whether such ownership is in fee simple or as a tenant in common, is hereby prohibited from partitioning or in any other way severing or separating such ownership from any of the other ownerships in the Condominium Property except upon the showing that: (i) more than three (3) years before the filing of the action, the Project was damaged or destroyed so that a material part thereof was unfit for its use and the Project has not been rebuilt or that Owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project, or (iii) that the Project has been in existence in excess of fifty (50) years, that it is obsolete and uneconomic, and that Owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project; provided, however, that if any Condominium shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein shall be deemed to prevent a judicial partition as between such co-tenants and no Condominium may be partitioned or subdivided without the prior written approval of the Mortgagee holding the first Mortgage on that Condominium.

Section 6.3 Power of Attorney. The Association is hereby granted an irrevocable power of attorney to sell the Condominium Property for the benefit of all the Owners thereof when the partition of the Owners' interests in said Condominium Property may be had pursuant to Section 6.2 above. The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the interest in the Common Area by any two (2) Members of the Board who are hereby authorized to record a Certificate of Exercise in the Office of the County Recorder, San Diego County, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith; provided, however, that said power of attorney shall not apply to the Administrator of Veterans Affairs, an officer of the United States of America.

ARTICLE VII
RIGHT OF MORTGAGEES

Provided that the Mortgagee informs the Association in writing of its appropriate address and requests in writing to be notified, neither the Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the first Mortgagees of Mortgages encumbering Condominium (based upon one (1) vote for each Mortgage) has given their prior written approval:

(a) Seek, by act or omission, to abandon the Condominium Project or to terminate the Condominium Plan or this Declaration (whether or not because of ay destruction of 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 Living Units, Garages or the Common Area;

(b) Change the prorata 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 prorate share of the Common Area appurtenant to each Living Unit and Garage;

(c) Partition or subdivide any Condominium;

(d) Seek, by act or omission, to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, however, that 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;

(e) Use hazard insurance proceeds for losses to any portion of the Condominium Property for other than the repair, replacement or reconstruction of the Condominium Property, except as may be provided by statute upon substantial loss to the Living Unit, Garage or Common Area;

(f) Fail to maintain fire and extended coverage insurance on the Common Area and the improvements thereto on a current (100%) of the insurable value, based on current replacement cost.

ARTICLE VIII
DESTRUCTION OF COMMON AREA, LIVING UNITS, OR GARAGES

Section 8.1 Casualty Destruction of Common Area. If any portion of the Common Area is damaged or destroyed by fire or other casualty, then:

(a) If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than five percent (5%) 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 substantially in accordance with the original plans and specifications therefore.

(b) If the cost of repairing or rebuilding exceeds the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association for the fiscal year during which the repairs or rebuilding is necessitated, and if the Owners holding in aggregated more than fifty percent (50%) interest in the Common Area agree to the repair or restoration of the project, then the Board shall contract as provided in (a) above.

(c) If the Owners do not so agree to the repair or rebuilding of the Common Area as provided in (b) above, then each Owner (and his Mortgagee (s)) as their respective interests shall then appear shall be entitled to receive that portion of the insurance proceeds equal to the proportion of the decrease in fair market value of his Condominium as compared to the aggregate decrease in the fair market values of all the Condominiums caused by such damage or destruction. For purposes hereof, fair market shall be determined by a Member of the American Institute of Real Estate Appraisers selected by the Board and hired by and at the expense of the Association. Should 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 Arbitration.

(d) Notwithstanding Section 8.1 (c) the Board shall contract for such repair or rebuilding of the Common Area which consists of Condominium Building(s) containing Living Units or Garages (or portions thereof and/or improvements thereto) if fifty percent (50%) or more of the Owners owning Living Units or Garages in said Condominium Building(s) agree to the repair or restoration of said Condominium Building(s).

(e) If a bid to repair or rebuild is accepted, the Board shall levy a special assessment against each Condominium in the proportion the Condominiums are assessed, pursuant to Section 3.6 of Article III of this Declaration, for purposes of raising funds for the rebuilding or major repair of a portion of the structural Common Area, to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding, and 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 8.2 Taking of Common Area. If any portion of the Common Area is taken by condemnation, eminent domain or any proceeding in lieu thereof, and the award thereof is not apportioned among the Owners (and their Mortgagees as their respective interests then appear) by court judgment or by agreement between the condemning authority and each of the affected

Owners, then the Owners of the Common Area (and their Mortgagees as their respective interests then appear) shall be entitled to receive a distribution from the award for such taking in the same proportion as insurance proceeds will be distributed pursuant to subsection (c) of Section 8.1 above; provided, however, that should it be determined to repair or rebuild any portion of the Common Area, 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 above in Section 8.1 of this Article VIII 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 above in Section 8.1 of this Article VIII for determining whether to rebuild or repair following damage or destruction.

Section 8.3 Casualty Destruction of Living Unit. In the event of damage or destruction to any Living Unit or Garage, the Owner thereof shall reconstruct the same as soon as reasonably practicable and substantially in accord with the original plans and specifications therefore; provided, however, that any such 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 the Board fails to approve or disapprove such changed plans and specification within sixty (60) days of the receipt thereof, they shall be deemed to have been approved.

Section 8.4 Taking of Living Unit or Garage. In the event of any taking of a Living Unit or Garage the Owner (and his Mortgagees as their interests may appear) of the Living Unit or Garage shall be entitled to receive the award for such taking and after acceptance thereof he (and his Mortgagee) shall be divested of any further interests in the Condominium Property if such Owner shall vacate his Living Unit and Garage as the result of such taking. In such event said Owner shall grant his remaining interests in the Common Area appurtenant to the Living Unit and Garage so taken, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each.

Section 8.5 Association Insurance.

Section 8.5.1 Insurance Coverage. The Association shall purchase, obtain and maintain the following types of insurance, if and to the extent they are available:

Section 8.5.1.1 Fire and Casualty. The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, replacement cost basis, on all Common Areas within the Property, including the buildings containing Units except as provided in Section 8.5.2 and 8.5.9 below. The insurance shall be kept in full force and effect at all times.

Section 8.5.1.2 Liability. A comprehensive public liability insurance policy insuring the Association, its agents, and the Owners and occupants of the Condominiums and their respective family Members, guests, invitees, and agents against any liability incident to the ownership or use of the Common Area or any other Association owned or maintained real or personal property;

Section 8.5.1.3 Workers Compensation. Worker's compensation insurance to the extent required by law;

Section 8.5.1.4 Directors Liability. Officers and directors liability insurance;

Section 8.5.1.5 Fidelity Bond. Appropriate fidelity bond coverage to protect against dishonest acts by the Association's officers, directors, employees, trustees, and all others who are responsible for handling funds of the Association if deemed necessary by a majority of the Board; and,

Section 8.5.1.6 Other Insurance. Such other insurance as the Board in its discretion considers necessary or advisable.

Section 8.5.2 Scope of Coverage. The Board shall have the sole authority to determine the amount, terms, and coverage of any policy required hereunder. The amount, terms, and coverage of policies other than casualty required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard Mortgage clauses, and notices of changes or cancellations) shall be no less than that which is customary for similar policies on similar Projects in the area, except that the Board will make every effort to obtain the minimum coverages set forth in Civil Code Section 1365.9(b) for the protection of the individual Owners from being named in lawsuits in regard to actions arising out of injuries occurring on the Common Areas. With regard to casualty coverage, the coverage shall be a "bare-walls" policy, unless the Board, in its sole discretion, determines that it is in the best interests of the Association for the policy to include some or all of the interior building fixtures such as carpet, wall coverings, cabinetry, etc. Unless included under the Association's policy, the Unit Owner shall be responsible for insuring such items as interior building fixtures and personal property within their own policy (commonly referred to as an ISO Form HO-6 Policy).

Section 8.5.3 Insurance Trustee. Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including, without limitation, representing the Owners in any proceeding, negotiation, settlement, or agreements.

Section 8.5.4 Waiver of Subrogation. Any insurance maintained by the Association shall contain a waiver of subrogation as to the Association's officers, directors, and Members, the Owners of the Condominiums and Mortgagees, and, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured.

Section 8.5.5 No Duplicate Insurance Coverage. No Condominium Owner shall purchase duplicate insurance coverage on their Condominium Unit when said coverage has already been purchased by the Association. If any Owner violates this provision, any loss in insurance proceeds to the Association will be chargeable to the Owner who acquired the duplicate insurance.

Section 8.5.6 Unit Owner Insurance Required. Owners are required to insure their personal property against loss and obtain personal liability insurance covering the contents of their individual Units. In addition, any improvements made by or acquired by an Owner within his or her Unit shall be separately insured by an Owner, but the insurance is to be limited to the type and nature of coverage commonly known as tenant's improvements. Any Owner failing to purchase said insurance waives any claim he or she may have against the Association for damage to the interior of his or her Unit, arising out of negligence, nuisance, or breach of contract on the part of the Association, so long as the damage or loss would have been covered under a standard Condominium Homeowner Policy (HO6) had it been in force at the time of the loss.

Section 8.5.7 Insurance Deductible. The amount of the deductible portion of any insurance coverage maintained by the Association shall be established in the reasonable discretion of the Board. In the event a claim is made against the insurance policy maintained by the Association, and proceeds from that policy are used to repair damage, the responsibility for the deductible shall be as follows:

Section 8.5.7.1 Damage Due to Act or Omission. Should the damage result from the act or omission of any party, whether such act or omission is negligent or willful, such party shall be responsible for the deductible.

Section 8.5.7.2 Damage from Owner-Maintained Item. Should the damage result from an item, the maintenance of which is the responsibility of an Owner, the Owner responsible for the maintenance shall be responsible for the deductible.

Section 8.5.7.3 Damage from Association-Maintained Item. Should the damage result from an item, the maintenance of which is the responsibility of the Association, the Association shall be responsible for the deductible.

Section 8.5.7.4 Damage from Multiple Sources. Should the damage result from more than one source, the responsibility for the deductible shall follow the percentage of fault.

Section 8.5.8 Annual Insurance Review. The Board shall review the insurance carried by or on behalf of the Association at least annually, for the purpose of determining if such insurance is adequate. Such responsibility may be performed and shall be deemed reasonably performed by the Board requesting the Association's insurance agent to verify that the insurance policies in existence meet the needs of the Association.

Section 8.5.9 Failure to Acquire Insurance. The Association, and its Directors and Officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances, or the Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board promptly shall notify each Member and any Mortgagee entitled to notice that the specific insurance will not be obtained or renewed. In making a determination as to whether to acquire any such insurance, the Board may base its decision upon, among other things, a vote of the Owners.

Section 8.6 Mortgagee Approval. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Eligible Mortgage Holders of first Mortgages on Condominiums which have at least fifty one percent (51%) of the votes of Condominiums subject to Eligible Mortgage Holders' Mortgages.

ARTICLE IX
USE OF LIVING UNITS, GARAGES AND COMMON AREA AS DESCRIBED IN CONDOMINIUM PLAN

Section 9.1 Residential Purposes. The use of the individual Units in the properties is hereby restricted to single family residential use. In no event shall a Unit be occupied by more individuals than permitted by applicable zoning laws or governmental regulations.

Section 9.1.1 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted on any Unit without the prior written approval of the Board, provided that the foregoing restriction shall not apply to the activities, signs or activities of the Association in the discharge of its responsibilities under the Governing Documents. Furthermore, no restrictions contained in this Section shall be construed in such a manner so as to prohibit any Owner from (a) maintaining his or her personal library in his or her residence, (b) keeping his or her personal business records or accounts therein, (c) handling his or her personal or professional telephone calls or correspondence therefrom, (d) leasing or renting his or her residence in accordance with Article II, Sections 2.1.5 through 2.1.9 hereof, or (e) conducting any other activities otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization. The uses described in (a) through (e), above, are expressly declared to be customarily incidental to the principal residential use of the Unit and not in violation of this Section.

Section 9.2 Lease of Condominium. Each Owner shall have the right to lease his Condominium as more fully set forth in Sections 2.1.5 through 2.1.9.

Section 9.3 Interior Surfaces. Each owner shall have the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of his Living Unit and Garage, and the surfaces of the bearing walls and partitions located within his Living Unit and Garage. Said Owners shall have the right to substitute new finished surfaces in place of those existing on said ceiling, floors, walls and doors of said Living Unit and Garage.

Section 9.4 Exclusive Use Areas Appurtenant. Each Exclusive Use Area shall be (i) appurtenant to the Living Unit and Garage with which the Exclusive Use Area is conveyed, and (ii) used only for the purposes set forth in this Declaration. The right to use an Exclusive Use Area shall be exercisable only by the Owner(s) of the Condominium appurtenant thereto and/or that Owner's tenants and licensee(s) No Exclusive Use Area or any rights thereto (other than said revocable licenses) shall be transferred or conveyed apart from conveyance of the Condominium to which they are 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 IX or Article IV.

Section 9.5 Use of Common Area. Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

(i) affording vehicular passage and pedestrian movement within the Condominium Property, including access to the Living Unit and Garage;

(ii) recreational use by the Owners and occupants of Living Units in the Condominium Property and their guests, subject to rules established by the Board; 5615

(iii) beautification of the Common Area and providing privacy to the residents of the Condominium Property through landscaping and such other means as the Board shall deem appropriate;

(iv) uses of open parking spaces shall be allowed only as permitted by the Board of Directors of the Homeowners Association which at all times has the exclusive power to control assignments of open parking spaces. Such usage shall be upon such terms and conditions and/or for such fees as may from time to time be determined by the Board. At least one open parking space shall be assigned to each Unit by the Board of Directors of the Association. The Association may re-assign or change the assignment only in the event that the Board of Directors, by at least an eighty percent (80%) majority vote, decides that such a re-assignment will be in the best interests of the Association.

(v) as Exclusive Use Areas to be used in the manner hereinafter described. Nothing herein shall be deemed to allow persons other than the Owner of a Living Units and Garage to which an Exclusive Use Area is appurtenant (or his tenants and lessees) to enjoy the use thereof.

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes herein above permitted, nor shall any part of the Common Area be used for storage purposes (except as incidental to one of such permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Area or the storage areas designated by the Board), nor in any manner which shall increase the rate of which insurance against loss by fire, or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or bodily injury, or property damage liability insurance covering the Common Area and improvements situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to the cancelled or suspended or the company issuing the same to refuse renewal thereof.

Section 9.6 Use of Exclusive Use Areas. Exclusive use areas included all of the exclusive use areas shown and described on the Condominium Plan.

Each Owner shall have the following rights with regard to the Balcony and Yard Easement Areas, which he/she has the exclusive right to use:

(a) To place furniture and plants upon said area.

(b) To plant flowers and shrubs which do not unreasonably interfere with the enjoyment of the owners of adjacent Living Units and Exclusive Use Areas. Bermuda grass prohibited. Trees which at maturity exceed twelve (12) feet in height must be maintained in accordance with architectural policies or rules adopted by the Board of Directors and distributed to the membership from time to time.

(c) Greenhouse extensions to the kitchen doors or windows of the townhouse units shall be permitted so long as they conform to the control and approval of the Board of Directors pursuant to Article V hereof.

Section 9.7 Owners Liable for Damage. Each Owner shall be legally liable to the Association for all damages to the Common Area or to any improvements thereto, as more fully set forth in Section 2.1.10.

Section 9.8 Pets. A maximum of two (2) household pets (exclusive of caged birds and aquarium fish) may be kept in any Living Unit, Garage, or Exclusive Use Area without the prior written consent of the Board.

All pets that require any local, state or Fedral license the owner shall obtain such license. Should any exotic or special permit be needed for any pet, that permit will be provided to the Association and may require additional liability insurance that protects the association. Such cost will be born by the owner.

Except as provided hereinabove, no animals, livestock, birds or poultry shall be brought within the Condominium Property or kept in any Living Unit, Garage or on any portion of the Common Area. No pet shall be permitted to be kept within any portion of the Living Unit, Garage, on Common or Exclusive Use areas if it makes excessive noise or otherwise constitutes an unreasonable annoyance to other Owners or is a farm animal.

Section 9.9 Nuisance. No noxious or offensive activities shall be conducted within or upon any portion of the Property nor shall anything be done or permitted within any Unit which is or could become an unreasonable annoyance or nuisance to the neighborhood. Without limiting any of the foregoing, no Owner shall permit noise of any sort (including, but not limited to, barking dogs, the operation of air conditioners, stereo amplifier systems, television sets, motor vehicles and power tools) to emanate from an Owner's Unit or any portion of the Common Area which would unreasonably disturb other Owners' enjoyment of their Units or the Common Area. Excessive noise levels may be determined in the sole discretion of the Board which may, but shall not be obligated to, rely on the County Code or other applicable governmental regulation dealing with such matters.

Section 9.10 Signs. No commercial advertising signs or billboards shall be displayed on any Unit or posted within or on any portion of the Common Area except that Owners may post on their Units any signs required by legal proceedings and a single "For Rent," "For Lease" or "For Sale" sign of reasonable dimensions as allowed by Civil Code Section 713. Also, Owners may place noncommercial signs or posters which do not exceed nine (9) square feet, or flags or banners which do not exceed fifteen (15) square feet, in their yard or windows, on their door or outside wall, and on their balcony. These items may be made of paper, cardboard, cloth, plastic or fabric. They may not be made from lights, building or paving materials, plants, or balloons. Also, Owners may not paint the messages on architectural surfaces. Notwithstanding the foregoing, the Board may prohibit and order the immediate removal of any sign which poses a threat to health or safety, or which is in violation of law.

Section 9.11 Outside Antennae. Owners may install satellite dishes not in excess of one (1) meter in diameter on Exclusive Use Common Areas appurtenant to their unit, such as balconies, terraces, decks or patios. Owners may not install satellite dishes or antennas on any

Common Areas such as roofs, hallways, walkways or exterior walls of the buildings. The Association may adopt rules permitting installation of satellite dishes or antennas in Common Areas, but adoption of said rules are solely within the discretion of the Board of Directors. The Board may adopt rules regulating the installation of antennas or satellite dishes on Exclusive Use Common Areas so long as the rules do not unreasonably delay or prevent installation, maintenance or use, unusually increase the cost of installation, maintenance or use, or preclude reception of an acceptable quality signal. Any rules implemented for legitimate safety restrictions are permitted, even if they impair installation, maintenance or use of the satellite dish or antenna. Other than as set forth above, no Owner shall place or maintain any outside television, radio or other antenna within the Project except upon written authorization by the Board of Directors or Architectural Review Committee.

Section 9.12 Use Causing Loss of Insurance. No Living Unit, Garage, Exclusive Use Area or improvements situated therein shall be used in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of an extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be cancelled or suspended, or the company issuing the same to refuse renewal thereof.

Section 9.13 Trees. All trees, hedges and other plant materials shall be trimmed by the Owner of the yard upon which the same are located so that trees exceeding the height of twelve (12) feet shall be maintained in accordance with rules and/or policies adopted by the Board of Directors and distributed to the membership from time to time; provided, however, that where trees do not obstruct the view from any other of the Units in the Properties, which determination shall be within the sole judgment of the Board or the architectural committee appointed thereby, they shall not be required to be so trimmed. Before planting any trees, the proposed location of such trees shall be approved in writing by the Board or the architectural committee appointed thereby. No trees, hedges or other plant materials shall be so located or allowed to reach a size or height which will interfere with the view from any unit.

Section 9.14 Fences, Hedges and Rails. Where trellises, fences or hedges are allowed, review by the Board or the architectural committee in relation to normal enjoyment of view by other Unit Owners shall be required.

Section 9.15 Drying Yards. No drying yards shall be permitted unless screened from all views exterior to the yard on which the drying yard is located by fence, hedge or shrubbery, which screening and the adequacy thereof shall be subject to the approval of the Board or the Architectural committee appointed thereby.

Section 9.16 No Tents, Shacks or Vehicles. No tent, shack, trailer, basement or outbuilding shall at any time be used in any exclusive use area as a residence, either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected. No garage shall be converted to any use which prevents the storage of one (1) standard automobile therein and no garage shall be used for living purposes.

Section 9.17 Drainage. No Owner of a Unit shall in any way interfere with or change the established drainage pattern over his yard from adjoining or other Common Areas; provided, however, each Owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his exclusive use yard. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time the overall grading of said yard was completed by Declarant. Any change in grading or drainage on any yard shall first be approved by the Board or architectural committee appointed thereby and by the County of San Diego. Each yard Owner shall permit free access by Owners of adjacent or adjoining yard to slopes or drainageways located on his yard when such access is necessary for the maintenance of permanent stabilization on said slopes or of the drainage facilities to protect property other than the yard on which the slope or drainageway is located.

Section 9.18 Slope Control, Use and Maintenance. After transfer by Declarant to each Unit Owner, each such Owner will keep, maintain, water, plant and replant all slope banks located on such Owner's yard so as to prevent erosion and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any of said slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

Section 9.19 Trash Disposal. Except as provided herein, all trash shall be stored within the residential unit. After nightfall of the day preceding trash collection (as determined by the Board), each Owner may place trash outside the residential unit in a location designated by the Board for trash pickup. All such trash shall be in sealed plastic bags unless other containers are approved by the Board.

Section 9.20 Garage Doors. Each garage door shall be kept closed except when entering or exiting garage.

Section 9.21 Compliance with Law and Owner Personal Property. No Owner shall permit anything to be done or kept in his or her Unit that violates any permit, law, ordinance, statute, rule or regulation of any local, county, state or federal body. No Owner shall allow furniture, furnishings, or other personal property belonging to such Owner to remain within any portion of the Project except in such Owner's Unit or Exclusive Use Common Area and except as may otherwise be permitted by the Board.

ARTICLE X
GENERAL PROVISIONS

Section 10.1 Enforcement.

Section 10.1.1 Introduction. This Article sets forth the methods available to the Board of Directors and membership for resolving disputes within the Association along with the Association's powers of enforcement of the Governing Documents. Sections 10.1.2 and 10.1.3 are not mandatory and may be utilized in accordance with the rules and policies of the Association. Section 10.1.4 providing for Internal Dispute Resolution is mandatory when initiated by a member. Section 10.1.5 is mandatory in the event that an Owner or the Association anticipates proceeding to litigation.

Section 10.1.2 Informal Notice of Violation. The Board may authorize an informal written notice of violation to any Owner whose Unit or any resident therein is violating a provision of the Governing Documents. Its function is notification to the Owner of the violation and requesting their voluntary cooperation in correcting it.

Section 10.1.3 Disciplinary Proceedings. The Board of Directors may take the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of the Governing Documents: (1) impose monetary penalties, including late charges and interests; (2) suspend voting rights in the Association until the violation has been cured; and (3) suspend use privileges for Common Area recreational facilities until the violation has been cured.

The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Board. The Board shall substantially comply with the due process requirements of Civil Code Section 1363(h) before imposing any of the foregoing penalties.

Section 10.1.4 Internal Dispute Resolution Procedure. The procedures set forth herein is for the purpose of resolving a dispute between the Association and Member involving their rights, duties or liabilities under the Governing Documents or the California Non-Profit Mutual Benefit Corporation Law. Either party to a dispute within the scope of this Section 12.4 may invoke the following procedure.

Section 10.1.4.1 Meet and Confer. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

Section 10.1.4.2 Rights to Meet and Confer. A member of an Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

Section 10.1.4.3 Designation of Representative. The Association's Board of Directors shall designate at least one (1) member of the Board to meet and confer.

Section 10.1.4.4 Timeliness of Meeting. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith and in an effort to resolve the dispute.

Section 10.1.4.5 Agreement in Writing. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

Section 10.1.4.6 Agreement Judicially Enforceable. An agreement reached under Section 10.1.4 herein binds the parties and is judicially enforceable when it meets the requirements set forth in Civil Code §1363.840(c).

Section 10.1.5 Alternative Dispute Resolution Procedure. Prior to the commencement of an enforcement action, the party initiating the case shall comply with Civil Code Section 1369.530 by serving a Request for Resolution on the other party in accordance with the statute.

Section 10.1.6 Litigation. The Association or any Member shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, Association Bylaws and rules and regulations, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations, the right to recover damages or other dues for such violation; provided, however, that with respect to Assessment liens, the Association shall have the exclusive right to the enforcement thereof. In any action to enforce the governing documents, the prevailing party shall be entitled to an award of reasonable attorney fees and court costs.

Section 10.2 Severability. Should any provision in this Declaration be void or become unenforceable in law or equity by judgment or court order, the remaining provisions of this Declaration shall remain in full force and effect.

Section 10.3 Amendments. The Declaration may be amended by an instrument in writing signed by (i) seventy five percent (75%) of the total voting power of the Association. No amendment material to a Mortgagee may be made to this Declaration without the prior written consent of Eligible Mortgage Holders whose Mortgages encumber fifty-one percent (51%) or more of the Condominiums within the Condominium Property which are subject to Eligible Mortgage Holder Mortgages. For these purposes, any amendments to provisions of this Declaration governing any of the following subjects, shall be deemed "material to a Mortgagee":

(a) Voting;

(b) Assessments, assessment liens or subordination of such liens;

(c) Reserves for maintenance, repair and replacement for the Common Areas;

(d) Casualty insurance, liability insurance or fidelity bonds;

(e) Rights to use of the Common Areas;

(f) Responsibility for maintenance and repair of the several portions of the Project;

(g) Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project;

(h) Boundaries of any Living Unit;

(i) The interests in Exclusive Use Areas and other portions of the Common Areas;

(j) Convertibility of Living Units into Common Areas or of Common Areas into Living Units;

(k) Leasing of Condominiums;

(l) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Condominium;

(m) Any provisions which are for the express benefit of Mortgage holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors.

An addition or amendment to the Declaration or By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments 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 10.4 Extension of Declaration. Each and all of these covenants, conditions, and restrictions shall terminate on December 31, 2050, after which date they shall automatically be extended for successive periods of ten (10) years unless the Owners have executed and recorded at any time within six (6) months prior to December 31, 2050, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate on December 31, 2050, or at the end of any such ten (10) year period.

Section 10.5 Encroachment Easement. In the event any portion of the Common Area, or any Yard Easement Area thereof, encroaches upon any Living Units, Garage or any Yard Easement Area or any Living Unit Garage or Yard Easement Area encroaches upon the Common Area or another Living Unit Garage or Yard Easement Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements (including fences), a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

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, settlements or shifting provided, however, that in no event shall an easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure on the Condominium Property is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Living Units, Garages or Common Area (and any other elements of Condominiums) shall be easements for the maintenance of said encroachments so long as they shall exist.

Section 10.6 Differences and Dimensioning of Exclusive Use Areas and Yard Easements. Each Balcony is an Exclusive Use Area, and as such, the dimensions and vertical elevations of each are described on the Condominium Plan. No vertical elevations are described for the Yard Easement Areas and certain dimensions of the Yard Easement Areas are coterminous with fences and/or walls which are not shown on the Condominium Plan.

(a) The Architectural Committee shall have the right to determine the vertical limits of each Yard Easement Area.

(b) Should any controversy exist as to the location of any Yard or fence dimensions, such controversy shall be arbitrated before the Architectural Committee, which arbitration shall be binding on the parties. Any decision of the Architectural Committee may be appealed to the Board of Directors in accordance with the process described in Section 5.5.

Section 10.7 Owner Compliance. Each Owner, tenant or occupant of a Condominium shall comply with the provisions of this Declaration, the By-Laws, decisions and resolutions of the Association 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 injunctive relief.

Section 10.8 Owners Easements of Enjoyment. Because every Owner of a Condominium Unit owns an individual 1/72 interest in the Common Area, each Owner has a right of ingress, egress and of enjoyment in and to the Common Area, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

(b) The right of the Association to suspend the voting rights, the use of recreational facilities or impose a monetary penalty upon an owner for infraction of any of the Association's Governing Documents. No such suspension shall be effective unless the Owner has been given fifteen (15) days prior notice of the suspension and the reasons therefore and the Owner has been given an opportunity to be heard by the Board, orally or in writing, not less than five (5) days prior to the effective date of the suspension. Notice may be given the Owner by any method reasonably calculated to provide actual notice, but if given by mail must be given by first-class or registered mail sent to the last address of the Owner shown on the records of the Association.

(c) The right of the Association in accordance with the Articles and By-Laws, to borrow money for the purpose of improving the Common Area and in aid thereof, and with the assent of two-thirds (2/3)) of the Members, hypothecate any or all real or personal property owned by the Association.

(d) The provisions of the open space easements dedicated to The County of San Diego, California, on the Final Subdivision Map covering the Properties.

IN WITNESS WHEREOF, Spring Canyon Homeowners Association, by and through its Board of Directors, hereby certifies that this 2007 Restated Declaration of Covenants, Conditions and Restrictions was duly adopted.

Dated: 4/10, 2008

Tony LaBorin
President
Spring Canyon Homeowners Association
Tony LaBorin

Dated: 4-10, 2008

Secretary
Spring Canyon Homeowners Association
Christopher T. Walsh

ACKNOWLEDGMENT

State of California)
: s.s.
County of San Diego)

On 4/10/08, before me, Rachelle Wadley a Notary Public, personally appeared Tony LaBorin, who 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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.

[Seal]

RACHELLE WADLEY
Commission # 1746275
Notary Public - California
San Diego County
My Comm. Expires Jun 18, 2011

ACKNOWLEDGMENT

State of California)
: s.s.
County of San Diego)

On 4/10/08, before me, Rachelle Wadley, a Notary Public, personally appeared Christopher Walsh, who 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 executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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.

[Seal]

RACHELLE WADLEY
Commission # 1746275
Notary Public - California
San Diego County
My Comm. Expires Jun 18, 2011

MAINTENANCE RESPONSIBILITY CHECKLIST FOR SPRING CANYON HOMEOWNERS ASSOCIATION

ASSOC	OWNER	UNIT INTERIOR
	x	Appliances
	x	Carpeting
	x	Caulking - bathrooms, kitchens
	x	Chimneys - sweeping
	x	Doorbell - components
	x	Doors - glass
	x	Fireplaces - repair firebox
	x	Fireplaces - repair mantle
x		Fireplaces - repair stone/bricks
	x	Floor coverings
	x	Garbage disposal
	x	Lighting fixtures
	x	Painting
	x	Wallpaper and paneling
	x	Window glass
x		Window flashing and waterproofing
x		Window frames
	x	Window hardware
		ROOF
x		Roof decking
x		Roof flashing
x		Roof shingles/tiles
x		Roof underlayment
x		Roof vents

EXHIBIT "A"

ASSOC	OWNER	EXTERIOR
	x	Air conditioning system - exclusively serving a unit
	x	Antennas or Satellite Dishes - exclusively serving a unit
x		Building surfaces
x		Caulking
x		Chimneys
	x	Doors - entry - flashing/waterproofing
	x	Doors - entry - frame and door
	x	Doors - entry - locks and hardware
	x	Doors - entry - painting
	x	Doors - screen
	x	Doors - sliding
	x	Doors - security
x		Driveways
x		Faucets, handles, washers - exclusively serving a unit
	x	Fences – between units
x		Fences - common area
x		Fences - separating common area from exclusive use area
	x	Fences - separating unit exclusive use area
x		Fireplace - repair exterior stone/bricks
x		Gutters and downspouts
	x	Heating system - exclusively serving a unit
	x	Lighting fixtures - switches located within a unit
	x	Screens - windows and doors
x		Sidewalks - entry in courtyards
	x	Skylights - flashing and waterproofing
	x	Skylights - frame and glass
x		Stucco - painting/coloring
x		Stucco - repair and replacement
x		Trim - wood - maintenance and replacement
x		Trim - wood - painting

ASSOC	OWNER	EXCLUSIVE USE AREAS/PATIOS/BALCONIES
x		Drains
x		Deck membranes/waterproofing
x		Deck railings - painting
x		Patios/balconies - painting
x		Patio covers - painting
	x	Patio covers - repair and replace
	x	Patio sliding doors - glass
	x	Patio sliding doors - flashing and waterproofing
	x	Patio sliding doors - frames and tracks
	x	Patio sliding doors - hardware

		GARAGE/CARPORTS
x		Carport covers
	x	Doors - garage - electric openers and remote controls
	x	Doors - garage - locks and hardware
x		Doors - garage - painting exterior
x		Doors - garage - painting interior

		UTILITIES/WIRING/PLUMBING
	x	Cable TV wiring - from wall into unit
	x	Drains - bathtubs/showers/sinks
	x	Electrical panel/circuit breakers - within Unit
	x	Electrical switches, sockets, wallplates - exterior (exclusively serving one unit
	x	Electrical switches, sockets, wallplates - interior
	x	Electrical wiring - interior
x		Gas lines below ground exclusively serving one Unit
	x	Gas lines in crawl spaces exclusively serving one Unit
x		Main line backups
	x	Plumbing fixtures - toilets/tubs/sinks/faucets/etc
	x	Plumbing lines - interior (behind walls, floors, ceilings & exclusively serving one Unit)
	x	Sewer lines - in crawl spaces or under slabs & exclusively serving one unit

ASSOC	OWNER	UTILITIES/WIRING/PLUMBING (continued)
	x	Telephone wiring
	x	Toilet and sewer backups, exclusive of main-line issues
	x	Toilets - wax rings
	x	Toilets - fixtures and components
	x	Water heater(s)
	x	Water softeners
		EXCLUSIVE USE YARD AREAS
	x	Drainage systems, ditches, catch basins
	x	Drains - yard/planters
	x	Landscaping - back or side yards
	x	Landscaping - entry ways
	x	Landscaping - front yard
		COMMON AREAS
x		Carpeting - common areas, recreation areas
x		Carport/parking space - concrete/asphalt surfaces
x		Common area improvements
x		Landscaping - common area
x		Lighting fixtures
x		Pool
x		Pump and filter room
x		Sewer lines - common area - below ground
x		Sidewalks
x		Spa
x		Streets - maintenance and repair
x		Recreation center
		PEST CONTROL
	x	Spraying for household pests (ants, fleas, etc.)
	x	Spraying for landscaping pests (exclusive use area)
x	x	Termite eradication & repair of damage occasioned by wood-destroying pests or organisms (shared expense)

793 85-186370

RECORDED IN OFFICIAL RECORDS OF SAN DIEGO COUNTY, CA

1985 MAY 28 AM 10:43

VERA L. LYLE COUNTY RECORDER

RECORDING REQUESTED BY
Ticor Title Insurance Company
AND RETURN TO:

Asaro & Associates
411 Brookes Avenue
San Diego, CA 92103
1122-910

RF	8
AR	4
TLR	12
MG	2

AMENDMENT TO
CONDOMINIUM DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

This Amendment to Condominium Declaration of Covenants, Conditions and Restrictions is made this 10th day of May, 1985.

Those Covenants, Conditions and Restrictions made the 9th day of November, 1984, by SPRING CANYON ENTERPRISES, INC., a California corporation, the Declarant therein, recorded November 21, 1984, file no. 84-438231, Office of County Recorder of San Diego County, are hereby amended as follows:

1. At Article III, at the end of Section 3.6, at page 8 of the document (recorder's page no. 454), add the following:

"Additionally, a service charge of not to exceed Ten Dollars ($10.00) may be charged on all delinquencies."

2. At Article III, Section 3.7, at pages 8 and 9 of the document (recorder's page nos. 454 and 455), the beginning of the first sentence thereof is restated as follows:

"The annual assessments provided for herein shall commence as to all condominiums in any subphase of the project upon the earliest of (i) the first day of the month following the conveyance of the first condominium to an owner in that phase, (ii) the first day of the month following the filing of the notice of completion on any building in a phase, (iii) the first day of the month following the issuance of certificate of occupancy, (iv) July 1, 1985, ... "

3. At Article IX, at the end of Section 9.2, at page 19 of the document (recorder's page no. 465), add the following:

"A copy of any such leases shall be provided by owner to the Association."

SUBORDINATION AGREEMENT

Deseret Pacific Mortgage, being beneficiary under that certain Deed of Trust recorded April 12, 1984, Recorder's File No. 84-134704, County of San Diego, hereby declares that the lien and charge of said Deed of Trust is and shall be subordinate and inferior to the Amendment to Condominium Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

Dated: May 10, 1985

Deseret Pacific Mortgage,
a Utah corporation

By: [signature]
Gregory J. Kelsey
Senior Vice President

CAT. NO. NN00737
TO 21945 CA (1-83)
(Corporation)

TICOR TITLE INSURANCE

STATE OF CALIFORNIA
COUNTY OF Los Angeles } ss.

On May 10, 1985 before me, the undersigned, a Notary Public in and for said State, personally appeared Gregory J. Kelsey 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 Senior Vice President, and - 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 - Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature [signature]

(This area for official notarial seal)

STAPLE HERE

4. At Article IX, at the end of Section 9.14, at page 22 of the document (recorder's page no. 468), the following is added:

"This section refers to modification of fences or new fences, not to fences existing at the time of initial sale of the unit."

5. At Article IX, at the end of Section 9.17, at page 23 of the document (recorder's page no. 469), the following is added:

"The use of water in yards by owners shall be kept to a minimum. Plants, grasses or shrubs requiring more than light or mild irrigation are prohibited."

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the day and year first hereinabove written.

SPRING CANYON ENTERPRISES, INC.

By: ______________________
President

By: ______________________
Secretary

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

On May 14th, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared V'FRANK ASARO, known to me to be the President and Secretary of the corporation that executed the within instrument, known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

OFFICIAL SEAL
CORINNE ANNE LEWIS
NOTARY PUBLIC - CALIFORNIA
SAN DIEGO COUNTY
My Comm. Expires July 28, 1986

Corinne Anne Lewis
Notary Public

RECORDING REQUESTED BY
TICOR TITLE INSURANCE COMPANY

442

84-438231

RECORDED IN
OFFICIAL RECORDS
OF SAN DIEGO COUNTY, CA

1984 NOV 21 AM 11:26

VERA L. LYLE
COUNTY RECORDER

~~RECORDING REQUESTED~~
BY AND WHEN RECORDED
RETURN TO:

Asaro & Associates
411 Brookes
San Diego, CA 92103
1122910

RF 50
MG 4

CONDOMINIUM

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION of Covenants, Conditions, and Restrictions is made this 9 day of Nov, 1984, by SPRING CANYON ENTERPRISES, INC., A California Corporation, hereinafter referred to as "Declarant" with reference to the following:

RECITALS:

A. Declarant is the owner of that certain real property located in the County of San Diego, State of California, which is more particularly described as:

See Exhibit "A" attached hereto, made a part hereof.

hereinafter called the "Condominium Property."

B. Declarant has or intends to improve the Condominium Property by constructing thereon 72 condominium units on a single lot, in three phases and intends to establish a condominium project under the provisions of the California Condominium Act providing for separate title to Living Units and Garages (as hereinafter defined) appurtenant to which will be an undivided fractional interest in the Condominium Property other than the Living Units and Garages.

C. The planned phases in said lot, including unit numbers and buildings, are set forth in the schedule attached hereto as Exhibit "B" and are further incrementally described as follows:

Phase 1 will consist of three buildings, will aggregate 22 condominium units, all of which are wood-frame stucco structure, asphalt shingles, of a modified Country French or tudor flavor, ten of which are three bedroom townhouses at approximately 1,390 square feet, six of which are two bedroom townhouses at approximately 1,172 square feet, and six of which are two bedroom flats at approximately 1,020 square feet. (Square footage are approximations. No representation of precise sizes are herein made.)

Also included in Phase 1 as Common Area is a recreational building, pool and spa, and appurtenant landscaping for same, paved parking spaces and landscaping for the Common Areas appurtenant to the units in Phase 1, together with the streets and the uncovered parking spaces appurtenant to Phase 1.

Phase 2 will consist of four buildings, will aggregate thirty condominium units, of the same style and construction as Phase 1, 14 of which are three bedroom townhouses, 16 of which are two bedroom townhouses, each of the same floor plans and approximate square footage corresponding to the equivalent units in Phase 1, with landscaping and paving appurtenant to the units in Phase 2, together with the Common Areas appurtenant thereto.

Phase 3 will consist of three buildings; will aggregate 20 condominium units, of the same style and construction as Phase 1, five of which are three bedroom townhouses, 15 of which are two bedroom townhouses, each of the same floor plans and approximate square footage corresponding to the equivalent units in Phase 1, with landscaping and paving appurtenant to the units in Phase 3, together with the Common Areas appurtenant thereto.

D. Each unit located in each phase shall be comprised of a fee simple ownership in a Living Unit and Garage, an undivided 1/72th ownership in the common area of the entire lot, as tenants in common with the owners of the other Units, and an exclusive use area or in most Units a yard easement area or areas over a portion or portions of the common area appurtenant to each Unit space. Exclusive Use Areas include balconies and yard easements. The units with their appurtenant exclusive Use Areas and yard easements are all designated in the condominium plan. The project will be consistent with the overall development plan submitted to the Veterans Administration and Federal Housing Administration.

E. Each Condominium shall have appurtenant to it a membership in the SPRING CANYON HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), which will be the management body for the overall condominium project.

F. Before selling or conveying any interests in the Condominium Property, Declarant desires to subject the Condominium Property in accordance with a common plan to certain covenants, conditions and restrictions for the benefit of Declarant and any and all present and future owners of the Condominium Property.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association and any amendments to said Articles.

Section 1.2 "Association" shall mean and refer to Spring Canyon Homeowners Association, a California nonprofit mutual benefit

Corporation, its successors and assigns.

Section 1.3 "Board" or "Board of Directors" shall mean and refer to the governing body of said Association.

Section 1.4 "Boundaries" shall mean that in interpreting deeds and plans, the then existing physical boundaries of a Living Unit Garage, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building.

Section 1.5 "By-Laws" shall mean and refer to the By-Laws of the Association and any amendments to said By-Laws.

Section 1.6 "Common Area" shall mean and refer to all portions of the Project not located within a Living Unit or Garage.

Section 1.7 "Common Expenses" shall mean and include the actual and estimated expenses of operating the Condominium Property and any reasonable reserve for such purposes.

Section 1.8 "Condominium" shall mean and refer to a fee simple estate in the Condominium Property as defined in Section 783 of the California Civil Code and shall consist of a separate interest in a Living Unit and Garage and an undivided fractional interest as tenant in common in the Common Area.

Section 1.9 "Condominium Building" shall mean and refer to a residential structure containing Condominium Living Units and Garages.

Section 1.10 "Condominium Plan" shall mean and refer to the Condominium Plan recorded pursuant to California Civil Code Section 1351 covering the entire Condominium Property, including such amendments thereto as may from time to time be recorded.

Section 1.11 "Condominium Property" shall mean and refer to that certain real property located in the County of San Diego, State of California, more particularly described as:

See Exhibit "A" attached hereto.

Section 1.12 "Declarant" shall mean and refer to Spring Canyon Enterprises, Inc., its successors and assigns.

Section 1.13 "Declaration" shall mean and refer to this enabling Declaration of Covenants, Conditions and Restrictions.

Section 1.14 "Eligible Insurer or Guarantor" shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the By-Laws of the Association.

Section 1.15 "Eligible Mortgage Holder" shall mean and refer to a holder of a first Mortgage on a Condominium who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or the By-Laws of the Association.

Section 1.16 "Exclusive Use Area" shall mean and refer to those portions of the Common Area to which an exclusive right to use is granted to an Owner as shown and described on the Condominium Plan and shall consist of balconies. Yards and yard easement areas are subparts of "Exclusive Use Areas," but with easement rights rather than exclusive use rights.

Section 1.17 "Yard" shall mean and refer to those portions of the Condominium property to which an exclusive use easement is granted to an Owner as shown and described as such on the recorded Condominium Plan covering the Condominium Property. Reference to "yards" or "yard easement area" shall be synonymous. Any reference to "yards within an exclusive use area" shall mean "yard easement."

Section 1.18 "FHA" shall mean and refer to the Federal Housing Administration.

Section 1.19 "Garage" shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan; provided, however, that the following are not part of any Garage: Bearing walls, columns, floors, roofs, foundations, central heating, central refrigeration and central air conditioning equipment, reservoir tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located in the Garage.

Section 1.20 "Living Unit" shall mean and refer to those portions of the Condominium Property shown and described as such on the Condominium Plan; provided, however, that the following are not part of any Living Unit: Bearing walls, columns, floors, roofs, foundations, central heating, central refrigeration and central air conditioning equipment, reservoir tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, whenever located, except the outlets thereof when located in the Living Unit.

Section 1.21 "Member of Association" shall mean and refer to an Owner as defined in Section 1.23 of Article I herein.

Section 1.22 "Mortgage" shall mean and refer to a Deed of Trust as well as a mortgage.

Section 1.23 "Mortgagee" shall mean and refer to a beneficiary under or holder of a Deed of Trust given for value, which encumbers any Condominium.

Section 1.24 "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Condominium which is part of the Condominium project, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 1.25 "Project" shall mean and refer to the entire real property above described, including all structures and improvements erected or to be erected thereon, and such additions as may hereafter be brought within the jurisdiction of the Association.

Section 1.26 "VA" shall mean and refer to the Veterans Administration.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 2.1 Membership. 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. Each Owner is obligated to comply with the Articles, By-Laws, and the rules and regulations adopted by the Board of Directors of the Association. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale of the Condominium to which it is appurtenant, and then only to the purchaser of such Condominium. Any attempt to make a prohibited transfer is void. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in his name to the purchaser of his unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 2.2 Voting Rights. Only those members of the Association paying assessments shall have voting rights. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Condominium owned. When more than one (1) persons holds an interest in any Condominium, all such persons shall be members. The vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium.

Class B. Class B member(s) shall be Declarant and shall be entitled to three (3) votes for each

Condominium owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earliest of the following to occur:

1. (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

   (b) Two (2) years from the date of original issuance by the California Department of Real Estate of the most recently issued Final Subdivision Public Report for a phase of development of the Project; or

   (c) Four (4) years from the date of original issuance by the California Department of Real Estate of the Final Subdivision Public Report for the first phase of development of the project.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 3.1 Creation of Lien and Personal Obligation of Assessment.

The Declarant, for each Condominium owned within the Project, hereby covenants, and each Owner of any Condominium by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments, which shall include an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Area, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which each such assessment is made, the lien to become effective upon recordation of a assessment. Each such assessment, together with interest, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Condominium at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 3.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the entire project and for the improvement and maintenance of the Common Area for the common good of the Project.

Section 3.3 Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment shall be One Thousand Five Hundred Dollars ($1,500.00) per Condominium.

(a) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Condominium to an Owner, the maximum annual assessment may be increased above ten percent (10%) by the vote or written assent of fifty-one percent (51%) of the voting owners of each class of members; provided, however, that following the conversion of the Class B membership to Class A membership, any such increase shall have the vote or written assent of (i) fifty-one percent (51%) of the total voting power of the Association and (ii) fifty-one percent (51%) of the total voting power of members other than the Declarant.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 3.4 Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any special Assessment shall have the vote or written assent of fifty-one percent (51%) of the voting owners of each class of members; provided, however, after the conversion of the Class B membership to Class A membership, any such assessment shall have the vote or written assent of (i) fifty-one percent (51%) of the total voting power of the Association and (ii) fifty-one percent (51%) of the total voting power of the members other than the Declarant. The Association may also levy a special Assessment against any member to reimburse the Association for costs incurred in bringing a member and his Condominium into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, and the Association rules and regulations, which special assessment may be levied upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of section 7341 of the California Corporation Code, set forth in the By-Laws. Such assessment shall also be subject to Title 10

California Administrative Code, Section 2792.26(c), which provides that certain assessments shall not become a lien against the members interest.

Section 3.5 Membership Approval. Any action authorized under Section 3.3 or 3.4 above shall be taken at a meeting called for that purpose, written notice of which shall be given to all Members not less than ten (10) days nor more than ninety (90) days in advance of the meeting; provided, however, if notice is given by mail and the notice is not mailed by first-class, registered or certified mail, then notice shall be given not less than twenty (20) days before the meeting. A quorum for such meeting shall be a majority of the voting power of the membership of the Association. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the voting power of the membership of the Association; provided, however, if (i) the meeting so adjourned is an annual meeting and (ii) the adjourned annual meeting is actually attended, in person or by proxy, by less than thirty-three and one-third percent (33-1/3%) of the voting power of the membership of the Association, then the only matters which may be voted upon thereat, are matters notice of the general nature of which was duly given. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite fifty-one percent (51%), Members who were not present in person or by proxy may give their assent in writing provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

Section 3.6 Uniform Rate of Assessment. Except as otherwise provided herein, both annual and special assessments shall be fixed at a uniform rate for all Condominiums and may be collected on a monthly basis or as otherwise determined by the Board. A special assessment against members to raise funds for the rebuilding or major repair of a portion of the structural Common Area shall be levied upon the basis of the ratio of the square footage of the floor area of the Living Unit of the Condominium to be assessed to the total square footage of the aggregate floor area of the Living Units in all Condominiums to be assessed. A special assessment against a member to reimburse the Association for costs incurred in bringing the member and his Condominium into compliance with the provisions of the Condominium documents shall be assessed only against that member and his Condominium. Any assessment not paid within thirty (30) days after the due date shall be delinquent, and shall bear interest at the rate of ten percent (10) per annum from the due date until paid in full.

Section 3.7 Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Condominiums in any subphase of the project upon the earliest of (i) the first day of the month following the conveyance of the first Condominium to an Owner in that phase, (ii) filing of the Notice of Completion, (iii) issuance of Certificate of Occupancy, (iv) March 15, 1985, as to the first subphase, March 15, 1986, as to the second subphase, March 15, 1987, as to the third subphase. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each annual assessment period. Written notice of the annual assessment shall be established by the Board.

Section 3.8 Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment made in accordance with this Declaration shall be a debt of the Owner of a Condominium from the time the assessment is due. At any time after any assessments levied by the Association affecting any Condominium have become delinquent, the Board may file for recording in the Office of the County Recorder a notice of delinquency as to such Condominium, which notice shall state all amounts which have become delinquent with respect to such Condominium and interests, costs, and reasonable attorneys fees which have accrued thereon, the amount of any assessments relating to such Condominium which are due and payable although not delinquent, a description of the Condominium with respect to which the delinquent assessments are owed, and the name of the record or reputed record Owner of such Condominium. Such notice shall be signed by the President or Vice President and Secretary or Assistant Secretary of the Association.

Immediately upon recording of any notice of the delinquency pursuant to the foregoing provisions of this section, the amounts delinquent, as set forth in such notice, together with the costs, attorney's fees, and interest accruing thereon, shall be and become a lien upon the Condominium described therein, which lien shall also secure all other payments and/or assessments which shall become due and payable with respect to said Condominium following such recording, and all costs, attorney's fees, and interest, accruing thereon. Said lien shall continue for a period of one (1) year unless extended for a period of an additional year by the recording of a written extension by the Association. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective Condominium prior and superior to all other liens, except (i) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (ii) the lien or charge of any first mortgage of record.

In the event the delinquent assessments and all other assessments which have become due and payable with respect to the same Condominium together with all costs, attorney's fees, and interest 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 such lien.

Each assessment lien may be foreclosed as and in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of California, or may be enforced by sale pursuant to Sections 2924, 2924(b), 2924(c) and 1356 of the California Civil Code, and to that end a power of sale is hereby conferred upon the Association. The Association, acting on behalf of the Condominium Owners, shall have the power to bid for the Condominium at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

Section 3.9 Subordination of the Lien to First Deed of Trust and First Mortgages. The lien of the assessments, including interest, costs (including attorneys fees), provided for herein shall be subordinate to the lien of any first Mortgage upon any Condominium. Sale or transfer of any Condominium shall not affect the assessment lien. However, the sale or transfer of any Condominium pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Condominium from lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage of record or other purchaser of a Condominium obtains title, his successors and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Condominium which became due prior to the acquisition of title to such Condominium by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from all of the Condominiums including such acquirer, his successors and assigns.

Section 3.10 Treatment of Monetary Penalty. A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the Declaration or By-Laws or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to the Common Area for which the member was allegedly responsible or in bringing the member and his Condominium into compliance with the Declaration or By-Laws shall not be treated as an assessment which may become a lien against the member's Condominium enforceable as provided in Section 1356 of the Civil Code. This paragraph shall not apply to charges imposed against an Owner which are reasonable late payment penalties for delinquent assessments nor charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments.

Section 3.11 Estoppel Certificate. The Association shall furnish or cause an appropriate officer to furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. A properly executed certificate of the Association as to the status of assessments on a Condominium is binding upon the Association as of the date of its issuance.

Section 3.12 Personal Liability of Owner. No owner may exempt himself from personal liability for assessments levied by the Association, nor release the Condominium owned by him from the liens and charges hereof by waiver of the use or enjoyment of any of the Common Area or by abandonment of his Condominium.

Section 3.13 Taxation of Association. In the event that any taxes are assessed against the Common Area or the personal property of the Association, rather than against the individual Condominiums, said taxes shall be added to the annual assessments and, if necessary, a special assessment may be levied against the Condominium in an amount equal to said taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

Section 3.14 Capitalization of Association. Upon acquisition of record title to a Condominium from Declarant, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6th) the amount of the then annual assessment for that Condominium as determined by the Board. This amount shall be deposited by the buyer into the purchase and sale escrow and disbursed therefrom to the Association. Within six (6) months after close of the first sales escrow of a Condominium by Declarant, as seller, Declarant shall deposit into an escrow an amount equal to one-sixth (1/6th) of the then annual assessment for any and all Condominiums not yet sold. Escrow shall remit these funds to the Association. Upon close of escrow of any Condominium for which the capital contribution was prepaid by Declarant, escrow shall remit to the Declarant the capital contribution collected from Owner.

ARTICLE IV

RESPONSIBILITIES OF MAINTENANCE

Section 4.1 Owner Maintenance of Living Unit and Garage. Each Owner of a Condominium shall be responsible for the maintenance and repair of the glass doors and windows enclosing his Living Unit and Garage, the interior of his Living Unit and Garage and all appliances whether "built-in" or freestanding within the Living Unit and Garage, the interior surfaces of the Living Unit and Garage, and shall also be responsible for the maintenance and repair of the plumbing, electrical and heating systems servicing his Living Unit and Garage and located within the outside perimeter of the exterior bearing walls thereof, including television cable equipment and connections and all appliances and equipment located in said Living Unit and Garage. Each Owner shall also be responsible for the maintenance, landscaping and repair of the yards and Balconies which he has the exclusive right to use including the interior surfaces of any fence or railing (but not the exterior surfaces), and shall make such repairs or install and maintain such landscaping as the Board deems necessary to preserve the attractive appearance and protect the value thereof. Landscaping in yard easement areas shall be installed by each owner within sixty (60) days after transfer of Condominium deed from Declarant to Owner.

Section 4.2 Owner's Grant of Easements. Each Owner hereby grants easements to other Owners to enter into each Condominium and to have utility companies enter into Condominiums to repair the plumbing, heating, and electrical systems located thereon, subject to the following limitations. Entry into a Living Unit or Garage for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party. Entry into a Living Unit and Garage for other than emergency repairs shall be made only after three (3) days notice has been given to the Owner and shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party.

Section 4.3 Association Maintenance of Common Area. Except as otherwise provided herein, the Association acting through the Board and its officers shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the Common Area or any portion thereof, together with the improvements, trees, shrubbery, plants and grass thereon, all as more fully set forth in this Declaration of Restrictions, the Articles and By-Laws. The Association shall maintain and repair all parking areas and the exterior portion of all Garages; provided, however should said maintenance or repair result from the negligence of an Owner, or his guests or licensees, the Owner shall reimburse the Association for the costs of such maintenance or repair. The maintenance of the landscaping of the yard easement areas for each unit is the responsibility of each Owner having such yard easement use and is not the responsibility of the Association.

Section 4.4 Association Right of Entry. For the purpose of performing the maintenance of the Common Area or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Associations agents or employees shall have the right to enter any Living Unit, Garage, or upon any portion of the Common Area to effect emergency repairs or corrections. For other than emergency repairs, the Association's agents or employees shall have the right to enter any Living Unit, Garage or any portion of the Common Area to effect repairs, improvements, replacements or maintenance which the Association, after approval by two-thirds (2/3) vote of the Board, reasonably deems necessary. Such entry shall be made with as little inconvenience to the Owner as possible and any damage caused thereby shall be repaired by the Association. Further, such entry for other than emergency repairs shall be made only after not less than three (3) days' notice has been given to the Owner.

Section 4.5 Association Right to Adopt Rules. The Board shall have the right to adopt reasonable rules not inconsistent with the provisions contained in this Declaration, and to amend the same from time to time relating to the use of the Common Area and the recreational and other facilities situated thereon by Owners and by their tenants or guests, and the conduct of such persons with respect to automobile parking, outside storage of boats, trailers, bicycles and other objects, disposal of waste materials, drying of laundry, control of pets and other activities which, if not so regulated, might detract from the appearance of the community or offend or cause inconvenience or danger to persons residing or visiting therein. Such rules may provide that the Owner of a Condominium whose occupant leaves property on the Common Area in violation of the rules may be assessed to cover the expenses incurred by the Association in removing such property and storing or disposing thereof, after appropriate notice and an opportunity for a hearing before the Board and a two-thirds (2/3) vote of approval by the Board. The Board may suspend the voting rights and right to use the recreational facilities located on the Common Area of a Member who is in default in the payment of any assessment and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations, after reasonable notice and an opportunity for a hearing before the Board as set forth in the By-Laws which satisfies the minium requirements of Section 7341 of the California Corporations Code.

Section 4.6 Association Right to Grant Permits. The Association shall have the right to grant permits, licenses and utility easements over, under, upon and across the Common Area for purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure or improvement shall be commenced, erected, placed or altered upon the Common Area until the location and complete plans and specifications showing the nature, kind, shape, height and materials, including the color scheme, have been submitted to and approved in writing as to harmony of external design and location of surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee appointed by the Board of Directors and composed of three (3) or more, but not to exceed five (5), representatives. In the event the Board or its designated committee fails to approve or disapprove such locations, plans and specifications or other requests within thirty (30) days after the submission thereof to it, then such approval will not be required, provided that any structure or improvement so erected or altered conforms to all of the conditions and restrictions herein contained, and is in harmony with similar structures erected within the Project. The grade, level or drainage characteristics of the Condominium Property or any portion thereof, shall not be altered without the prior written consent of the Board of its designated committee. The provisions of this Article shall not apply to the initial construction by Declaration of Condominiums or other improvements to the Condominium Property, and neither the Board nor any committee appointed by the Board shall have any authority or right to approve or disapprove the initial construction by Declarant of Condominiums or other improvements to the Condominium Property. The architectural committee shall also arbitrate and made determinations pursuant to Article X, Section 10.6.

ARTICLE VI

PROHIBITION OF PARTITION OR SEPARATION OF INTEREST

Section 6.1 Separation of Interest. No Owner may sell, assign, lease or convey (i) his interest in the Common Area separate and apart from his Living Unit and Garage, nor (ii) his interest in any Exclusive Use Area separate and apart from his interest in the Common Area, Living Unit and Garage.

Section 6.2 Prohibition of Partition. Each of the Owners of a Condominium, whether such ownership is in fee simple or as a tenant in common, is hereby prohibited from partitioning or in any other way severing or separating such ownership from any of the other ownerships in the Condominium Property except upon the showing that: (i) more than three (3) years before the filing of the action, the Project was damaged or destroyed so that a material part thereof was unfit for its use and the Project has not been rebuilt or that Owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project, or (iii) that the Project has been in existence in excess of fifty (50) years, that it is obsolete and uneconomic, and that Owners holding in aggregate more than a fifty percent (50%) interest in the Common Area are opposed to repair or restoration of the Project; provided, however, that if any Condominium shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein shall be deemed to prevent a judicial partition as between such co-tenants and no Condominium may be partitioned or subdivided without the prior written approval of the Mortgagee holding the first Mortgage on that Condominium.

Section 6.3 Power of Attorney. The Association is hereby granted an irrevocable power of attorney to sell the Condominium Property for the benefit of all the Owners thereof when the partition of the Owners' interests in said Condominium Property may be had pursuant to Section 6.2 above. The power of attorney herein granted may be exercised upon the vote or written consent of Owners holding in the aggregate at least two-thirds (2/3) of the interest in the Common Area by any two (2) Members of the Board who are hereby authorized to record a Certificate of Exercise in the Office of the County Recorder, San Diego County, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith; provided, however, that said power of attorney shall not apply to the Administrator of Veterans Affairs, an officer of the United States of America.

ARTICLE VII

RIGHT OF MORTGAGEES

Provided that the Mortgagee informs the Association in writing of its appropriate address and requests in writing to be notified, neither the Association nor any Owner shall do any of the following, unless at least sixty-seven percent (67%) of the first Mortgagees of Mortgages encumbering Condominiums (based upon one (1) vote for each Mortgage) has given their prior written approval:

(a) Seek, by act or omission, to abandon the Condominium Project or to terminate the Condominium Plan or this Declaration (whether or not because of any destruction of 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 Living Units, Garages or the Common Area;

(b) Change the prorata 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 prorata share of the Common Area appurtenant to each Living Unit and Garage;

(c) Partition or subdivide any Condominium;

(d) Seek, by act or omission, to abandon, partition, subdivide, encumber, sell or transfer the Common Area; provided, however, that 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;

(e) Use hazard insurance proceeds for losses to any portion of the Condominium Property for other than the repair, replacement or reconstruction of the Condominium Property, except as may be provided by statute upon substantial loss to the Living Unit, Garage or Common Area;

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

ARTICLE VIII

DESTRUCTION OF COMMON AREA, LIVING UNITS, OR GARAGES

Section 8.1 Casualty Destruction of Common Area. If any portion of the Common Area is damaged or destroyed by fire or other casualty, then:

(a) If the cost of repairing or rebuilding does not exceed the amount of available insurance proceeds by more than five percent (5%) 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 substantially in accordance with the original plans and specifications therefor.

(b) If the cost of repairing or rebuilding exceeds the amount of available insurance proceeds by more than five percent (5%) of the budgeted gross expenses of the Association for the fiscal year during which the repairs or rebuilding is necessitated, and if the Owners holding in aggregate more than fifty percent (50%) interest in the Common Area agree to the repair or restoration of the project, then the Board shall contract as provided in (a) above.

(c) If the Owners do not so agree to the repair or rebuilding of the Common Area as provided in (b) above, then each Owner (and his Mortgagee(s)) as their respective interests shall then appear shall be entitled to receive that portion of the insurance proceeds equal to the proportion of the decrease in fair market value of his Condominium as compared to the aggregate decrease in the fair market values of all the Condominiums caused by such damage or destruction. For purposes hereof, fair market shall be determined by a Member of the American Institute of Real Estate Appraisers selected by the Board and hired by and at the expense of the Association. Should 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 Arbitration.

(d) Notwithstanding Section 8.1(c) the Board shall contract for such repair or rebuilding of the Common Area which consists of Condominium Building(s) containing Living Units or Garages (or portions thereof and/or improvements thereto) if fifty percent (50%) or more of the Owners owning Living Units or Garages in said Condominium Building(s) agree to the repair or restoration of said Condominium Building(s).

(e) If a bid to repair or rebuild is accepted, the Board shall levy a special assessment against each Condominium in the proportion the Condominiums are assessed, pursuant to Section 3.6 of Article III of this Declaration, for purposes of raising funds for the rebuilding or major repair of a portion of the structural Common Area, to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding, and 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 8.2 Taking of Common Area. If any portion of the Common Area is taken by condemnation, eminent domain or any proceeding in lieu thereof, and the award thereof is not apportioned among the Owners (and their Mortgagees as their respective interests then appear) by court judgment or by agreement between the condemning authority and each of the affected owners, then the Owners of the Common Area (and their Mortgagees as their respective interests then appear) shall be entitled to receive a distribution from the award for such taking in the same proportion as insurance proceeds will be distributed pursuant to subsection (c) of Section 8.1 above; provided, however, that should it be determined to repair or rebuild any portion of the Common Area, 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 above in Section 8.1 of this Article VIII 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 above in Section 8.1 of this Article VIII for determining whether to rebuild or repair following damage or destruction.

Section 8.3 Casualty Destruction of Living Unit. In the event of damage or destruction to any Living Unit or Garage, the Owner thereof shall reconstruct the same as soon as reasonably practicable and substantially in accord with the original plans and specifications therefor; provided, however, that any such 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 the Board fails to approve or disapprove such changed plans and specifications within sixty (60) days of the receipt thereof, they shall be deemed to have been approved.

Section 8.4 Taking of Living Unit or Garage. In the event of any taking of a Living Unit or Garage the Owner (and his Mortgagees as their interests may appear) of the Living Unit or Garage shall be entitled to receive the award for such taking and after acceptance thereof he (and his Mortgagee) shall be divested of any further interests in the Condominium Property if such Owner shall vacate his Living Unit and Garage as the result of such taking. In such event said Owner shall grant his remaining interests in the Common Area appurtenant to the Living Unit and Garage so taken, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each.

Section 8.5 Association Insurance. The Association shall obtain and continue in effect the following insurance: (a) A master fire insurance policy with glass coverage and extended coverage endorsement for the full insurable value of all of the improvements within the project. "Improvements" means and refers to the Common Area together with those appliances and improvements located within the Living Units provided by Declarant to the initial owners of Condominiums and does not include items not provided by Declarant. The form and content of such policy must be satisfactory to all institutional first Mortgagees and shall meet the maximum standards of the various institutional first Mortgagees whose loan(s) encumber any of the Condominiums.

(b) A public liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any manager, the Declarant and the owners against liability incident to ownership or use of the Common Area. The limits of such insurance shall not be less than $1,000,000 covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such policies must provide that they may not be cancelled or substantially modified by any party without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

(c) A fidelity bond covering members of the Board, officers and employees of the Association and employees of any management agent, whether or not such persons are compensated for their services, naming the Association as obligee and written in an amount equal to at least one hundred and fifty percent (150%) of the Association's annual assessments plus reserves.

(d) Workman's Compensation Insurance covering any employees of the Association.

Insurance premiums for the master policy shall be a Common Expense to be included in the monthly assessments levied by the Association. Each Owner shall be responsible to pay any deductible amount for any loss to his Condominium. Each Owner may separately insure the improvements not covered by the master 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 master policy. Should any Owner violate this provision he shall be responsible to the Association for any such diminution.

Section 8.6 Mortgagee Approval. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Eligible Mortgage Holders of first Mortgages on Condominiums which have at least fifty one percent (51%) of the

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votes of Condominiums subject to Eligible Mortgage Holders' Mortgages.

ARTICLE IX

USE OF LIVING UNITS, GARAGES AND COMMON AREA AS DESCRIBED IN CONDOMINIUM PLAN

Section 9.1 Residential Purposes. Each Living Unit shall be improved, used and occupied for a private residence. Each Garage shall be improved, used and occupied only for the storage of motor vehicles and other personal property, and no portion of either nor the Common Area shall be used for any commercial purpose whatsoever; provided, however, Declarant may use any of the Living Units, Garages and Exclusive Use Areas owned or leased by Declarant as model homes and sales offices during that period of time commencing when the Condominiums are first offered for sale to the public and ending when all the Condominiums in the Project are sold and conveyed by Declarant to separate owners thereof or five (5) years after the date of the sale of the first condominium in the Project, whichever shall first occur.

Section 9.2 Lease of Condominium. Each Owner shall have the right to lease his Condominium, provided that such lease is in writing and provides that the tenant shall be bound by and obligated to the provisions of this Declaration, the By-Laws and the rules and regulations of the Board, and that the failure to comply with the provisions of these documents shall be a default under the lease. With the exception of a lender in possession of a Condominium following a default under a first Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Owner shall lease his Condominium for transient or hotel purposes. Any lease which is either for a period of less than thirty (30) days or pursuant to which the lessor provides any services normally associated with a hotel, shall be deemed to be for transient or hotel purposes.

Section 9.3 Interior Surfaces. Each owner shall have the right, at his sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of his Living Unit and Garage, and the surfaces of the bearing walls and partitions located within his Living Unit and Garage. Said Owners shall have the right to substitute new finished surfaces in place of those existing on said ceiling, floors, walls and doors of said Living Unit and Garage.

Section 9.4 Exclusive Use Areas Appurtenant. Each Exclusive Use Area shall be (i) appurtenant to the Living Unit and Garage with which the Exclusive Use Area is conveyed, and (ii) used only for the purposes set forth in this Declaration. The right to use an Exclusive Use Area shall be exercisable only by the Owner(s) of the Condominium appurtenant thereto and/or that Owner's tenants and licensee(s) No Exclusive Use Area or any rights thereto (other than said revokable licenses) shall be transferred or conveyed apart from conveyance of the Condominium to which they are 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 IX or Article IV.

Section 9.5 Use of Common Area. Except as otherwise provided herein, the Common Area shall be improved and used only for the following purposes:

(i) affording vehicular passage and pedestrian movement within the Condominium Property, including access to the Living Unit and Garage;

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

(iii) beautification of the Common Area and providing privacy to the residents of the Condominium Property through landscaping and such other means as the Board shall deem appropriate;

(iv) uses of open parking spaces shall be allowed only as permitted by the Board of Directors of the Homeowners Association which at all times has the exclusive power to control assignments of open parking spaces. Such usage shall be upon such terms and conditions and/or for such fees as may from time to time be determined by the Board. At least one open parking space shall be assigned to each Unit by the Board of Directors of the Association no later than thirty (30) days from the initial sale of the Unit. The Association may re-assign or change the assignment only in the event that the Board of Directors, by at least an eighty percent (80%) majority vote, decides that such a re-assignment will be in the best interests of the Association.

(v) as Exclusive Use Areas to be used in the manner hereinafter described. Nothing herein shall be deemed to allow persons other than the Owner of a Living Unit and Garage to which an Exclusive Use Area is appurtenant (or his tenants and lessees) to enjoy the use thereof.

No part of the Common Area shall be obstructed so as to interfere with its use for the purposes hereinabove permitted, nor shall any part of the Common Area be used for storage purposes (except as incidental to one of such permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Area or the storage areas designated by the Board), nor in any manner which shall increase the rate of which insurance against loss by fire, or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or bodily injury, or property damage liability insurance covering the Common Area and improvements situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to the cancelled or suspended or the company issuing the same to refuse renewal thereof.

Section 9.6 Use of Exclusive Use Areas. Exclusive use areas include all of the exclusive use areas shown and described on the Condominium Plan.

Each Owner shall have the following rights with regard to the Balcony and yard easement areas, which he/she has the exclusive right to use:

(a) To place furniture and plants upon said area.

(b) To plant flowers and shrubs which do not unreasonably interfere with the enjoyment of the owners of adjacent Living Units and Exclusive Use Areas. Bermuda grass, and trees which at maturity exceed twelve (12) feet in height are prohibited.

(c) Greenhouse extensions to the kitchen doors or windows of the townhouse units shall be permitted so long as they conform to the control and approval of the Board of Directors pursuant to Article V hereof.

Section 9.7 Owners Liable for Damage. Each Owner shall be legally liable to the Association for all damages to the Common Area or to any improvements thereto, including, the buildings, recreation facilities and landscaping, caused by such Owner, his licensee(s) or any occupant of such Owner's Living Unit as such liability may be determined under California Law. Each Owner shall be responsible for compliance with the provisions of the Declaration, Articles, By-Laws and rules of the Board by his guests, lessees and all occupants of his Living Unit, and shall, after written notice and an opportunity for a hearing, pay the fines and penalties assessed pursuant to the Declaration,' the By-Laws or Board rules for any violation by his guests, lessees and occupants of his Living Unit.

Section 9.8 Pets. A maximum of two (2) household pets (exclusive of caged birds and aquarium fish) may be kept in any Living Unit, Garage, or Exclusive Use Area without the prior written consent of the Board.

Except as provided hereinabove, no animals, livestock, birds or poultry shall be brought within the Condominium Property or kept in any Living Unit, Garage or on any portion of the Common Area. No pet shall be permitted to be kept within any portion of the Living Unit, Garage, on Common or Exclusive Use areas if it makes excessive noise or otherwise constitutes an unreasonable annoyance to other Owners or is a farm animal.

Section 9.9 Nuisance. No Living Unit, Garage or Exclusive Use Area shall be used in such manner as to interfere with the enjoyment of other Owners or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any Living Unit, Garage nor on the Common Area.

Section 9.10 Sign Control. No signs other than one (1) sign of customary and reasonable dimensions advertising a Condominium for sale or rent shall be displayed in any Living Unit or Garage so that it is visible from such area without the prior written consent of the Board. No signs shall be displayed on the Common Area except signs approved by the Board. Anything contained in this Declaration to the contrary notwithstanding, Declarant shall have the right to install and maintain during the sales period set forth in Section 9.1 above, such signs, poles and advertisements as it deems appropriate in connection with its sales of condominiums to the public.

Section 9.11 Outside Antennae. There shall be no outside television or radio antennae, poles or flag poles constructed, or maintained on the Condominium Property for any purpose without the prior approval of the Board.

Section 9.12 Use Causing Loss of Insurance. No Living Unit, Garage, Exclusive Use Area or improvements situated therein shall be used in any manner which shall cause such improvements to be uninsurable against loss by fire or the perils of an extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be cancelled or suspended, or the company issuing the same to refuse renewal thereof.

Section 9.13 Trees. All trees, hedges and other plant materials shall be trimmed by the Owner of the yard upon which the same are located so that the same shall not exceed the height of twelve (12) feet; provided, however, that where trees do not obstruct the view from any other of the Units in the Properties, which determination shall be within the sole judgment of the Board or the architectural committee appointed thereby, they shall not be required to be so trimmed. Before planting any trees, the proposed location of such trees shall be approved in writing by the Board or the architectural committee appointed thereby. No trees, hedges or other plant materials shall be so located or allowed to reach a size or height which will interfere with the view from any unit.

Section 9.14 Fences, Hedges and Rails. Where trellises, fences or hedges are allowed, review by the Board or the architectural committee in relation to normal enjoyment of view by other Unit Owners shall be required.

Section 9.15 Drying Yards. No drying yards shall be permitted unless screened from all views exterior to the yard on which the drying yard is located by fence, hedge or shrubbery, which screening and the adequacy thereof shall be subject to the approval of the Board or the architectural committee appointed thereby.

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Section 9.16 No Tents, Shacks or Vehicles. No tent, shack, trailer, basement or outbuilding shall at any time be used in any exclusive use area as a residence, either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected. No garage shall be converted to any use which prevents the storage of one (1) standard automobile therein and no garage shall be used for living purposes.

Section 9.17 Drainage. No Owner of a Unit shall in any way interfere with or change the established drainage pattern over his yard from adjoining or other Common Areas; provided, however, each Owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his exclusive use yard. For the purpose hereof, "established drainage" is defined as the drainage which occurred at the time the overall grading of said yard was completed by Declarant. Any change in grading or drainage on any yard shall first be approved by the Board or architecutural committee appointed thereby and by the County of San Diego. Each yard Owner shall permit free access by Owners of adjacent or adjoining yard to slopes or drainageways located on his yard when such access is necessary for the maintenance of permanent stabilization on said slopes or of the drainage facilities to protect property other than the yard on which the slope or drainageway is located.

Section 9.18 Slope Control, Use and Maintenance. After transfer by Declarant to each Unit Owner, each such Owner will keep, maintain, water, plant and replant all slope banks located on such Owner's yard so as to prevent erosion and to create an attractive appearance. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any of said slope banks which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels.

Section 9.19 Trash Disposal. Except as provided herein, all trash shall be stored within the residential unit. After nightfall of the day preceding trash collection (as determined by the Board), each Owner may place trash outside the residential unit in a location designated by the Board for trash pickup. All such trash shall be in sealed plastic bags unless other containers are approved by the Board.

Section 9.20. Garage Doors. Each garage door shall be kept closed except when entering or exiting garage.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Enforcement. The Association and any Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction and reservation now or hereafter imposed by the provisions of this Declaration. Each Owner shall have right of action against the Association for any failure by the Association to comply with the provisions of this Declaration or of the By-Laws or Articles. Failure by the Association or any Owner to enforce any covenant, condition, restriction or reservation contained herein shall not be deemed a waiver of the right to do so thereafter.

Section 10.2 Severability. Should any provision in this Declaration be void or become unenforceable in law or equity by judgment or court order, the remaining provisions of this Declaration shall remain in full force and effect.

Section 10.3 Amendments. During the period of time prior to conversion of the Class B membership to Class A membership, this Declaration may be amended by an instrument in writing signed by seventy-five percent (75%) of the voting power of each class of Members of the Association. The amendment shall become effective upon its recording in the Office of the County Recorder of San Diego County, California. After conversion of the Class B membership to Class A membership, the Declaration may be amended by an instrument in writing signed by (i) seventy five percent (75%) of the total voting power of the Association, and (ii) at least seventy five percent (75%) of the voting power of Members of the Association other than Declarant. No amendment material to a Mortgagee may be made to this Declaration without the prior written consent of Eligible Mortgage Holders whose Mortgages encumber fifty-one percent (51%) or more of the Condominiums within the Condominium Property which are subject to Eligible Mortgage Holder Mortgages. For these purposes, any amendments to provisions of this Declaration governing any of the following subjects, shall be deemed "material to a Mortgagee":

(a) voting;

(b) Assessments, assessment liens or subordination of such liens;

(c) Reserves for maintenance, repair and replacement for the Common Areas;

(d) Casualty insurance, liability insurance or fidelity bonds;

(e) Rights to use of the Common Areas;

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(f) Responsibility for maintenance and repair of the several portions of the Project;

(g) Expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project:

(h) Boundaries of any Living Unit;

(i) The interests in Exclusive Use Areas and other portions of the Common Areas;

(j) Convertibility of Living Units into Common Areas or of Common Areas into Living Units;

(k) Leasing of Condominiums;

(l) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Condominium;

(m) Any provisions which are for the express benefit of Mortgage holders, Eligible Mortgage Holders or Eligible Insurers or Guarantors.

An addition or amendment to the Declaration or By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments 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.

So long as there is a Class B membership in the Association, any amendment to this Declaration shall require the prior approval of the VA. A draft of any amendment should be submitted to the VA for its approval prior to the recordation of the amendment.

Section 10.4 Extension of Declaration. Each and all of these covenants, conditions, and restrictions shall terminate on December 31, 2050, after which date they shall automatically be extended for successive periods of ten (10) years unless the Owners have executed and recorded at any time within six (6) months prior to December 31, 2050, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate on December 31, 2050, or at the end of any such ten (10) year period.

Section 10.5 Encroachment Easement. In the event any portion of the Common Area, or any yard easement area thereoof, encroaches upon any Living Unit, Garage or any yard easement area or any Living Unit Garage or yard easement area encroaches upon the Common Area or another Living Unit Garage or yard easement area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements (including fences), a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

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, settlements or shifting provided, however, that in no event shall an easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure on the Condominium Property is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Living Units, Garages or Common Area (and any other elements of Condominiums) shall be easements for the maintenance of said encroachments so long as they shall exist.

Section 10.6 Differences and Dimensioning of Exclusive Use Areas and Yard Easements. Each Balcony is an Exclusive Use Area, and as such, the dimensions and vertical elevations of each are described on the Condominium Plan. No vertical elevations are described for the Yard easement areas and certain dimensions of the Yard easement areas are coterminous with fences and/or walls which are not shown on the Condominium Plan.

(a) The Architectural Committee shall have the right to determine the vertical limits of each Yard easement area pursuant to the Article herein entitled "ARCHITECTURAL CONTROL."

(b) Should any controversy exist as to the location of any Yard or fence dimensions, such controversy shall be arbitrated before the Architectural Committee, which arbitration shall be binding on the parties.

Section 10.7 Litigation. In the event the Association, Declarant or any Owner shall commence litigation to enforce any of the covenants, conditions or restrictions herein contained, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgment is entered.

Section 10.8 Owner Compliance. Each Owner, tenant or occupant of a Condominium shall comply with the provisions of this Declaration, the By-Laws, decisions and resolutions of the Association 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 injunctive relief.

Section 10.9 Reserved Rights in Favor of Declarant. The Declarant hereby reserves the following rights for five (5) years:

(a) An easement over the Common Area and upon property appurtenant to the Condominium Project for the purpose of (i) completing improvements for which provision is made herein, but only if access thereto is otherwise not reasonably available; (ii) for marketing of units.

(b) An easement over and upon the Common Area for the purpose of making repairs required pursuant to this Declaration or contracts of sale made with Condominium purchasers.

Section 10.10 Title to the Common Area. Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title undivided 1/72 interests in the common area to each owner free and clear of all encumbrances and liens, except real property taxes which may be due but are not delinquent and easements, covenants, conditions and reservations then of record, including those set forth on the Final Subdivision Map 4160, Sweetwater Vista, County of San Diego, and in the Declaration, prior to the conveyance of the first Lot to an Owner.

Section 10.11 Owners' Easements of Enjoyment. Because every Owner of a Condominium Unit owns an individual 1/72 interest in the Common Area, each Owner has a right of ingress, egress and of enjoyment in and to the Common Area, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations. No such suspension shall be effective unless the Owner has been given fifteen (15) days' prior notice of the suspension and the reasons therefor and the Owner has been given an opportunity to be heard by the Board, orally or in writing, not less than five (5) days prior to the effective date of the suspension. Notice may be given the Owner by any method reasonably calculated to provide actual notice, but if given by mail must be given by first-class or registered mail sent to the last address of the Owner shown on the records of the Association.

(c) The right of the Association, in accordance with the Articles and By-Laws, to borrow money for the purpose of improving the Common Area and in aid thereof, and with the assent of two-thirds (2/3) of each class of Members, hypothecate any or all real or personal property owned by the Association.

(d) The provisions of the open space easements dedicated to The County of San Diego, California, on the Final Subdivision Map covering the Properties.

(e) Subject to a concomitant obligation to restore, Declarant and its sales agents, employees and independent contracts shall have:

(f) A non-exclusive easement over the Common Area for the purpose of making repairs to the Common Area or to the residences, provided access thereto is otherwise not reasonably available, and for the purpose of constructing, marketing and maintaining the project, including phases 2 through 3.

(g) The right to the non-exclusive use of the Common Area for the purpose of maintaining sales offices and signs reasonably necessary to market the Units, for a period of not more than five (5) years after conveyance of the first Unit, or until the sale of all Units within the Project, whichever is first to occur. The use of the Common Area by Declarant and its agents shall not unreasonably interfere with the use thereof by the Class A Members of the Association.

(h) Until such time as construction is commenced on the units in phase two or phase three, respectively, owners have the irrevocable license and permission to pass on and across the open space of the non constructed units of phases two and three.

Section 10.12 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside in his Unit.

Section 10.13 Special Provision for Enforcement of Bonded Obligations. The following is effective if common area improvements which are included in the subdivision offering have not been completed prior to the issuance of the public report and the subdivision owners' association (hereafter association) is obligee under a bond or other arrangement (hereafter bond) to secure performance of the commitment of the subdivider to complete the improvements.

(1) The governing body of the association shall be directed to consider and vote on the question of action by the association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within 60 days afterthe completion date specified for that improvement in the Planned Construction Statement is appended to the bond. If the association has given an extension in writing for the completion of any common area improvement, the governing body shall be directed to consider and vote on the aforesaid question if a notice of completion has not been filed within 30 days after the expiration of the extension.

(2) A special meeting of members for the purpose of voting to override a decision by the governing body not to

initiate action to enforce the obligations under the bond or on the failure of governing body to consider and vote on the question. The meeting shall be required to be held not less than 35 days nor more than 45 days after receipt by the governing body of a petition for such a meeting signed by members representing a prescribed percentage of not less than 5% or more of the total voting power of the association.

(3) A vote by members of the association other than the subdivider at the special meeting called for the purpose set forth in (2) above.

(4) A vote of a majority of the voting power of the association residing in members other than the subdivider to take action to enforce the obligations under the bond shall be deemed to be the decision of the association and the governing body shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the association.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the day and year first hereinabove written.

SPRING CANYON ENTERPRISES, INC.

By ______________________
President

By ______________________
Secretary

STATE OF CALIFORNIA
COUNTY OF

On Nov 9, 1984, before me, the undersigned, a Notary Public in and for said State, personally appeared Frank Asaro known to me to be the ______________ President, and ________________, known to me to be the ______________ Secretary of the corporation that executed the within instrument, known to me to be persons who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

OFFICIAL SEAL
LORNA HINKLEY
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
SAN DIEGO COUNTY
My Commission Exp. Jan. 8, 1988

____
NOTARY PUBLIC

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN DIEGO, AND IS DESCRIBED AS FOLLOWS:

LOT 1 OF COUNTY OF SAN DIEGO TRACT NO. 4160, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 10904, FILED IN THE OFFICE OF COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 12, 1984.

E X H I B I T A

SPRING CANYON CONDOMINIUMS
PHASING

SUBPHASE	BUILDING NUMBERS	UNIT NUMBER	TOTAL UNITS IN SUBPHASE
I	2 9 11	1-8 51-56 65-72	22
II	3 4 5 6	9-15 16-21 22-28 29-38	30
III	7 8 10	39-44 45-50 57-64	20

EXHIBIT B

SUBORDINATION AGREEMENT

CHULA VISTA CITY SCHOOL DISTRICT being beneficiary under that certain deed of trust recorded April 22, 1980 as File/Page No. 80-136506 with the Office of the County Recorder of San Diego County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

CHULA VISTA CITY SCHOOL DISTRICT

BY: John E Linn

BY: ______________________

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

On this 20th day of November, 1984, before me, Clare V. Berman, a Notary Public, personally appeared John E. Linn, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Asst. Supt., Bus. Management of CHULA VISTA CITY SCHOOL DISTRICT and acknowledged to me that the CHULA VISTA CITY SCHOOL DISTRICT executed it.

Clare V. Berman
Notary Public

OFFICIAL SEAL
CLARE V BERMAN
Notary Public California
Principal Office In
San Diego County
My Comm Exp. Nov 27, 1987

SUBORDINATION AGREEMENT

SWEETWATER UNION HIGH SCHOOL DISTRICT being beneficiary under that certain deed of trust recorded April 22, 1980 as File/Page No. 80-136508 with the Office of the County Recorder of San Diego County, California, hereby declares that the lien and charge of said deed of trust is and shall be subordinate and inferior to the Declaration of Covenants, Conditions and Restrictions to which this Subordination Agreement is attached.

SWEETWATER UNION HIGH SCHOOL DISTRICT

BY: Laurence L Hendee

BY: ____________________

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

On this 16th day of November, 1984, before me, Maria Elena Morales, a Notary Public, personally appeared Lawrence L. Hendee, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Comptroller of SWEETWATER UNION HIGH SCHOOL DISTRICT and acknowledged to me that the SWEETWATER UNION HIGH SCHOOL DISTRICT executed it.

Maria Elena Morales
Notary Public

OFFICIAL SEAL
MARIA ELENA MORALES
NOTARY PUBLIC - CALIFORNIA
SAN DIEGO COUNTY
My comm. expires April 12, 1985

SUBORDINATION AGREEMENT

Deseret Pacific Mortgage being beneficiary under that certain Deed of Trust Recorded April 12, 1984, Recorders File 84-134704 County of San Diego hereby declares that the lien and charge of said Deed of Trust is and shall be subordinate and inferior to the declaration of Covenants Conditions and Restrictions to which this Subordination Agreement is attached.

November 14, 1984

Deseret Pacific Mortgage, a Utah corporation

By: Gail P. Karlin

Gail P. Karlin
Senior Vice President

CAT NO NN00737
TO 21945 CA (1-83)
(Corporation)

TICOR TITLE INSURANCE

STATE OF CALIFORNIA } ss.
COUNTY OF Los Angeles

On 14 November 1984 before me, the undersigned, a Notary Public in and for said State, personally appeared Gail P. Karlin 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 Senior Vice-President, and XXX XXX 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 XXX Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature K Schneider

OFFICIAL SEAL
K SCHNEIDER
NOTARY PUBLIC - CALIFORNIA
LOS ANGELES COUNTY
My comm. expires JUL 4, 1987

(This area for official notarial seal)

STAPLE HERE