

UNION LAND TITLE COMPANY

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San Diego, California 92101

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DECLARATION OF RESTRICTIONS
FOR
POINT LOMA WOODS

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DECLARATION OF RESTRICTIONS
FOR
POINT LOMA WOODS

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DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS is made as of this 11th day of March, 1981, by AVCO COMMUNITY DEVELOPERS, INC., a California corporation (hereinafter called "Declarant"), with reference to the following

§ RECITALS:

A. Declarant is the owner of the real property located in The City of San Diego, County of San Diego, California, more particularly described in Recitals C and D below (hereinafter called the "Real Property").

B. Declarant intends to develop and improve the Real Property by constructing thereon in two (2) phases detached single-family homes. In the event that the Real Property is developed as planned, it is anticipated that there will be approximately 48 residential dwelling units constructed thereon. There is no guarantee that all of the Real Property will be developed as planned or that the second phase of its development will be annexed.

C. The first phase of development of the Real Property consists of detached single-family homes located on the following described portion of the Real Property:

Lots 1 through 16, inclusive, of LOMA AIRE UNIT NO. 2 according to Map thereof No. 9391 filed in the office of the County Recorder of San Diego County, California, on September 27, 1979,

(hereinafter called "Phase I").

D. The second phase of development of the Real Property includes the following described portion of the Real Property:

That certain real property described on Exhibit "A" attached hereto.

E. In connection with the development of the Real Property, Declarant has caused to be formed POINT LOMA WOODS HOA, a California Nonprofit Mutual Benefit Corporation (hereinafter called the "Association"), which is the homeowners association for the overall development of the Real Property. Each Lot in Phase I shall have appurtenant to it a Class A membership in the Association. Upon the development of the remainder of the Real

Property, it is planned that the owners thereof shall also become members of the Association. There is no guarantee that all such owners will become members of the Association. It is intended that the Association maintain certain landscaping located in public right of way areas adjacent to the project, pursuant to encroachment permits, and maintain the surface of a wall located within the Maintenance Easements (defined below).

F. Before selling or conveying any interest in Phase I, Declarant wishes to subject the Lots in Phase I 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 Real Property.

NOW, THEREFORE, Declarant hereby certifies and declares and does hereby establish the following general plan for the protection and benefit of the Real Property, and has fixed and does hereby fix the following protective covenants, conditions and restrictions upon each and every ownership interest in Phase I, under and pursuant to which covenants, conditions and restrictions each ownership interest in Phase I shall be hereafter held, used, occupied, leased, sold, encumbered, conveyed and transferred. Each and all of the covenants, conditions and restrictions set forth herein are for the purpose of protecting the value and desirability of and shall inure to the benefit of all of the Real Property and shall run with and be binding upon and pass with Phase I and each and every ownership interest therein and shall inure to the benefit of, apply to and bind the respective successors in title or interest of Declarant.

ARTICLE I

DEFINITIONS

Section 1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

Section 2. "Association" shall mean and refer to POINT LOMA WOODS HOA, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 5. "Declarant" shall mean and refer to AVCO COMMUNITY DEVELOPERS, INC., a California corporation, its successors and assigns.

Section 6. "Encroachment Permits" shall mean Encroachment Permit No. 1181-E-764,730 issued by District 11 of the Department of Transportation, State of California, effective January 16, 1981.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded Final Map or Parcel Map (as those terms are defined in the California Subdivision Map Act) of the Real Property, the Owner of which is required by Declaration to be a member of the Association; provided, however, that in the event a Condominium Plan is recorded pursuant to California Civil Code Section 1351 covering a Lot, the "Lot" shall mean and refer to each Condominium shown.

Section 8. "Maintenance Areas" shall mean and refer to (i) those public right of way areas described on the Encroachment Permits, and (ii) those portions of the Lots (or some of the Lots) described in the Maintenance Easements, which the Association shall maintain as hereinafter set forth.

Section 9. "Maintenance Easements" shall mean and refer to those easements over, under, upon and across some of the Lots to allow the Association to maintain a certain wall and certain landscaping located on such Lots.

Section 10. "Mortgage" shall mean and refer to a deed of trust as well as a mortgage.

Section 11. "Mortgagee" shall mean and refer to a beneficiary under or holder of a deed of trust as well as a mortgagee.

Section 12. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Lot which is a part of the Real Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Phase I" shall mean and refer to that certain real property located in The City of San Diego, County of San Diego, California, more particularly described as:

Lots 1 through 16, inclusive, of LOMA AIRE UNIT NO. 2 according to Map thereof No. 9391 filed in the Office of the County Recorder of San Diego County, California, on September 27, 1979.

Section 14. "Real Property" shall mean and refer to that real property located in The City of San Diego, County of San Diego, California, described as:

Lots 1 through 16, inclusive, of LOMA AIRE UNIT NO. 2 according to Map thereof No. 9391 filed in the Office of the County Recorder of San Diego County, California, on September 27, 1979, and

That certain real property described on Exhibit "A" attached hereto.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 1. Membership in Association. Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Every Owner shall promptly, fully and faithfully comply with and abide by the Articles and Bylaws and the rules and regulations adopted from time to time by the Board and the officers of the Association.

Section 2. Classes of Membership. The Association shall have two (2) classes of voting membership, as set forth in the Bylaws.

Section 3. Duty of Association. The Association, acting through the Board, shall have the sole and exclusive right and duty to maintain, plant and replant the landscaped portion of the Maintenance Area, and paint, repaint and otherwise appropriately maintain the exterior surface of the wall located in the Maintenance Area. "Exterior surface" of the wall refers to the side of the wall facing outside the boundaries of the Real Property. Each Lot Owner shall be responsible for structurally maintaining that portion of such wall which is located on his Lot. Each Lot Owner shall also maintain in good appearance the interior surface of the wall.

Section 4. Non-Liability of Board. In discharging their duties and responsibilities, the Board acts on behalf of and as the representative of the Association which acts on behalf of and as the representative of the Owners, and no member of the Board shall be individually or personally liable for performance or failure of performance of his duties and responsibilities unless he fails to act in good faith.

ARTICLE III

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 1. Personal Obligation to Pay Assessments . The

Declarant, for each Lot owned, hereby covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (i) regular assessments, and (ii) special assessments, such assessments to be established and collected as provided in the Bylaws. Each such assessment, together with interest, costs, penalties and reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. No such assessment shall be or become a lien against an Owner's Lot unless by means of judgment, attachment or execution.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of its members and for the maintenance of the Maintenance Areas.

Section 3. Uniform Rate of Assessments. Except as otherwise provided in the Bylaws, both regular and special assessments shall be fixed at a uniform rate for all Lots and may be collected on an annual basis or otherwise as determined by the Board.

Section 4. Commencement of Assessments. The regular assessments provided for herein shall commence as to all Lots in Phase I on the first day of the month following the first conveyance by Declarant of a Lot in Phase I to an Owner. Regular assessments for Lots in the subsequent phase of the development of the Real Property shall commence on the first day of the month following the conveyance by Declarant of a Lot to an Owner in that phase. Written notice of the regular assessment shall be sent to every Owner subject thereto. The amount and due dates of the regular assessment shall be established by the Board as provided in the Bylaws. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 5. Delinquent Assessments. Any assessment made in accordance with this Declaration shall be a debt of the Owner of a Lot at the time the assessment is made. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot. Any assessment not paid within thirty (30) days after the due date shall be delinquent.

ARTICLE IVARCHITECTURAL CONTROL

Section 1. Architectural Committee. There shall be an initial "Architectural Committee" consisting of three (3) persons, each appointed by Declarant. Until one (1) year following the date of original issuance by the California Department of Real Estate of the Final Subdivision Public Report covering Phase I, each member of the Architectural Committee shall be subject to removal at the direction of the Declarant at any time and from time to time, and all vacancies on the Architectural Committee shall be filled by appointment of the Declarant. Commencing one (1) year following the date of issuance of such Public Report and ending on the fifth (5th) anniversary of the date of issuance of such Public Report, or on the date ninety percent (90%) of the number of Lots in the Real Property have been sold (and escrows have closed) by Declarant to retail purchasers thereof, whichever shall first occur, the Declarant shall have the power to appoint two (2) of the members of the Architectural Committee and the Board shall have the power to appoint one (1) member thereof. Thereafter the Board shall have the power to appoint all of the members of the Architectural Committee. Members of the Architectural Committee appointed by the Board shall be members of the Association.

Section 2. Architectural Committee Approval. No building or other structure or landscape improvements (including irrigation, plant materials and hardscape) or other improvement shall be erected, placed or altered upon any Lot until the location and the complete plans and specifications, including the color scheme, of each building, landscape improvement, including irrigation system, plant materials, hardscape, fence and/or wall to be erected or planted upon the Lot have been approved in writing by the Architectural Committee; provided, however, that in the event the Architectural Committee fails to approve or disapprove such location, plans and specifications or other request made of it within sixty (60) days after the submission thereof to it, then such approval will not be required, provided that any building so to be erected conforms to all other conditions and restrictions herein contained and is in harmony with similar structures erected within the Real Property. The grade, level or drainage characteristics of a Lot or any portion thereof shall not be altered without the prior written consent of the Architectural Committee.

Section 3. Declarant Exemption. The Architectural Committee shall have no authority, power or jurisdiction over Lots owned by Declarant, and the provisions of Section 2 above shall not apply to any Lot owned by Declarant until such time as Declarant conveys title to the Lot to a purchaser thereof and this Section 3 shall thereupon terminate.

ARTICLE VUSE PROVISIONS

Section 1. Residential Purposes. No Lot shall be used except for residential dwelling purposes. Anything contained herein to the contrary notwithstanding, Declarant shall have the right to use any Lot for purposes of model homes and sales offices until such time as Declarant has conveyed all Lots in the Real Property to purchasers thereof, or until December 31, 1985, whichever shall first occur.

Section 2. New Buildings. No building of any kind shall be moved from any other place onto any of said Lots, or from one Lot to another Lot, without the prior written consent of the Architectural Committee, except for temporary structures used in connection with the construction of a building or improvement on such Lot.

Section 3. Trash Containers and Collection. Each Owner shall place and keep all trash and garbage in covered containers of a type and style approved by the Board. In no event shall such containers be maintained so as to be visible from neighboring property except during the period twelve (12) hours before and six (6) hours after pickup of trash by The City of San Diego or trash disposal company.

Section 4. No Second-Hand Materials; Painting Required. No second-hand materials shall be used in the construction of any building or other structure without the prior written approval of the Architectural Committee. All buildings and fences which are of frame construction shall be painted or stained with at least two (2) coats upon completion unless otherwise approved in writing by the Architectural Committee.

Section 5. Diligence in Construction. The work of constructing and erecting any building or other structure shall be prosecuted diligently from the commencement thereof, and the same shall be completed within a reasonable time and in no event later than one hundred fifty (150) days after commencement of construction. No outbuilding shall be completed prior to the completion of the dwelling, except that temporary storage and convenience facilities may be erected for workmen engaged in building a dwelling on the Lot, but such temporary facilities shall be removed as soon as the dwelling is completed.

Section 6. Trees. All trees shall be trimmed by the Owner of the Lot upon which the same are located at the direction of the Architectural Committee based upon a determination by the Architectural Committee that such trimming is necessary to pre-

vent the obstruction of the view of other Lot Owners within the Real Property. Before planting any trees the proposed location of such trees shall be approved in writing by the Architectural Committee.

Section 7. No Alterations. No alteration shall be made in the exterior design or color of any structure unless such alterations, including any additions, shall have first been approved in writing by the Architectural Committee. Materials and motif to be used must harmonize, complement and be of similar materials and motif used in the construction of existing dwellings on Lots in the Real Property. Where fences or hedges are allowed, review by the Architectural Committee in relation to normal enjoyment of view by other Owners shall be required.

Section 8. Fences. No fences, hedges or walls shall be erected or maintained on any Lot, other than as are installed by Declarant, except with the prior written consent of the Architectural Committee.

Section 9. No Antennae. There shall be no outside television or radio antennae constructed, installed or maintained in or on any Lot for any purpose whatsoever.

Section 10. Drying Yards. No drying yards shall be permitted on any Lot unless screened from all views exterior to the Lot 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 Architectural Committee.

Section 11. Vehicles, Tents and Shacks. No tent, shack, trailer, basement, garage or outbuilding shall at any time be used on any Lot as a residence either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected on any Lot. No commercial truck, camper, trailer, boat of any kind or other single or multi-purpose engine-powered vehicle, other than a standard automobile or an approved golf cart, shall be parked on any Lot except temporarily and solely for the purpose of loading or unloading.

Section 12. Signs. No sign other than one (1) sign of customary and reasonable dimensions advertising a Lot for sale shall be erected or displayed upon any of said Lots or upon any building or other structure thereon without the prior written permission of the Architectural Committee, and all signs must conform with applicable City of San Diego ordinances.

Section 13. No Wells. No well for the production of, or from which there is produced, water, oil or gas shall be operated upon any Lot, nor shall any machinery, appliance or structure be

placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business.

Section 14. Animal Restrictions. No turkeys, geese, chickens, ducks, pigeons or fowl of any kind, or goats, rabbits, hares, horses or animals usually termed "farm animals," shall be kept or allowed to be kept on any Lot.

Section 15. No Commercial Activity. No commercial dog raising or cat raising or any kind of commercial business shall be conducted on any Lot. No public or private nuisance or activity which may become an annoyance or nuisance to the neighborhood shall be permitted on any Lot.

Section 16. Drainage. Each Lot Owner shall permit free access by owners of adjacent or adjoining Lots to slopes or drainageways located on his Lot 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 Lot on which the slope or drainageway is located.

No Owner of a Lot shall in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots, and each Owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Lot. For the purpose hereof, "established" drainage is defined as the drainage which occurred at the time the overall grading of said Lots was completed by Declarant.

Section 17. Lot Maintenance. Each Lot Owner will keep, maintain, water, plant and replant all slope banks and other landscaped areas located on such Owner's Lot so as to prevent erosion and to create and maintain 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 or other portion of any Lot which may damage or interfere with established slope ratios, create erosion or sliding problems or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. The Architectural Committee shall be the sole judge in determining compliance with the provisions of this paragraph, and each individual Lot Owner shall promptly perform or conform to all directives issued by the Architectural Committee for compliance with the provisions of this paragraph. Each Owner shall maintain in good repair and appearance all improvements located on his Lot.

Section 18. No Subdivision. No Lot shall be resubdivided into building sites having a frontage of less than shown on the original recorded Final Subdivision Map of which the Lot is a part except such resubdivision as may be made by Declarant in connection with the development of the Real Property.

Section 19. Interpretation of Restrictions. All questions or interpretations or constructions of any of the terms or conditions contained in this Article V shall be resolved by the Architectural Committee, and its decision shall be final, binding and conclusive on all of the parties affected.

Section 20. Compliance with Architectural Control. In the event of the failure of any individual Lot Owner to comply with a written directive or order from the Architectural Committee, then in such event the Architectural Committee or the Board shall have the right and authority to perform the subject matter of such directive or order, including, if necessary, the right to enter upon the property where a violation of these restrictions exists, and the cost of such performance shall be charged to the Owner of the Lot in question and may be recovered by the Architectural Committee in an action at law against such individual Lot Owner.

Section 21. Obligations to Landscape. Each Lot shall be landscaped within one (1) year following the date of record conveyance of the Lot from Declarant to the initial Owner. All such landscaping shall be undertaken in accordance with the procedures of Article IV of this Declaration.

Section 22. Construction Clean Up Deposit. When plans and specifications for the construction of improvements are submitted to the Architectural Committee pursuant to provisions hereof, said submission shall, at the request of the Architectural Committee, be accompanied by a deposit of \$200.00 to guarantee that the construction site during the course of construction will be maintained reasonably free of debris at the end of each working day and that the construction will be completed and the Lot drainage swales and structures correctly drain surplus water to the street or other approved outlets, all as shown on the plans and specifications submitted to the Architectural Committee for approval. In the event of a violation of this restriction, the Architectural Committee may give written notice thereof to the builder and the Owner of the Lot in question that if such violation is not cured or work commenced to cure the same within forty-eight (48) hours after the mailing of said notice, the Architectural Committee may correct or cause to be corrected said violation and use said deposit, or as much thereof as may be necessary, to cover the cost of such correction work. In the event that the cost of curing said violation shall exceed the amount of said deposit, said excess cost shall be paid by the Owner of the Lot in question to the Architectural Committee. Said deposit or any part thereof remaining in the hands of the Architectural Committee at the completion of the construction work shall be returned by the Architectural Committee to the person who made the deposit.

Section 23. Leasing of Lots. Each Owner shall have the right to lease his Lot, provided that all such leases must be in writing and shall provide that the lease is subject in all respects to the provisions of this Declaration and to the Articles and Bylaws, and that any failure of the lessee to comply with the provisions of each such document shall constitute a default under the lease. A lessee shall have no obligation to the Association to pay assessments imposed by the Association nor shall any lessee have any voting rights in the Association. No Owner may lease his Lot or improvements thereon for hotel, motel or transient purposes. Any lease which is either for a period of fewer 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 24. Mailboxes. There shall be no exterior newspaper tubes or freestanding mailboxes on any Lot or in the public right of way adjacent to any Lot, except as may be initially installed by Declarant or thereafter be approved by the Architectural Committee or as may be required by the United States Postal Service.

ARTICLE VI

INSURANCE

Section 1. Liability Insurance. The Board shall have the authority to procure and keep in force public liability insurance in the name of the Association and the Owners against any liability for personal injury or property damage resulting from any occurrence in or about the Maintenance Area in an amount not less than \$500,000.00 in indemnity against the claim of one (1) person in one (1) accident or event and not less than \$1,000,000.00 against the claims of two (2) or more persons in one (1) accident or event, and not less than \$100,000.00 for damage to property.

Section 2. Fidelity Bond. The Association shall have the authority to maintain a fidelity bond, naming the Association as obligee and insuring against loss by reason of the acts of all persons having access to the funds of the Association, including any managing agents.

ARTICLE VII

MAINTENANCE RESPONSIBILITIES

Section 1. Association Maintenance. The Association shall provide that maintenance described in Section 3 of Article II, including landscaping maintenance of the areas described in the Encroachment Permits and maintenance of the exterior appearance of the wall located in the Maintenance Areas.

Section 2. Owner Maintenance. Each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements thereon, including, but not limited to, any fence which is on the Lot line and the residence located thereon. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot so that the same presents a neat and attractive appearance. Each Owner shall be responsible for the structural maintenance, repair and replacement of those portions of the wall within the Maintenance Areas which are located on the Owner's Lot.

ARTICLE VIII

ENFORCEMENT

Section 1. Persons Who May Enforce. Declarant, the Association, the Architectural Committee and any Owner shall have the right to enforce by any proceedings at law or in equity the provisions of this Declaration. Failure by any such person or entity to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter. These covenants, conditions and restrictions shall operate as covenants and equitable servitudes running with the land, and a breach of any of them or a continuance of any such breach may be enjoined, abated or remedied by appropriate proceedings. In the event legal action is commenced to enforce the provisions of this Declaration, the prevailing party shall be entitled to costs of suit and reasonable attorney's fees.

Section 2. Notice of Claim of Breach. The Declarant, the Association, the Architectural Committee or any Owner may, at any time that Declarant, the Association, the Architectural Committee or any Owner deems a breach of these conditions and restrictions has occurred (other than a breach by way of failure to pay fees or assessments to the Association), execute, acknowledge and record in the Recorder's Office of San Diego County a Notice of Claim of Breach setting forth the facts of such breach, describing the Lot or Lots upon which such breach occurred and setting forth the name of the Owner or Owners thereof. Such notices, upon being recorded, shall be notice to all persons of such breach, provided an action has commenced within ninety (90) days after the recording of such notice to establish such breach, and if no such action has been commenced within such ninety (90) day period, then and in that event such notice shall be of no force and effect whatsoever, and the breach set forth in said notice shall be presumed to have been remedied. A breach of any of the foregoing covenants, conditions and restrictions contained herein shall not affect, impair, defeat or render invalid the lien, charge or encumbrance of any Mortgage made for value which may then exist upon said land, which said Mortgage shall be and is

hereby declared to be prior and superior to the rights in favor of any person or persons under and by virtue of these covenants, conditions and restrictions; provided, however, that in the event of a foreclosure of any such Mortgage, or if the owner of the note secured by such Mortgage acquires title to said land in any manner whatsoever in satisfaction of his indebtedness, then any purchaser at the foreclosure or trustee's sale, or any said note owner acquiring title as aforesaid, agrees that the Lot so acquired by them shall immediately upon said acquisition become subject to each and all of the covenants, conditions and restrictions and rights herein contained but free from the effects of any breach occurring prior thereto.

Section 3. Mortgagee Protection. The Owners of any encumbrance made for value on any Lots and any corporation insuring the lien of such encumbrance may conclusively presume that no breach exists under these covenants, conditions and restrictions, provided such encumbrance is recorded in the Office of the County Recorder of San Diego County prior to the commencement of any action to establish any such breach and not within ninety (90) days after the recording of any Notice of Claim of Breach, anything contained herein to the contrary notwithstanding.

ARTICLE IX

ANNEXATION

Section 1. Description of Project. Phase I is the first phase of the two phase overall planned development of the Real Property as set forth in the Recitals to this Declaration. When completed, Declarant contemplates that the entire planned development will consist of approximately 48 dwelling units. Nothing contained herein, however, shall require Declarant to complete the future phase of the overall planned development of the Real Property.

Section 2. Time for Annexation. If, within five (5) years of recordation of this Declaration, Declarant should develop additional lands within the Real Property, such additional lands or any portion thereof may be added to and included within the jurisdiction of the Association by action of Declarant without the assent of members of the Association; provided, however, such annexation shall not result in an increase of more than ten percent (10%) of the average per Lot regular assessments for the year. Said annexation may be accomplished by the recording of a Declaration of Annexation or by the recording of a separate Declaration of Restrictions which requires owners of the property

described therein to be members of the Association. The obligation of such owners to pay dues to the Association and the right of such owners to exercise voting rights in the Association shall not commence until the first day of the month following close of the first sale of a Lot by Declarant in the second phase of development.

Section 3. Annexation by Owners. In addition to the provisions of Section 2 above, additional land may be annexed to the jurisdiction of the Association and to the Real Property upon the vote or written consent of two-thirds (2/3) of the voting power of each class of members of the Association.

Section 4. Restriction on Amendment. This Article IX may not be amended without the written approval of Declarant attached to the instrument of amendment; provided, however, that at such time as Declarant has completed the development of the Real Property and sold all Lots therein, this Section 4 shall terminate and be of no further force or effect.

ARTICLE X

GENERAL PROVISIONS

Section 1. Survival. Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 2. Amendments. So long as there is more than one (1) class of members of the Association, this Declaration may be amended at any time and from time to time by an instrument in writing signed by members of the Association entitled to exercise sixty-six and two-thirds percent (66-2/3%) or more of the voting power of each class of members of the Association, and so long as there is only one (1) class of members of the Association, this Declaration may be amended at any time and from time to time by an instrument in writing signed by (i) sixty-six and two-thirds percent (66-2/3%) of the total voting power of members of the Association, and (ii) at least a majority of the voting power of the members of the Association other than Declarant, any which amendment shall become effective upon the recording thereof with the Office of the County Recorder of San Diego County, California; provided, however, that no material amendment may be made to this Declaration without the prior written consent of seventy-five percent (75%) or more of the Mortgagees of first Mortgages encumbering Lots (based upon one (1) vote for each such Mortgage).

Section 3. Term of Restrictions; Extensions. Each and all

of these covenants, conditions and restrictions shall terminate on December 31, 2030, 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, 2030, 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, 2030, or at the end of any such ten (10) year period.

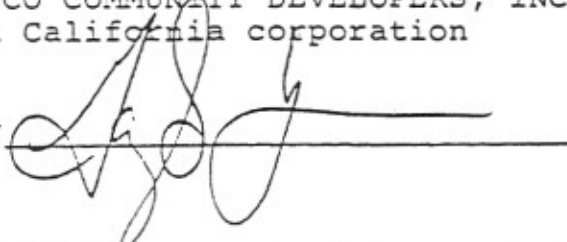
Section 4. Declarant's Rights. Declarant is undertaking the work of construction of residential dwellings and incidental improvements upon the Real Property. The completion of that work, and the sale, rental and other disposal of the dwellings is essential to the establishment and welfare of the Real Property as a residential community. In order that said work may be completed and the Real Property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- (a) Prevent Declarant, its contractors or subcontractors from doing on the Real Property whatever is reasonably necessary or advisable in connection with the completion of said work; or
- (b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part of parts of the Real Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing the Real Property as a residential community and disposing of the same by sale, lease or otherwise; or
- (c) Prevent Declarant from conducting on any part of the Real Property its business of completing said work, and of establishing a plan of ownership and of disposing of the Real Property by sale, lease or otherwise; or
- (d) Prevent Declarant from maintaining such sign or signs on any of the Real Property as may be necessary for the sale, lease or disposition thereof.

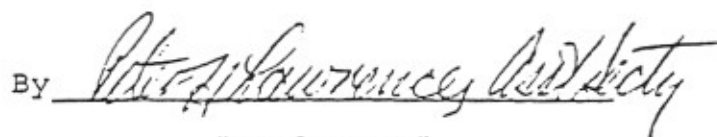
IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the day and year first hereinabove written.

AVCO COMMUNITY DEVELOPERS, INC.,
a California corporation

By



By



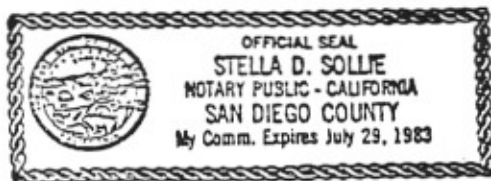
"Declarant"

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

On March 19, 1981, before me, the undersigned, a Notary Public in and for said State, personally appeared Gary S. Copson, known to me to be the Vice President, and Peter Lawrence, known to me to be the asst. Secretary of the corporation that executed the within instrument on behalf of the corporation therein named and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Stella D. Sollie
 NOTARY PUBLIC



SUBORDINATION AGREEMENT

SECURITY PACIFIC NATIONAL BANK, for itself and as Agent for The Chase Manhattan Bank, N.A., Bankers Trust Company, Manufacturers Hanover Trust Company, The First National Bank of Chicago, United California Bank, First National Bank in Dallas, and Republic National Bank of Dallas, being the beneficiaries under that certain deed of trust dated January 29, 1981 and recorded February 10, 1981 as File/Page No. 80-041187 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 Restrictions to which this Subordination Agreement is attached.

SECURITY PACIFIC NATIONAL BANK

By *David W. Lee* V.P.
Title

By *Buchanan-Tilley* ACCOUNT OFFICER
Title

SECURITY PACIFIC NATIONAL BANK, as Agent for The Chase Manhattan Bank, N.A., Bankers Trust Company, Manufacturers Hanover Trust Company, The First National Bank of Chicago, United California Bank, First National Bank in Dallas and Republic National Bank of Dallas

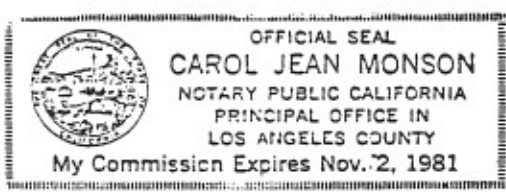
By *David W. Lee* V.P.
Title

By *Buchanan-Tilley* ACCOUNT OFFICER
Title

STATE OF CALIFORNIA)
) LOS ANGELES) SS.
COUNTY OF ~~SAN DIEGO~~)

On MARCH 20, 1981, before me, the undersigned, a Notary Public, in and for said State, personally appeared RONALD W. LEE, known to me to be the VICE President, and BARBARA METZINGER, known to me to be the ACCOUNT OFFICER Secretary of SECURITY PACIFIC NATIONAL BANK, the Association that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the Association therein named, and acknowledged to me that such Association executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

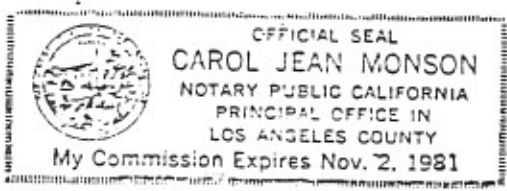


Carol Jean Monson
NOTARY PUBLIC

STATE OF CALIFORNIA)
) LOS ANGELES) SS.
COUNTY OF ~~SAN DIEGO~~)

On MARCH 20, 1981, before me, the undersigned, a Notary Public, in and for said State, personally appeared RONALD W. LEE, known to me to be the VICE President, and BARBARA METZINGER, knownt to me to be the ACCOUNT OFFICER Secretary for SECURITY PACIFIC NATIONAL BANK, the Association that executed and whose name is subscribed to the within instrument as the Agent of The Chase Manhattan Bank, N.A., Bankers Trust Company, Manufacturers Hanover Trust Company, The First National Bank of Chicago, United California Bank, First National Bank in Dallas and Republic National Bank of Dallas, knownt to me to be the persons who executed the within instrument on behalf of said Association as such agent, and acknowledged to me that said Association executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Carol Jean Monson
NOTARY PUBLIC

LEGAL DESCRIPTION

Portion of Parcel 3 of Parcel Map No. 4381, filed in the Office of the County Recorder January 9, 1976 in the City of San Diego, County of San Diego, State of California, more particularly described as follows:

Beginning at the Northeast corner of said Parcel 3 of Parcel Map No. 4381, said corner being a point in the Southerly right of way line of Talbot Street as shown on said Parcel Map; thence North $77^{\circ} 07' 26''$ West along said Southerly right of way line of Talbot Street, 212.24 feet to the Northeasterly corner of the land granted by Deed to Clar-O-Wood, a general partnership, recorded June 2, 1978 as File No. 78-228649 Book 1978 of Official Records; thence along the Easterly boundary line of said Clar-O-Wood Land, South $35^{\circ} 52' 34''$ West 116.43 feet to the beginning of a tangent 209.00 foot radius curve, concave Northwesterly; thence Southwesterly to Westerly along the arc of said curve, through a central angle of $45^{\circ} 00' 00''$ a distance of 164.15 feet; thence tangent to said curve South $80^{\circ} 52' 34''$ West 139.09 feet to a beginning of a tangent 91.00 foot radius curve concave Southeasterly; thence Westerly to Southwesterly along the arc of said curve through a central angle of $42^{\circ} 27' 00''$ a distance of 67.42 feet; thence tangent to said curve South $38^{\circ} 25' 34''$ West 24.30 (Record 24.29) feet; thence leaving said Easterly boundary line South $77^{\circ} 15' 00''$ East 131.65 feet; thence South $12^{\circ} 41' 20''$ West 100.00 feet; thence North $77^{\circ} 15' 00''$ West 150.00 feet; thence North $12^{\circ} 41' 20''$ East 61.92 feet to a point on the Easterly boundary line of said Clar-O-Wood Land; thence along said Easterly boundary line South $38^{\circ} 25' 34''$ West 23.12 (Record 23.11) feet; thence South $23^{\circ} 39' 56''$ West 62.81 feet; thence South $51^{\circ} 34' 26''$ East 41.68 feet; thence South $04^{\circ} 09' 10''$ West 110.00 feet; thence South $12^{\circ} 39' 10''$ West 166.00 feet to a point in the South line of said Parcel 3, Parcel Map No. 4381; thence South $77^{\circ} 21' 50''$ East along the Southerly line of said Parcel 3, a distance of 118.02 feet; thence continuing along the boundary line of said Parcel 3 as shown on said Parcel Map No. 4381 South $12^{\circ} 44' 43''$ West 26.08 feet; thence South $77^{\circ} 25' 30''$ East (South $77^{\circ} 25' 10''$ East 273.70 feet - record per Map No. 6474) 273.78 feet to the Northeast corner of Lot 4 of Loma Aire Unit No. 1, Map No. 6474; said corner being also an angle point in the Southerly boundary of said Parcel Map No. 4381; thence along the boundary of said Parcel 3 of Parcel Map No. 4381 the following courses and distances North $13^{\circ} 01' 45''$ East 57.85 feet; thence South $77^{\circ} 22' 35''$ East 144.91 feet; thence North $12^{\circ} 40' 00''$ East 270.24 feet; thence South $77^{\circ} 15' 00''$ East 130.00 feet to a point in the Westerly line of Albion Street as shown on said Parcel Map No. 4381; thence along said Westerly line on Albion Street North $12^{\circ} 40' 00''$ East 60.00 feet; thence leaving said Westerly line of Albion Street North $77^{\circ} 15' 00''$ West 120.00 feet; thence North $12^{\circ} 40' 00''$ East a distance of 387.21 feet to the POINT OF BEGINNING.