

INDEX TO
RESTATED AND AMENDED
DECLARATION OF RESTRICTIONS
FOR

PACIFIC BLUFFS MANAGEMENT CORPORATION NO. TWO

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CERTIFICATION OF ADOPTION

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RESTATED AND AMENDED
DECLARATION OF RESTRICTIONS
FOR
PACIFIC BLUFFS MANAGEMENT CORPORATION NO. TWO

This RESTATED AND AMENDED DECLARATION OF RESTRICTIONS FOR PACIFIC BLUFFS MANAGEMENT CORPORATION NO. TWO ("Declaration") shall be effective upon recordation with the San Diego County Recorder's Office, County of San Diego, State of California. This Declaration restates, amends and supersedes in their entirety that certain "DECLARATION OF RESTRICTIONS", executed by ASHTON & KIES COMPANY as Declarant, recorded on August 6, 1965 as Document 1965-141544 and the "FIRST AMENDMENT TO DECLARATION OF RESTRICTIONS", executed by ASHTON & KIES COMPANY, as Declarant, recorded on September 2, 1965, as Document 1965-160575, and the "SECOND AMENDMENT TO DECLARATION OF RESTRICTIONS" executed by PACIFIC BLUFFS MANAGEMENT CORPORATION NO. TWO, recorded on May 30, 1986 as Document 1986-215926, in the official records of the San Diego County Recorder's Office, County of San Diego, State of California, together with any other amendments thereto, if any.

This Declaration affects and concerns that certain real property (herein "Property"), in the County of San Diego, State of California, which is more particularly described as follows:

"Lot 2 of PACIFIC BLUFFS in the City of San Diego, County of San Diego, State of California, according to Map No. 5606 filed in the Office of the County Recorder of San Diego County on August 3, 1965."

The Owners of the Property hereby desire and intend that the Property shall be held, sold, conveyed and used subject to the covenants, conditions, restrictions, rights, reservations, limitations, easements, equitable servitudes set forth herein for the purpose of preserving and protecting the value and desirability of the Property pursuant to a general plan of condominium ownership for the benefit of the Owners of the Property, or any portion thereof, and their heirs, successors and assigns in accordance with the superseding provisions of this Declaration.

ARTICLE I: DEFINITIONS

Section 1.1. "Articles" means the Articles of Incorporation of the Pacific Bluffs Management Corporation No. Two, filed in the Office of the Secretary of State of the State of California on March 16, 1965, as the same may be amended from time to time.

Section 1.2. "Association" means the Pacific Bluffs Management Corporation No. Two, a California nonprofit mutual benefit corporation, and its successors and assigns.

Section 1.3. "Board" means the Board of Directors of the Association, as the same may be elected or appointed to serve from time to time.

Section 1.4. "Bylaws" means the Restated and Amended Bylaws of the Pacific Bluffs Management Corporation No. Two, as the same may be duly amended from time to time.

Section 1.5. "Common Area" means the Common Area as described and defined in the Condominium Plan and in this Declaration. The term "Exclusive Use Common Area" means those portions of the Common Area appurtenant to a Unit designated for the exclusive right and easement to use by the Unit Owner or owners of the adjoining patio or patios, the two-car carport or two-car enclosed carport and the second story balcony, if any, as described in the Condominium Plan and in this Declaration.

Section 1.6. "Condominium" means an estate in real property consisting of an undivided interest in common in the real property constituting the Project, together with a Separate Interest in space in a residential building situated on such property, and in other portions of the real property as defined in the Condominium Plan and this Declaration.

Section 1.7. "Condominium Plan" shall mean and refer to that certain Certificate Under California Civil Code (hereafter "Civil Code") Section 1351 recorded on August 9, 1965, as Document 1965-142509 in the Official records of the San Diego County Recorder's Office, County of San Diego, State of California.

Section 1.8. "Declaration" means the Restated and Amended Declaration of Restrictions for Pacific Bluffs Management Corporation No. Two, applicable to the Property comprising the Pacific Bluffs Management Corporation No. Two condominium Project recorded in the Office of the San Diego County Recorder's Office, State of California, including any amendments thereto as may be duly adopted and recorded from time to time.

Section 1.9. "Governing Documents" shall mean the Articles of Incorporation, Bylaws, Declaration and adopted rules and regulations which govern the operation of the Project and the affairs of the Association.

Section 1.10. "Member" means those Persons entitled to membership in the Association as provided in the Bylaws or this Declaration.

Section 1.11. "Mortgage" means a mortgage or deed of trust encumbering a Condominium or any other portion of the Property. "First Mortgage" means a Mortgage that has priority over all other Mortgages encumbering the same Condominium or other portion of the Property. "Mortgagee" means a person for whose benefit a Mortgage is made and includes the beneficiary of a deed of trust and any guarantor or insurer of a Mortgage. "Mortgagor" means a person who mortgages his, her, or its property to another (i.e. the maker of a Mortgage), and shall include the trustor of a deed of trust.

Section 1.12. "Owner" means the record owner, whether one (1) or more Persons, of any Condominium as defined herein, including contract sellers and holders of fee simple title, a life estate or an estate for years but excluding Persons or entities having any interest merely as security for the performance of an obligation.

Section 1.13. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 1.14. "Property" means the real property described above in this Declaration. The Property is a Condominium Project.

Section 1.15. "Project" means the entire parcel of Property, including all structures and improvements erected thereon comprised of Separate Interests and Common Areas as described in this Declaration.

Section 1.16. "Separate Interest" means an individual Unit as defined in the Condominium Plan and in this Declaration.

Section 1.17. "Unit" means the elements of a Condominium which constitute the Separate Interest of each Owner of a Condominium as shown and described as a "Living Unit" on the Condominium Plan or in this Declaration

ARTICLE II: THE PROPERTY

Section 2.1 The Condominiums. The incidents of the condominiums include:

A. Units. Each of the Units as separately shown, numbered and described in the Condominium Plan consist of: the space bounded by the interior surfaces of the ceilings, floors, perimeter walls, windows and doors thereof as shown on the Condominium Plan. Each Unit has appurtenant thereto the exclusive right and easement to use the adjoining patio or patios, the two-car carport or two-car enclosed carport and the second story balcony, if any, as described in the Condominium Plan. The Unit does not include: foundations, perimeter floors, perimeter bearing walls, roofs, central heating and other central services, all pipes, ducts, conduits, wire, utility lines, etc. for gas, electricity, water, sewer, or other utility services for the common use of the building, except the outlets thereof located within the Unit, as described in the Condominium Plan .

B. Common Area. The Common Area includes all of the Property other than the Units as described in the Condominium Plan . The Common Areas are owned by the Owners of the Units as tenants in common, in equal shares, one for each Unit, as described in the Condominium Plan .

C. Exclusive Use Common Area. The Exclusive Use Common Areas include the adjoining patio or patios, the two-car carport or two-car enclosed carport and the second story balcony, if any, which are appurtenant to the Unit and allocated for the exclusive use of the Owner or Owners of the Unit as shown and described in the Condominium Plan .

Section 2.2 Restrictions on Partition. Except as provided in this section, the Common Area must remain undivided, and there may be no judicial partition thereof. Nothing in this section shall be deemed to prohibit partition of a cotenancy in a Condominium.

The Owner of a Unit may maintain a partition action and obtain partition of the entire Property as if the Owners of all Units were tenants in common in the entire Property in the same proportion as their interest in the Common Area, only if:

- (a) More than three years before the filing of the partition action, the Property was damaged or destroyed, so that a material part was rendered unfit for its prior use, and the Property has not been rebuilt or repaired substantially to its state prior to the damage or destruction; or,
- (b) Three-fourths or more of the Property is destroyed or substantially damaged and Owners holding in the aggregate more than a fifty percent (50%) interest in the Common Area oppose repair or restoration of the Property; or,
- (c) The Property has been in existence more than fifty (50) years, is obsolete and uneconomic and Owners holding in the aggregate more than a fifty percent (50%) interest in the Common Area oppose repair and restoration of the Property; or,
- (d) The conditions of sale set forth in Article VIII herein are satisfied.

Section 2.3 Presumption Regarding Boundaries of Units. In interpreting deeds, declarations and plans, the existing physical boundaries of a Unit, including any Unit reconstructed in substantial accordance with the Condominium Plan and the original construction plans for the Property, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Condominium Plan, or this Declaration. This presumption applies regardless of settling or lateral movement of the building and regardless of minor variances between the boundaries as shown on the Condominium Plan or described in the deed or in this Declaration, and the boundaries of the building as constructed or reconstructed.

Section 2.4 Prohibition Against Severance of Elements. Any conveyance, judicial sale, or other voluntary or involuntary transfer of a Unit includes all interests and appurtenances as shown in the original deed of conveyance, the Owner's tenancy-in-common interest in the Common Area and membership interest in the Association. Any transfer that attempts to sever those component element interests shall be null and void.

Section 2.5 Notice of Lease or Transfer. The Association or representative shall be notified in writing by the Owner upon the lease or rental of a Condominium.

In the event of a sale or other transfer of ownership of a Condominium, the new owner shall promptly notify the Association, in writing, specifying the name and address of the new Owner, the names and number of occupants, the vehicles and license numbers, a contact telephone number and emergency contact number together with such other information as may be reasonably requested by the Association. The Association may charge the Owner a reasonable fee to update its records regarding any such lease, rental or transfer of any Condominium.

Section 2.6 Encroachment Easements. The Owner of each Condominium is hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction or any reconstruction, settlement or shifting of any structure, or any other cause. There shall be easements for the maintenance of such encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by such encroachments, settlement or shifting; provided, however, that in no event shall an easement for the encroachment be created in favor of an Owner if such encroachment occurred as a result of the willful misconduct or negligence of that Owner or the Owner's predecessor-in-interest in the Unit.

Section 2.7 Access Easements. The Association, together with its agents, employees, contractors or representatives shall have the right, after reasonable notice (not less than 24 hours except in emergencies) to the Owner thereof, to enter any Unit or any portion of the Owner's Exclusive Use Common Area, for the purpose of performing repairs, maintenance, restoration, reconstruction or similar activities within the responsibility of the Association for the benefit of the Common Area or for the benefit of the Owners in common regarding all or a portion of the Property. Any such entry shall be made with as little inconvenience to the Owner, or occupants of the Unit, as practicable and any damages or loss caused thereby shall be repaired or replaced at the expense of the Association.

Section 2.8 Easement To and From Lot 1. There is hereby reserved by these restrictions for the benefit of the owners and occupants of living units in Lots 3, 4 and 5 of Pacific Bluffs, their invitees and guests, an easement for ingress and egress to and from Lot 1 of said Pacific Bluffs solely for pedestrian and vehicular passage over and across all common walks and common driveways in the Property.

ARTICLE III: THE ASSOCIATION

Section 3.1 Membership. Every Owner, upon becoming an owner of a Condominium, automatically becomes a member of the Association. Ownership of a Condominium is the sole qualification for membership. Each Member has the rights, duties, privileges, and obligations as set forth in the Governing Documents. Membership automatically ceases when the Owner no longer holds an ownership interest in a Condominium. All memberships shall be appurtenant to the Condominium conveyed, and cannot be transferred, assigned, conveyed, hypothecated, pledged, or alienated except as part of a transfer of the Owner's entire ownership interest, and then only to the transferee. Any transfer of the Owner's title to his or her Condominium automatically transfers the appurtenant membership in the Association to the transferee.

Section 3.2 Powers and Duties. The Association's powers and duties shall be as set forth in its Articles and in its Bylaws, as the same may be amended from time to time, which are incorporated herein in full by this reference, or as otherwise expressly provided in this Declaration.

ARTICLE IV: ASSESSMENTS AND COLLECTION PROCEDURES

Section 4.1 Covenant to Pay Assessments. Each Owner by acceptance of a deed (or other conveyance) of one or more Condominiums (whether or not expressly stated in such deed or conveyance) thereby covenants and agrees to pay the Association regular assessments, special assessments and special monetary charges as shall be established pursuant to the provisions of this Declaration.

Section 4.2 Owner's Personal Obligation for Assessments. Regular assessments, special assessments and special monetary charges together with any late charges, interest, costs of collection, including attorney fees as provided in this Article, or as provided by statute or law, shall be a personal debt of the Owner of the Condominium at the time the assessment or other sums are levied, and each Owner promises to pay such amounts to the Association. The Owner may not waive or otherwise escape liability for these assessments, or other charges, by non-use of the Common Area or abandonment of the Owner's Condominium.

Section 4.3 Creation of Assessment Lien. All regular assessments, special assessments and special monetary charges together with late charges, interest, costs of collection, including attorney fees, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which the assessment or charge is made from and after the time the Association causes to be recorded a Notice of Delinquent Assessment (Lien) pursuant to the provisions of Civil Code §§ 1367 or 1367.1, or their comparable superseding statute.

Section 4.4 Assessment Roll. The Association shall maintain, and update as necessary, an assessment roll for every Condominium subject to assessment hereunder, reflecting the name and address of each Owner, together with all regular assessments, special assessments and special monetary charges levied against each Owner and his or her Condominium and the amount of such assessments or charges which have been paid or which remain unpaid.

Section 4.5 Amount and Purpose of Assessments. The Association shall levy regular and special assessments sufficient to perform its obligations, subject to the provisions of this Article or applicable law. The assessments levied by the Association shall be used exclusively to promote the operation, repair, replacement, improvement and maintenance of the Property and to discharge any other obligations of the Association as provided in the Governing Documents or by law.

Section 4.6 Regular Assessments. Regular assessments shall be established annually by the Board based on the pro forma operating budget and the reserve account(s) allocations and funding of the Association. Any increase or decrease in regular assessments shall be allocated equally (in the same dollar amount) to each Condominium. Each Owner is obligated to pay regular assessments in equal monthly installments on or before the first day of each month, unless the Board adopts an alternate method of payment.

Section 4.7 Special Assessments. If the Board determines that the amount to be collected from regular assessments will be inadequate to defray the expenses for the year because of the cost of any construction, unexpected repairs or replacements of capital improvements upon the Common Area, or any other reason, it shall make a special assessment for the additional amount required, subject to membership approval, in accordance with the provisions of this Article IV.

Section 4.8 Limitation on Assessment Increases.

A. Increase Approvals. The Board shall not impose a regular assessment that is more than twenty percent (20%) greater than the regular assessment for the Association's preceding fiscal year OR impose a special assessment which in the aggregate exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of Owners constituting a quorum, casting a majority of the votes at a meeting or election of the Association duly called for that purpose. The "quorum" for purposes of this section means more than fifty percent (50%) of the Owners of the Association. However, this section does not limit assessment increases for emergency situations. An "emergency situation" for purposes of this section means any of the following:

- 1) An extraordinary expense required by a court order; or
- 2) An extraordinary expense necessary to repair or maintain the Property or any part of it which the Association is responsible where a threat to personal safety on the Property is discovered; or
- 3) An extraordinary expense necessary to repair or maintain the Property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing the pro forma operating budget under Civil Code Section 1365 (or its comparable superseding statute). However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

B. Notice of Assessment Increases. The Association shall provide notice by first-class mail to the Owners of any increase in the regular assessment, or of a special assessment, not less than thirty (30) days nor more than sixty (60) days prior to the date the increased assessment or special assessment shall become due.

C. Compliance with Financial Statement Requirements. Annual increases in regular assessments for any fiscal year shall not be imposed unless the Board has complied with the "Financial Documents" provisions of subdivision (a) of Civil Code Section 1365 (or its comparable superseding statute) with respect to that fiscal year OR has obtained the approval of a majority of a quorum of the Owners at a meeting or election of the Association conducted for that purpose in accordance with the Bylaws.

Section 4.9 Special Monetary Charges. The Board may impose a special monetary charge pursuant to Section 1367 (b) and 1367.1 (d) of the Civil Code (or their superseding statutes) against an Owner, provided the Owner has been afforded the notice and opportunity for hearing as specified in Article III, Section 3.3 of the Bylaws, for the following purposes:

1) Damage to Common Area. In the event that any damage to, or destruction of, any portion of the Common Area, including any other portion of the Property which the Association is obligated to maintain or repair is caused by the willful misconduct or negligent act or omission of any Member, or the Member's family, tenants, guests, employees, contractors, agents or invitees, the Board may cause the same to be repaired or replaced, and all costs and expenses, including attorney fees, incurred shall be assessed against such Member and against the Member's Condominium as a monetary charge collectable and enforceable in the same manner as assessments, including related costs of collection, as provided in this Article IV.

2) Expenses for Member Compliance. In the event that the Association incurs any costs or expenses, including attorney fees, to accomplish a) collection of delinquent assessments, or other authorized charges or fees; or b) to enforce the Owner's obligation to repair damage to the Common Area property; or c) to repair, maintain or replace of any portion of the Property (including the elements of the Owner's Unit) that the Owner is responsible to maintain under the Governing Documents which the Owner has failed to complete in a timely manner after demand to do so; then the amount incurred by the Association to enforce such compliance, together with all costs of collection or enforcement, including reasonable attorney fees shall be assessed and charged against the Owner and against the Owner's Condominium as a special monetary charge collectable and enforceable in the same manner as assessments as provided in this Article IV.

3) Expenses Required to Maintain Condominium. If any Condominium is maintained in such a manner that it requires needed maintenance or repair or constitutes a nuisance, fire or safety hazard, or any other similar reason, the Association shall have the right, in the discretion of the Board, to enter and perform necessary maintenance or repairs and/or to abate or correct the offensive or hazardous condition(s) and the costs and expense of any such required notice, performance of maintenance and repairs or enforcement action may be imposed against the offending Owner and against the Owner's Condominium as a monetary charge collectable and enforceable in the same manner as assessments as provided in this Article IV.

4) Limitation on Right to Lien. Monetary penalties imposed solely as a disciplinary measure for failure of a Member to comply with the Governing Documents (i.e. which are not special monetary charge to reimburse the Association for costs incurred to enforce or perform maintenance or repairs which are the responsibility of the owner under subsections (1), (2) or (3) above) may not be characterized or treated as an assessment that may become a lien against the Owner's Condominium or Separate Interest as provided in Section 1367.1 (e) of the Civil Code or its comparable or superseding statute.

Section 4.10 Enforcement of Assessments.

A. Delinquent Assessments, Late Charges, etc. Regular assessments, special assessments and monetary charges imposed pursuant to Section 4.9 (1) (2) and (3) above, shall be delinquent fifteen (15) days after they become due. If an assessment is delinquent the Association may recover all of the following:

1) Reasonable costs incurred in collecting the delinquent assessments or charges, including reasonable attorney's fees; and

2) A late charge not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater (a late charge shall be imposed only once for the same delinquent assessment); and

3) Interest on all sums imposed in accordance with this Article (including assessments, special monetary charges, late charges, costs of collection including attorney's fees) at an annual rate not to exceed twelve percent (12%) per annum [one percent (1%) per month] , commencing thirty (30) days after the assessment and other authorized amounts become due.

B. Notice of Delinquent Assessment (Lien). Before the Association may place a lien on the Separate Interest of an Owner to collect a debt which is past due the Association shall notify the Owner in writing by certified mail of the fee and penalty procedures of the Association, provide an itemized statement of the charges owed by the owner, including items on the statement to indicate the principal owed, any late charges and the method of calculation, any attorney's fees, and the collection practices used by the Association, including the right of the Association to the reasonable costs of collection.

The amount of regular or special assessments, plus any costs of collection, including attorney fees, late charges and interest assessed in accordance with this Article shall be a charge and continuing lien on the Owner's Condominium from and after the time the Association causes to be recorded in the Official Records of the San Diego County Recorder's Office a Notice of Delinquent Assessment (Lien) [also referred to herein as "assessment lien"], which shall state the name of the owner of record of the Condominium, the amount of the delinquent assessments including late charges and interest, plus costs of collection, including attorney fees, a legal description of the Condominium against which the charges have been levied, and, in order for the lien to be enforced by non judicial foreclosure, the name and address of the trustee authorized by the Association to enforce the lien by sale.

The Notice of Delinquent Assessment (Lien) shall be signed by the person designated by the Association for that purpose, or if no one is designated, by the president of the Association. A copy of the Notice of Delinquent Assessment (Lien) shall be mailed in the manner set forth in Civil Code Section 2924b (or its comparable superseding statute), to all record owners of the owner's interest in the common interest development not later than 10 calendar days after recordation. Within 21 days of payment of all sums specified in the Notice of Delinquent Assessment (Lien) the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien and provide a copy thereof to the owner. Payments by the Owner toward the debt owed shall be first applied to the principal owed, and only after the principal owed is paid in full shall such payments be applied to interest or collection expenses.

The lien created by the recordation of the Notice of Delinquent Assessment shall be prior to all other liens recorded subsequent thereto; except for (a) the lien or charge of any first Mortgage of record made in good faith and for value, provided that such subordination shall apply only to the assessments which have become due or payable prior to the transfer of such property pursuant to the exercise of a power of sale or judicial foreclosure involving a default under such first Mortgage or deed of trust, or other prior encumbrance, or (b) any taxes, bonds or other such levies which are made superior thereto by law.

C. Lien Enforcement Remedies. After the expiration of thirty (30) days following the recording of the Notice of Delinquent Assessment (Lien), the lien created by the recordation of a Notice of Delinquent Assessment (Lien) may be enforced in any manner permitted by law, including sale by the court (i.e. judicial enforcement), sale by the trustee designated in the Notice of Delinquent Assessment (Lien) [non judicial foreclosure] or sale by the trustee substituted pursuant to Section 2934a of the Civil Code (or its comparable superseding statute). Any sale by the trustee shall be conducted in accordance with the provisions of Civil Code Sections 2924, 2924b and 2924c (or their comparable superseding statutes) applicable to the exercise of powers of sale in mortgages and deeds of trust. Nothing in this Article, or subdivision (a) of Section 726 of the California Code of Civil Procedure shall prohibit an action against the Owner on the Owner's personal obligation to pay assessments to recover the sums for which a lien is created pursuant to Section 1367 of the Civil Code (or its comparable superseding statute) or shall prohibit the Association from taking a deed in lieu of foreclosure.

D. Enforcement of the Owner's Personal Obligation to Pay Assessments. The Association may initiate a legal action against the Owner personally obligated to pay the delinquent assessments or other authorized amounts owing to the Association as authorized in this Article in any manner permitted by law.

Section 4.11 Statement of Delinquent Assessment. The Association shall, upon written request by any Owner, provide the Owner with a statement specifying the amount of assessments or special monetary charges levied against the Owner's Condominium that are unpaid and delinquent on the date of the statement and the amount of late charges, interest, costs of collection including attorney's fees as of the date of the statement that are or may be made a lien on the Owner's Condominium. The Association may charge the Owner a reasonable fee to cover its costs to prepare and reproduce the statement required by this Section.

Section 4.12 Transfer of Condominium by Sale or Foreclosure. The following provisions shall govern the Association's rights to enforce its assessment collection remedies following the sale or foreclosure of a Condominium.

A. Except as provided in paragraph B below, the sale or transfer of any Condominium shall not affect any Notice of Delinquent Assessment (Lien) duly recorded with respect to that Condominium before the sale or transfer, and the Association can continue to enforce its lien by either judicial or nonjudicial foreclosure regardless of the change in ownership.

B. The Association's assessment lien shall be extinguished as to all delinquent sums, late charges, interest, and costs of collection incurred before the sale or transfer of a Condominium under a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not under a deed-in-lieu of foreclosure). A "prior encumbrance" means any first mortgage or other mortgage or deed of trust or lien recorded before the Association's assessment lien.

C. No sale or transfer of a Condominium as the result of a foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of that Condominium from liability for any assessments thereafter becoming due for that Condominium.

D. No sale or transfer of a Condominium as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Association's right to maintain an action against the foreclosed previous Owner's personal liability for assessments to collect all amounts due from the previous Owner prior to the sale or transfer.

Section 4.13. Assessment Payment Plans. An Owner may submit a written request to meet with the Board to discuss a payment plan on assessments and liens. The Association shall provide the Owners the standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more of its members to meet with the Owner. Acceptance of a payment plan lies within the discretion of the Board.

ARTICLE V: USE OF UNITS AND COMMON AREA; RESTRICTIONS AND COVENANTS

Section 5.1 General. The use and enjoyment of the Property by Owners and their tenants, guests, invitees and other persons deriving rights from an Owner, are subject to the covenants and restrictions contained in this Declaration. Each such person shall comply with the provisions of this Declaration and be subject to any enforcement actions in the event of a violation thereof.

Section 5.2 Use of Common Area. the use and enjoyment of the Common Area and Common Facilities are subject to the following:

(A) The Board may adopt rules and regulations which are not inconsistent with the provisions of this Declaration governing the use and enjoyment of the Common Area;

(B) Each Owner is entitled to reasonable access to the Common Area for the purpose of maintaining those areas of the Property for which such Owner is responsible, subject to the consent of the Association and to any other conditions reasonably imposed by the Association;

(C) The Association shall have an easement in, to, and throughout the Common Area and the improvements thereon as may be necessary to perform its duties and exercise its powers as set forth in the Governing Documents;

(D) Subject to the provisions of this Declaration, each Owner has non-exclusive rights of ingress, egress, and support, if necessary, through the Common Area. These rights are appurtenant to each Unit, and the Common Area is subject to these rights. However, these rights shall be subordinate to, and shall not interfere with, any exclusive right to use;

(E) Owner's rights to use and enjoyment of the Common Area are subject to the restrictions set forth in this Declaration;

(F) The Association may grant to third parties easements in, on, and over the Common Area for the purpose of constructing, installing, or maintaining necessary utilities and services, and each Owner, in accepting the deed to his or her Unit expressly consents to these easements. No such easement may be granted if it would interfere with any exclusive easement or with any Owner's use, occupancy or enjoyment of his or her Unit;

(G) An Owner who has leased, rented, or sold his or her Condominium to a contract purchaser shall be deemed to have delegated all of his or her rights to use and enjoy the Common Area to such persons who reside in the Condominium.

(H) Each Owner is liable to the Association for any damage to the Common Area or to Association-owned property caused by the Owner or the Owner's family, guests, employees, tenants, pets or invitees. In the case of joint ownership of a Condominium, the liability of co-owners is joint and several.

Section 5.3 Use of Units. Each Unit shall be improved, used and occupied as a residence for single family dwelling purposes only. Each two-car carport or two-car enclosed carport shall be used for the parking of two (2) automotive passenger vehicles only, and for no other purpose or purposes, without the prior written approval of the Board.

Section 5.4 Restrictions on Use. In exercising the right to occupy or use a Unit or the Common Area and its improvements, an Owner and the Owner's family, guests, employees, tenants, agents or invitees shall not do or permit to be done any of the following:

(A) Occupy or use any Unit, in whole or in part, for any purpose other than for non commercial, private residential use. A Unit shall not be occupied by more individuals than permitted by zoning, government regulation or applicable law. Use of a Unit for "time-sharing" occupancy is expressly prohibited.

(B) Permit anything to obstruct the Common Area or interfere with the rights of other Owners, or perform any act or permit any noise which may be or become an annoyance or nuisance to other Owners, other than in accordance with reasonable rules established by the Board.

(C) Perform any act or keep anything on or in any Unit or in the Common Area that would result in the cancellation of insurance on any Unit or on any part of the Common Area or that would cause an increase in the rate of insurance on the Common Area.

(D) Engage in any act or perform any activity in or about the Property which would be in violation of any statute, law, ordinance or governmental rule or regulation.

(E) Display any sign to the public view on or from any Unit or the Common Area without the prior written consent of the Board, except that the Owner may post on the Unit a single "For Rent" or "For Sale" sign of reasonable dimensions as determined by the Board or as stated in the Rules and Regulations or non-commercial signs as provided in Civil Code § 1353.6 or its superseding statute.

(F) Construct, install or maintain any television or radio antennae, satellite dish, or similar installations in the Common Area or any Unit, except as may be permitted by law and then subject to the reasonable rules and regulations of the Association as provided in Civil Code Section 1376, or its comparable superseding statute.

(G) Permit any more than two (2) domesticated household pets to be kept by an Owner in their Unit, provided that such pets shall not be allowed on the

Common Area except in accordance with such rules and regulations as may be adopted by the Board of Directors of the Association. Caged birds, or fish in a household aquarium may be kept and maintained in an Owner's Unit, provided the same shall not in the opinion of the Board of Directors create an unreasonable annoyance or nuisance to the Owners of other Units. For purposes of this section, "Pet" means any domesticated bird, cat, dog, aquatic animal kept within an aquarium. Any pet that is an unreasonable nuisance or threat to homeowners may be forbidden on the premises at the discretion of the Board of Directors.

(H) Alter, construct or remove anything from the Common Area or affix or attach anything thereto, including the exterior surfaces of the windows or walls of any Unit or install any equipment, fixtures, or improvements of any kind, except as may be provided in the Rules and Regulations of the Association; provided, however, each Owner has the right to display a flag of the United States on the Owner's Separate Interest in compliance with the Government Code as provided in Civil Code Section 1353.5, or its comparable superseding statute.

(I) Allow any trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup, van or recreational vehicle), boat, unlicensed or inoperable vehicles, or similar equipment to be kept or maintained upon any portion of the Property, except as may be provided in the Rules and Regulations of the Association.

(J) Permit any portion of the Common Area to be used for the sale or display of goods, wares, or merchandise or for any other commercial purpose.

Section 5.5 Unit Interior Decoration and Alteration. Every Owner may, at his or her sole cost and expense, maintain, repair, paint, paper, panel, plaster and finish the interior surfaces of the ceilings, floors, walls, window and door frames of his or her Unit, and improve or alter any improvements within the interior surface of the perimeter walls of such Unit provided such improvement or alteration does not affect or impair the structural integrity of any part of the Property and does not involve altering any part of the Common Area. All window or door coverings, and any other items visible from the exterior of the Unit, shall be governed by the Rules and Regulations of the Association.

Section 5.6 Exclusive Use Common Area. The use and occupancy of any Exclusive Use Common Area, such as the adjoining patio or patios, the two-car carport or two-car enclosed carport and the second story balcony, if any, as described in the Condominium Plan set aside for the exclusive use of a Unit Owner or Owners, shall be subject to the reasonable Rules and Regulations of the Association governing the Owner's use of the same.

Section 5.7 Leases. No Owner shall lease his or her Unit unless (1) the tenant uses the Unit solely as a private residence, (2) the lease is of the entire Unit and not a portion or portions of the Unit, (3) the lease is not for transient or hotel purposes, (4) the lease term is for a period of at least one year, (5) the lease expressly provides that the leasehold is subject to the Governing Documents, (6) the lease expressly provides that the Unit may not be subleased or assigned, and (7) the Owner furnishes the Association a copy of the lease or an affidavit by the Owner certifying that the Lease fully complies with all of the provisions of this Section. The Owner shall promptly notify the Association on a form approved by the Board of the names of all occupants

of the Unit, their vehicle license plates, telephone contact number and emergency contact number and such other information as the Association may reasonably require. The Owner shall covenant that in the event of any failure of the lessee or tenant to comply with the Governing Documents, the Owner shall take immediate action to ensure the default is cured, including eviction of the lessee or tenant, if necessary.

Section 5.8 Right of Entry. In the event of a violation of any provision of this Article, including without limitation, the failure to comply with a lawful written directive or order from the Board to correct such violation, the Board, including its agents and representatives shall have the right of entry into and upon any Owner's Condominium, after proper notice and opportunity for hearing as provided in Article III, Section 3, of the Bylaws, in order to gain access to perform the subject matter of such directive or order. In addition, the Association may initiate any of the enforcement remedies as provided in this Declaration to obtain such compliance or right of entry.

Section 5.9 Architectural Control. The Board may appoint an architectural control committee which shall be comprised of at least one director and as many Members of the Association as may be determined by the Board from time to time. No Owner shall make any alteration or change to his or her Unit, or any other portion of the Property, without full compliance with the Association's architectural guidelines and procedures or without the prior written approval of the Board, or its architectural control committee. The Board may adopt and publish operating rules or procedures and guidelines governing any architectural alterations or changes to any Unit within the Property as the Board deems reasonable and appropriate from time to time in accordance with the requirements of Sections 1357.120 through 1357.140 of the Civil Code or its comparable superseding statute.

ARTICLE VI: MAINTENANCE AND REPAIR OF THE PROPERTY

Section 6.1. Maintenance by Association. Unless otherwise provided herein, the Association shall be responsible for the care, maintenance, repair, restoration and replacement of the Common Area and property owned by the Association.

Section 6.2. Maintenance by Owners. Each Owner shall maintain in good condition and repair the Owner's Unit as follows:

(A) the glass doors and windows (including caulking thereof) attached to the Unit, whether interior or exterior, including the screens, frames, tracts of such doors and windows, together with the hardware or fixtures attached thereto;

(B) the interior areas of the Unit, including the interior surfaces of the doors, windows, walls, ceilings, floors thereof, and all appliances located within the interior surface of the perimeter walls of the Unit;

(C) the plumbing, electrical and heating, ventilating or air-conditioning systems, sump pumps, if any, servicing the Owner's Unit, located within, above or underneath the outside surface of the perimeter walls of the Unit;

(D) the wires, cables, etc. providing telephone or television service and all related equipment and fixtures thereto servicing the Owner's Unit, located within the outside surface of the perimeter walls of the Unit;

(E) the Exclusive Use Common Areas appurtenant to the Unit (including the adjoining patio or patios, the two-car carport or two-car enclosed carport and the second story balcony, if any) as described in the Condominium Plan.

(F) and such other maintenance by the Owner as may be provided in the Rules and Regulations of the Association.

Section 6.3. Mold Damage. Each Owner shall be liable for mold damage that results from the Owners failure to maintain their Unit as well as their failure to immediately notify the Association of any water intrusion into their Unit from the walls, ceilings, windows and plumbing.

Section 6.4. Interior Damage. With the exception of any casualty or damage insured against by the Association pursuant to Article VII, restoration and repair of any damage to the interior of any individual Unit including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings shall be made by and at the individual expense of the Owner of the Unit so damaged.

ARTICLE VII: INSURANCE

Section 7.1 Fire and Casualty Insurance. The Association shall obtain and maintain a policy or policies for fire and casualty insurance with an extended coverage endorsement for the full insurable replacement value of the Property (excluding the contents of the Units) as determined from time to time by the Board. This insurance shall be maintained for the benefit of the Association, the Owners, and their Mortgagees, as their interest may appear as named insured; subject, however, to any loss payment requirements set forth in this Declaration.

Section 7.2 General Liability Insurance. The Association shall obtain and maintain a policy or policies insuring the Association, Owners', and the Owners' family, relatives, tenants, agents, employees, guests and invitees against any liability for bodily injury, death, and property damage arising from the acts and omissions of the Association and its Members with respect to the Common Area. The limits of liability must be at least in the minimum amount of limits of coverage as specified in Civil Code Section 1365.9 (or its comparable superseding statute). The limits and coverage shall be reviewed at least annually by the Board and increased or decreased in its discretion subject to the provisions of this Article.

Section 7.3 Directors and Officers Liability Insurance. The Association shall obtain and maintain directors' and officers' liability insurance providing coverage for negligent acts, errors or omissions, with at least the minimum amount of limits of coverage as specified in Civil Code Section 1365.7 (or its comparable superseding statute).

Section 7.4 Other Association Insurance. The Association shall obtain and maintain workers compensation insurance as may be necessary to comply with any applicable law or statute. The Association shall obtain and maintain fidelity bond coverage naming as insureds the Association and all persons or entities handling or having access to the funds of the Association in an amount at least equal to the total funds of the Association, including reserves. The Board may, in its discretion, obtain and maintain such other insurance as it deems reasonable and necessary from time to time.

Section 7.5 Association as Trustee for Policies. The Association is hereby appointed and shall be deemed trustee of the interests of all insureds under the policies of insurance purchased and maintained under this Article by the Association. All insurance proceeds under any of these policies shall be paid to the Association as Trustee. The Association shall use the proceeds for the repair or replacement of the property for which the insurance was carried or for the purposes described in the the policies. The Association, as Trustee, is authorized to negotiate loss settlements and to compromise and settle any claims, or enforce any claim by any lawful action or proceeding, and to execute loss claim forms or releases, in regard to such policies.

Section 7.6 Owner's Individual Insurance. Each Owner shall separately insure his or her personal property and the contents of his or her Unit against property damage or casualty loss including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings. In addition, each Owner shall obtain and maintain personal liability insurance for his or her Unit, provided that the insurance contains a acceptable waiver of subrogation rights by the carrier as to the other Owners, the Association, and the First Mortgagee of the Owner's Unit.

ARTICLE VIII: DAMAGE OR DESTRUCTION

Section 8.1 Duty to Restore and Replace. If any of the improvements in the Common Area are destroyed or damaged, the Association shall restore and replace the improvements, using the proceeds of insurance maintained by the Association in accordance with the Governing Documents and Article VII of this Declaration, subject to the provisions of this Article.

Section 8.2 Proceeds For Automatic Restoration and Repair. If the proceeds of any insurance maintained for the reconstruction or repair of the Property are equal to at least 85% of the estimated cost of restoration or repair, the Association shall use the insurance proceeds for that purpose, and levy a Special Assessment or obtain the necessary additional funds from another available source, and have the Property repaired, restored or rebuilt, unless the Owners by a vote or written consent of not less than 67% of the total voting power of the Association object to such proposed repair, restoration or rebuilding within ninety (90) days of the damage or destruction.

Section 8.3 Approval by Owners of Special Assessments. If the proceeds of any insurance maintained by the Association for the repair or reconstruction of the Property are less than 85% of the estimated costs of such repair or restoration, then any repair or restoration work must have approval of the owners as provided in Section 1366 (b) of the Civil Code pertaining to approval of special assessments or its superseding statute. This authorization shall be given within 120 days of the damage or destruction, and shall authorize the Association to levy a Special Assessment to provide the necessary funds in excess of the amount of any insurance proceeds available for that purpose.

Section 8.4 Election Not To Rebuild. Upon the election not to rebuild, the Association, as soon as reasonably possible and as agent for the Owners, shall execute and record a certificate stating that the Association will not rebuild and shall sell the entire Property on terms acceptable to the Association and free from the effect of this Declaration, which shall terminate upon the sale of the Property. The

net proceeds from such sale (and any insurance proceeds not assigned to the purchaser) shall then be distributed to the Owners and their respective Mortgagees proportionately according to the respective fair market values of the Units as of the moment immediately preceding the damage or destruction as determined by an independent appraisal. That appraisal shall be performed by an independent appraiser selected by the Association who must be a member of, and apply the standards of, the Society of Real Estate Appraisers or another nationally recognized appraiser organization.

Section 8.5 Association As Power of Attorney. Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Property, and to execute deeds and conveyances to it for the benefit of all Owners when partition of the Property may be had under Section 1359 of the Civil Code (or its comparable superseding statute) or under the circumstances authorizing partition or sale of the Property under this Declaration. The power of Attorney shall (1) be binding on all Owners, whether they assume the obligations under this Declaration or not; (2) may be exercised by a majority of the Board subject to obtaining the prior approval by a vote or written consent of the Owners representing at least 67% of the total voting power of the Association; and (3) may be exercised only after recordation with the County Recorder of San Diego County of a certificate executed on behalf of the Association that the power of attorney is being properly exercised under the authority of this Declaration. The certificate shall be conclusive evidence of the proper exercise of the power of attorney in favor of any person relying on it in good faith.

ARTICLE IX: EMINENT DOMAIN

Section 9.1 Definition of Taking. As used in this Article, "taking" means condemnation by any governmental agency having the power of eminent domain or sale under threat of the exercise of that power.

Section 9.2 Sale to Condemning Authority. If a governmental agency proposes to condemn all or a portion of the Property, the Association may sell all or a portion of the Property to the condemning authority if all Owners and Mortgagees consent in writing to the sale. Any such sale shall be made by the Association in the capacity of attorney-in-fact for the Owners, acting under an irrevocable power of attorney which each Owner grants to the Board. The sales price shall be any amount deemed reasonable by the Board.

Section 9.3 Total Sale or Taking. A total sale or taking occurs when (a) there is a permanent taking or sale to a condemning authority by the Association of an interest in all or part of the Common Area or all or part of one or more Units, which substantially and adversely affects the ownership, operation, and use of the Property as a whole in accordance with the provisions of this Declaration; and (b) 120 days have passed since the effective date of the taking and the Owners whose Units remain habitable by then after the taking ("Remaining Units") have not by affirmative vote of a majority of their entire voting interest approved the continuation of the Property and the repair, restoration, and replacement to the extent feasible of the Common Area and the Remaining Units. Within 60 days after the effective date of any sale or taking which in the opinion of the Board would constitute a total sale or taking, the Board shall call a special meeting of the

Members to determine whether or not the Owners of the Remaining Units will continue the Property as provided in this Section. If there is a total sale or taking, the Board shall distribute the proceeds of the total sale or taking and the proceeds of any sale pursuant to a partition action, after deducting all incidental fees and expenses related to the taking or partition, to all Owners and their Mortgagees in accordance with the court judgment or the agreement between the condemning authority and the Association, if any such judgment or agreement exists. In all other cases, the proceeds shall be distributed among the Owners and their respective Mortgagees according to the relative values of the Condominiums affected by the condemnation as determined by independent appraisal. That appraisal shall be performed by an independent appraiser selected by the Association who must be a member of, and apply the standards of the Society of Real Estate Appraisers or other nationally recognized appraiser organization.

Section 9.4 Partial Sale or Taking. A partial sale or taking occurs if there is a sale or taking that is not a total sale or taking as defined in Section 9.3 above. The proceeds from any such sale or taking shall be disbursed in the following order of priority, which shall be incorporated into any court judgment or condemnation or agreement between a condemning authority and the Association:

(A) To the payment of related fees and expenses.

(B) To Owners of Condominiums that have been sold or taken and their respective Mortgagees, as their interests may appear, in an amount up to the fair market value of the Condominium as that value is determined by the court in the condemnation proceeding or, in the absence of such determination, by an appraiser selected in the manner described herein. Such a payment shall immediately terminate the recipient's status as an Owner, and the Board, acting as the attorney-in-fact of the remaining Owners, shall amend this Declaration and any other documents, as appropriate, to delete the sold or taken Condominiums from the Property and to allocate the former Owner's undivided interest in the Common Area to the Remaining Owners, on the basis of their relative ownership of the Common Area. Each Owner whose interest is terminated pursuant to this Section shall, at the request and expense of the Association, execute and acknowledge any deed or other instrument that the Association deems necessary to evidence the termination.

(C) To the payment of severance damages to First Mortgagees of record of remaining Units affected by the partial sale or taking, to the extent that such Mortgagees can prove that their security has been impaired by the taking.

(D) To the repair, restoration, and replacement of the Common Area and any portions of the Remaining Units that the Owners are not obligated to restore, to the extent feasible.

ARTICLE X: MORTGAGEES

Any Condominium Owner may encumber his or her Condominium by deed of trust or Mortgage. The beneficiary of the deed of trust or the Mortgagee of a Mortgage is referred to in this paragraph as a "lender". A breach of any of the provisions of this Declaration shall not affect or impair the lien or charge of any bona fide deed of trust or Mortgage made in good faith and for value encumbering any of the Condominiums. A lender who acquires title by foreclosure or deed in lieu of foreclosure

shall not be obligated to cure any breach of this Declaration which is non curable or of a type which is not practical or feasible to cure. It is intended that any loan to facilitate the resale of any Condominium after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other lenders.

All liens created by this Declaration, including but not limited to, those based on any regular or special assessment for the payment of money, shall be subordinate to the lien created by any bona fide first deed of trust or first Mortgage of record. Provided, however, a lender shall be liable for all such assessments accruing during the actual period of time the lender holds title to a Condominium. This liability of assessments on the part of a lender is on a pro-rata basis with the pro-rata period commencing on the date the lender acquires title and ending upon the date of transfer of title to any Condominium, whereupon the liability will attach to the transferee.

No amendment to this Declaration shall affect any lender to the extent it defeats the lender's then priority position with respect to its lien or which would otherwise adversely affect the lender's position prior to the amendment, unless the approval in writing is obtained from the lender. Any other amendment to this Declaration, which does not adversely affect the position of lenders, adopted in accordance with Article XII of this Declaration, shall not require approval of the lenders. Lenders, upon written request to the Association for such special notice, shall be given notice of any proposed amendments to this Declaration.

Lenders may attend any regular or special meetings of the Members, or of the Board, concerning any matter relating to their position as a lender. All applicable Fire and Casualty Insurance and extended coverage insurance policies maintained by the Association concerning the Property shall contain loss payable clauses naming the lenders of record of any first deed of trust or first Mortgage, as their interest may appear, as may be required by such lenders.

ARTICLE XI: ENFORCEMENT

Section 11.1 Right to Enforce. The Association or any Owner may enforce, by any proceeding at law or in equity, any or all covenants, conditions or restrictions imposed by or pursuant to this Declaration. Any Governing Document other than the declaration may be enforced by the Association against an Owner of a separate interest or by an Owner of a separate interest against the Association as provided in Section 1354 (b) of the Civil Code or its comparable superseding statute.

Section 11.2 Remedies at Law Inadequate. Except for the non-payment of any assessment or an action at law for the recovery of money judgment, it is expressly declared hereby that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions or other equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, or the Owner's family, tenant, occupant or user of any Condominium or the Common Area or its facilities, to comply with any provision of the Governing Documents may be enjoined or abated by any appropriate action or proceeding by the Association, the Board or any Owner.

Section 11.3 Nuisance. Without limiting the generality of the other provisions of this Article, the result of every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance, and

every remedy against nuisance, either public or private, shall be applicable against every such result and may be exercised by the Association, the Board or any Owner.

Section 11.4 Cumulative Remedies, Etc. The respective rights and remedies provided by this Declaration or by law or in equity shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or effect the exercise, at the same or different times, of any other such rights or remedies for the same or different breach, default or violation of any provision of the Governing Documents. Moreover, the failure of the Association, or its Board, to bring an action to enforce any of the Governing Documents shall not constitute a waiver of the right to do so thereafter as may be appropriate under the circumstances.

Section 11.5 Costs and Attorney's Fees. In any action or proceeding brought to enforce any of the provisions of this Declaration, or any of the other Governing Documents, the prevailing party shall be awarded reasonable attorney's fees and costs pursuant to Section 1354 (c) of the Civil Code or its comparable superseding statute.

Section 11.6 Alternative Dispute Resolution. Before the filing of a civil action (other than to enforce collection of Association assessments or an assessment dispute), the Association or an Owner or Member must first endeavor to submit their dispute to a form of alternative dispute resolution such as mediation or arbitration in accordance with the provisions and requirements of Civil Code Section 1369.510 through 1369.590 or its comparable superseding statute. The Association may adopt and publish a fair, reasonable and expeditious procedure for resolving disputes as provided in Sections 1363.810 through 1363.850 of the Civil Code or its comparable superseding statute. The Statutory Dispute Resolution Procedure set forth in Section 1363.840 of the Civil Code shall apply if the Association does not otherwise have an adopted and published dispute resolution procedure.

ARTICLE XII: AMENDMENTS AND DURATION

Section 12.1 Amendments. This Restated and Amended Declaration may be subsequently amended by an instrument in writing certifying that the written consent thereto has been obtained from the Owners of at least fifty-one percent (51%) of the Condominiums in the Project and which shall be executed and acknowledged by two (2) officers designated by the Association for that purpose, and shall become effective upon recordation thereof in the Office of the County Recorder of San Diego County, California. Provided, however, any subsequent amendment shall be subject to the provisions of Article X, entitled Rights of Mortgagees, if applicable.

Section 12.2 Duration. All of the provisions of this Declaration constitute covenants running with the land and enforceable equitable servitudes upon the Property, and are binding on and inure to the benefit of all of the Property and all parties having or acquiring any right, title or interest in all or any part of the Property, including the heirs, executors, administrators and assigns for these parties and the Property shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, occupied and used subject to all of the covenants, conditions, restrictions, declarations, limitations, rights, easements and reservations set forth in this Declaration, all of which are declared to be in the furtherance of a plan established for the purpose of enhancing and preserving the value, desirability, and

attractiveness of the Property, and the same shall continue in effect until January 1, 2035, after which date they shall be automatically extended for successive periods of ten (10) years, unless an amendment is duly adopted pursuant to Section 12.1 to change the period of duration in this Section 12.2 or to terminate this Declaration.

ARTICLE XIII: GENERAL PROVISIONS

Section 13.1 Interpretation. The provisions of this Declaration shall be liberally construed together and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Project.

Section 13.2 Independent Provisions. Each of the provisions of this Declaration is independent and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity or enforceability of any other provision.

Section 13.3 Fair Housing. No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, rental, lease, or occupancy of the Owner's Unit to any person on the basis of race, color, religion, sex, gender, sexual orientation, marital status, familial status, disability, age, ancestry, or national origin.

Section 13.4 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of this Declaration.

CERTIFICATION OF ADOPTION

IN WITNESS WHEREOF, the undersigned hereby certify that this Declaration was adopted pursuant to a duly approved resolution of the Board of Directors of the Pacific Bluffs Management Corporation No. Two and pursuant to the written consent of the required number of Owners of the Condominiums in the Pacific Bluffs Management Corporation No. Two condominium Project, as verified and evidenced by our signatures below.

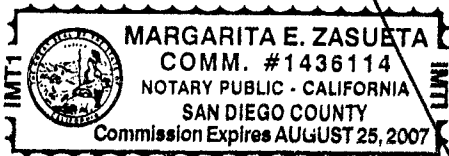
Pacific Bluffs Management Corporation No. Two
a California Nonprofit Mutual Benefit Corporation

By Dana S. Griffin
its President

By Elaine M. Wald
its Secretary

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

On JAN 25, 2006, before me, MARGARITA E. ZASUETA
Notary Public in and for said County and State, personally appeared
DALE S. GRIFFIN [] personally known to me (or) [X] proved to me upon the
basis of satisfactory evidence) to be the person whose name is subscribed to the
within instrument and acknowledged to me that she/he executed the same in her/his
authorized capacity, and that by her/his signature on the instrument, the entity upon
behalf of which she/he executed this instrument.



WITNESS my hand and official seal.

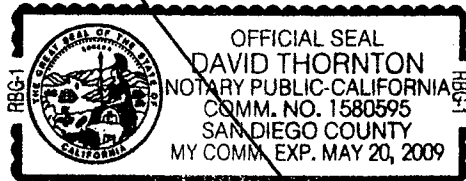
Margarita E. Zasqueta
NOTARY PUBLIC
MARGARITA E. ZASUETA

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

On January 19, 2006, before me, David Thornton
Notary Public in and for said County and State, personally appeared
Elaine M. Wald [] personally known to me (or) [X] proved to me
upon the basis of satisfactory evidence) to be the person whose name is subscribed to
the within instrument and acknowledged to me that she/he executed the same in
her/his authorized capacity, and that by her/his signature on the instrument, the
entity upon behalf of which she/he executed this instrument.

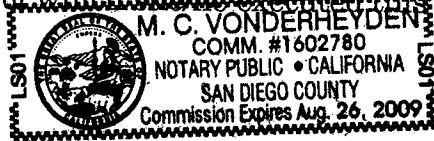
WITNESS my hand and official seal.

David Thornton
NOTARY PUBLIC



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

On March 20, 2006, before me, M. C. Vonderheyden
Notary Public in and for said County and State, personally appeared
Tara Giffen [X] personally known to me (or) [] proved to me upon the
basis of satisfactory evidence) to be the person whose name is subscribed to the
within instrument and acknowledged to me that she/he executed the same in her/his
authorized capacity, and that by her/his signature on the instrument, the entity upon
behalf of which she/he executed this instrument.

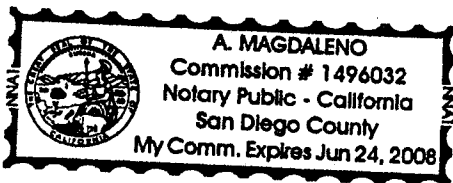


WITNESS my hand and official seal.

M. C. Vonderheyden
NOTARY PUBLIC

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

On March 25, 2006, before me, A. MAGDALENO
Notary Public in and for said County and State, personally appeared
Clara M. Wald ~~personally known to me~~ (or) [X] proved to me
upon the basis of satisfactory evidence) to be the person whose name is subscribed to
the within instrument and acknowledged to me that she/he executed the same in
her/his authorized capacity, and that by her/his signature on the instrument, the
entity upon behalf of which she/he executed this instrument.



WITNESS my hand and official seal.

A. Magdaleno
NOTARY PUBLIC