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SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
RANCHO DEL ORO VILLAGE VII
(PRAVADA/BELAMAR)

A Planned Residential Community

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SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
RANCHO DEL ORO VILLAGE VII
(PRAVADA/BELAMAR)

THIS SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENT FOR RANCHO DEL ORO VILLAGE VII ("Supplementary Declaration") is made this 24th day of April, 2000, by KAUFMAN & BROAD COASTAL, INC., a California corporation ("Declarant").

W I T N E S S E T H:

A. Declarant is the owner of that certain real property located in the City of Oceanside, County of San Diego, State of California, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference (hereinafter sometimes referred to as the "Units").

B. Declarant is also the owner of that certain real property located in the City of Oceanside, County of San Diego, State of California, more particularly described on Exhibit "B" attached hereto and incorporated herein by reference, together with those certain walls and fences in Areas 7.2 and 7.3, as applicable, of Rancho Del Oro-Village VII, maintained as Master Common Area, as generally described on Exhibit "C" attached hereto and incorporated herein by this reference (hereinafter referred to as "Master Common Area"). The Units and Master Common Area collectively represent two developments commonly referred to as "Village VII" and individually as Pravada (i.e., Units and Master Common Area in Area 7.2) and Belamar (i.e., Units and Master Common Area in Area 7.3). The Units and Master Common Area may also be referred to as "Annexed Property."

C. The Annexed Property is part of the "Annexation Property" as such term is defined in that certain "Master Declaration of Covenants, Conditions, and Restrictions for the Villages of Rancho Del Oro," recorded on September 4, 1986 at File/Page No. 86-388367 in the Official Records of San Diego County, as amended (the "Master Declaration").

D. The Annexation Property was annexed into the "Master Project" (as such term is defined in the Master Declaration), pursuant to that certain "Declaration of Annexation and Restrictions" recorded on August 28, 1998, at File/Page No. 1998-0549029 and the Amended and Restated Declaration of Annexation and Restrictions recorded on 5-26, 2000, as File/Page No. 0279209 both in the Official Records of San Diego County (collectively referred to as the "Declaration of Annexation").

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E. The Annexed Property, as part of the Master Declaration, is subject to the various covenants, conditions and restrictions therein.

F. The Villages of Rancho del Oro Association Inc., a nonprofit, mutual benefit corporation (the "Association"), was previously incorporated for various purposes, including managing the Master Common Area within the Master Project, enforcing the terms and provisions of the Master Declaration and providing for the common welfare of the Owners and residents of the Master Project.

G. In order to establish a general plan for the development, maintenance, improvement, protection, use, occupancy and enjoyment of Village VII, Declarant confirms that the Annexed Property is annexed to the Master Project and each of the terms, covenants, conditions, restrictions, easements, reservations, liens and charges set forth in the Master Declaration is imposed upon the Annexed Property and such property is subject to the authority and jurisdiction of the Master Association. The Annexed Property is hereby declared to be a "Village Project" (as defined in the Master Declaration).

NOW, THEREFORE, in accordance with the foregoing recitals, Declarant does hereby covenant, agree and declare as follows:

ARTICLE I
DEFINITIONS

Section 1. Definitions in Master Declaration. Except as modified herein, the definitions set forth in the Master Declaration are incorporated by reference into this Notice of Annexation, unless the context shall prohibit such application.

Section 2. "Delegate" shall mean a natural Person selected pursuant to the provisions herein by the Owners within a Delegate District as the Master Member for that Delegate District, as further provided herein.

Section 3. "Delegate District" shall mean a geographical area in the Annexed Property in which a single Delegate shall be elected by the Owners within such geographical area. Delegate Districts shall be established from time to time by Developer (as defined in the Master Declaration) upon recordation of an instrument creating such a Delegate District, all as further provided herein.

Section 4. "Master Member" shall mean the primary Delegate elected by the Owners pursuant to the provisions hereof (or, in the absence of the primary Delegate, any alternate Delegate as provided herein). The Delegate shall qualify as a Master Member and be eligible to exercise the voting rights thereof as provided herein commencing when any of the Units within the Delegate

District first becomes subject to assessments levied pursuant to the Master Declaration. Master Member as defined herein is hereby expressly declared to be a complementary addition to the provisions of the Master Declaration, to reflect the different character of the development plan for the Annexed Property.

Section 5. "Phase of Development" shall mean the Annexed Property and any and all portions thereof for which a final subdivision public report has been issued by the California Department of Real Estate authorizing the sale of units and all improvements including the Residences constructed thereon, to the public. Phase of Development as defined herein is hereby expressly declared to be a complementary addition to the provisions of the Master Declaration, to reflect the different character of the development plan for the Annexed Property. Presently, Declarant anticipates developing Village VII in a series of phases which are generally identified on Exhibit "D" attached hereto and incorporated by reference. Declarant reserves the right to modify such phasing in its sole and absolute discretion.

Section 6. "Supplementary Declaration" shall mean this instrument as it may be amended from time to time. This Supplementary Declaration is also a "Village Declaration" and a "Declaration of Annexation and Restrictions" as defined in the Master Declaration.

Section 7. "Village Owner" shall mean the Person or Persons, including Declarant, Developer, the Company or a Builder, who holds or hold record fee simple title to, or a long-term ground leasehold estate of record in, any Unit within a Phase of Development. For purposes of this Section;, "long-term ground leasehold interest" shall mean a leasehold interest having a term of ten or more years. Village Owner shall also include each seller under an executory contract of sale, but shall exclude "Mortgagees" (as defined in the Master Declaration). Each Village Owner shall also be an "Owner" (as defined in the Master Declaration.)

ARTICLE II

ANNEXATION OF THE ANNEXED PROPERTY

Section 1. Annexation. Pursuant to the Declaration of Annexation, the Annexed Property was annexed into the Master Project. By virtue of such annexation, the Annexed Property is subject to each and all of the covenants set forth in said Master Declaration and to the authority and jurisdiction of the Master Association.

Section 2. Owners' Obligations for Assessments. Each such Owner, by acceptance of a deed for a Unit in the Annexed Property, whether or not it shall be so expressed in such deed, shall be deemed to have agreed to and shall be liable for the performance of all duties and obligations set forth in the Master Declaration and in the Articles and By-Laws of the Master Associa-

tion, including, without limitation, the payment of all Assessments which may be levied by the Master Association. Accordingly, each Owner is and shall be obligated to pay to the Master Association its pro rata share of the Common Expenses of the Master Association, as more particularly described in the Master Declaration. In addition to the foregoing, the Annexation Property is subject to the authority of the Master Board to levy and enforce assessments apportionable to all Owners and assessments apportionable only to Village Owners; provided that all assessments shall be subject to the provisions of Sections 1366, 1366.1 and 1367 of the California Civil Code, as same may be amended from time to time; and further provided that as complementary addition to and reasonable modification of the Master Declaration as authorized therein, any "Single Benefit Assessment" (as defined in the Master Declaration) established by the Master Board pursuant to that Section entitled "Special Assessments" of the Article entitled "Assessments" of the Master Declaration, may be imposed within ninety (90) days of the vote of the Master Board authorizing that Single Benefit Assessment be applied to Village VII. All assessments provided for in the Master Declaration and this Supplemental Declaration shall commence as to each Unit in a Phase of Development of the Annexed Property on the first day of the first month following the month in which the first close of escrow occurs for the sale of a Unit in such Phase of Development of the Annexed Property. As noted above, without in any manner attempting to limit the Declarant's ability to modify the Phases of Development associated with the Annexed Property, in its sole and absolute discretion, as of the date of this Supplementary Declaration, the Phases of Development for the Annexed Property are set forth on Exhibit "D" attached hereto.

Section 3. Binding Covenants. In all other respects, the Annexed Property shall be subject to the Master Declaration and this Supplementary Declaration, and each and all of the Protective Covenants set forth therein.

ARTICLE III
EASEMENTS

Section 1. Appurtenant Easements. Each Owner in the Annexed Property obtains a nonexclusive easement appurtenant to his/her Unit for ingress, egress, use and enjoyment on and over any portions of the Common Area which may be located in the Master Project.

ARTICLE IV
MAINTENANCE

Section 1. Common Area.

(a) Transfer to Master Association. In addition to the maintenance obligations of the Master Association which exist with regard to the Master Common Area in the Master Project, effective upon the "Transfer Date" (as defined herein) the Master Association

shall be obligated to maintain, repair and replace the Master Common Area located within a particular Phase of Development of the Annexed Property.

(b) Transfer Date. For purposes of this Section, "Transfer Date" shall mean the date on which all of the following conditions shall have occurred:

(i) Assessments have commenced as to one or more Units within a Phase of Development of the Annexed Property in which the Master Common Area is located; and

(ii) All of the Master Common Area within the applicable Phase of Development has been installed in accordance with the Plans and specifications approved by the City and all other City standards applicable to said Improvements.

(c) Costs of Maintenance. Before the Transfer Date, the Declarant shall pay all costs of installing, maintaining, repairing and replacing such Improvements. On and after the Transfer Date, the costs of maintaining, repairing and replacing such Improvements, including any such costs incurred by the City, shall be assessed to all Owners in Village VII who are subject to the levy of assessments in accordance with Article II, Section 2 hereinabove, on a periodic basis by the Master Association pursuant to the Master Declaration, this Supplementary Declaration.

Section 2. Maintenance of Master Common Area in the Annexed Property. The Master Common Area in the Annexed Property, and generally depicted and described on Exhibits "B" and "C" attached hereto, is hereby designated as additional Master Common Area, and the Master Association shall maintain the Master Common Area conveyed to the Master Association as identified in a Phase of Development in accordance with the provisions in the Master Declaration. Specifically, the Master Association shall maintain the common walls and fences in the Project which are depicted on Exhibit "C" attached hereto and the respective lettered lots in the Annexed Property.

Section 3. Other Maintenance. Except as set forth in this Article, the Master Association and each Owner shall perform its respective maintenance obligations, as more particularly set forth in the Master Declaration.

Section 4. Graffiti Removal. In accordance with City Code Section 20.25 of Ordinance No. 93-19, the Master Association shall be responsible to remove all graffiti from any Common Area in the Project within twenty-four (24) hours of such graffiti being applied to the Common Area, or as soon thereafter as possible.

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ARTICLE V
DELEGATE DISTRICT SYSTEM

Section 1. Delegate Selection and Voting.

(a) Delegate District. Unless Developer (as defined in the Master Declaration) records a written instrument creating one or more additional delegate districts within Village VII, all the Annexed Property shall constitute one Delegate District for purposes of electing a Delegate to Membership in the Master Association. The Delegate District created herein shall be known as the "RDO Village VII Delegate District," to distinguish it from other delegate districts which may exist within the Master Project subject to the Master Declaration.

(b) Delegate. The term "Delegate" as used herein shall mean the natural Person authorized at any point in time to cast the votes allocated to the Delegate District, whether such Person is the alternate Delegate or the primary Delegate. Said Person's status as a Delegate shall be coextensive with said Person's status as a Member of the Master Association, as such Master Association Membership is described in the Master Declaration; and with said Person's status as Chair or the ARC, as described herein. The Delegate must at all times be either (a) an authorized agent or employee of Declarant, the Developer, Company or a Builder, or (b) a Village Owner. The primary Delegate shall be elected to serve a term of two (2) years by vote of the Village Owners at a meeting conducted pursuant to the provision herein; and any Person may succeed himself or herself as the primary Delegate without limitation. The alternate Delegate shall be selected by the members of the "ARC" established pursuant to provisions herein, from among the members of the ARC. The office of primary Delegate shall be deemed vacant upon the death, resignation, removal or judicial adjudication of mental incompetence of the Person filling such office, or upon such Person's failure to satisfy all of the qualifications of a Delegate specified in this Section, or in case the Village Owners in the Delegate District fail to fill such office. Upon the occurrence of any such vacancy, the balance of the term of office of the primary Delegate shall first be filled by the alternate Delegate, and if there is no alternate Delegate, by a vote of a majority of the ARC. The office of alternate Delegate shall be deemed vacant should any of the conditions referenced with regard to the office of alternate Delegate, or should the alternate Delegate become the primary Delegate as provided above; whereupon the office of alternate Delegate shall again be filled by a vote of a majority of the ARC. A Delegate, whether primary or alternate, may be removed with or without cause by the vote in person or by proxy at any duly constituted meeting of at least a majority of a quorum of the Village Owners; provided, that in no event shall any Delegate be removed unless the votes cast in favor of such removal equal

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at least (a) the number of votes which elected such Delegate to his current term, or (b) a majority of the total voting power of the Village Owners.

(c) Meetings of Village Owners.

(i) Time and Purpose. The Village Owners shall meet each year during which the term of office of the Delegate expires. The first meeting of the Village Owners shall be held no later than forty-five (45) days after the close of escrow for the sale of a majority of the Unit in the first Phase of Development of the Annexed Property, and in no event shall the first meeting be held later than six (6) months after commencement of assessments on the Units in the first Phase of Development of the Annexed Property. At the first meeting of the Village Owners and at each subsequent biennial meeting, a primary Delegate shall be elected by a majority of a quorum of the Village Owners for a term of two (2) years or until a successor is elected, whichever is later, subject to removal with or without cause and to the occurrence of any other vacancy as provided hereof.

(ii) Notice. Meetings of the Village Owners shall be held at a location within the Delegate District or at such other convenient location on or near the Annexed Property as may be designated in the notice of the meeting. Written notice of meetings shall state the place, date and time of meeting and those matters which, at the time the notice is given, are to be presented for action by the Village Owners. Notice of any meeting at which a Delegate is to be selected shall include the names of all those who are nominees at the time the notice is given. The Secretary of the Master Board shall cause notice of meetings within the Delegate District to be sent no later than ten (10) days prior to the meeting to each Village Owner appearing as such in the official records of the Master Association on the date which is forty-five (45) days prior to the scheduled meeting date. A special meeting of the Village Owners may be called at any reasonable time and place by written request by any holder of Class B voting rights, by the Delegate or by Village Owners having not less than five percent (5%) of the total voting power within the Delegate District. To be effective, such written request shall be delivered to the Secretary of the Master Board, who shall then cause notice to be given to the Village Owners entitled to vote that a meeting will be held at a time and place fixed by the Master Board not less than ten (10) days, nor more than thirty (30) days after receipt of the written request. Notice of special meetings shall specify the general nature of the business to be undertaken and that no other business may be transacted.

(iii) Quorum. The presence at any meeting, in person or by proxy as defined herein, of the Village Owners entitled to cast at least twenty-five percent (25%) of the total votes within the Delegate District shall constitute a quorum. If any meetings cannot be held because a quorum is not present, the Village Owners present in person or by proxy may, except as otherwise provided by law and without additional notice to the Village Owners, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called, at which adjourned meeting the quorum requirement shall be the presence in person or by written proxy of the Village Owners entitled to cast at least five percent (5%) of the total votes within the Delegate District. The Village Owners present at any meeting shall select a Presiding Officer to preside over the meeting and a Secretary to transcribe minutes of the meeting. Unless otherwise expressly provided, any action authorized hereunder may be taken at any meeting of the Village Owners at which a quorum is present, only upon the affirmative vote of the Village Owners having a majority of the voting power present at such meeting either in person or by written proxy.

(iv) Proxies. Every Village Owner entitled to vote at a meeting as described herein may attend such meeting and may vote either in person or by a representative authorized to act on behalf of such Village Owner pursuant to a written proxy. Every such proxy shall be irrevocable and shall automatically cease after completion of the meeting for which the proxy was filed. Any form of proxy or written ballot distributed by any Person to the Village Owners shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election as a Delegate be named in the proxy or written ballot. The proxy or written ballot shall provide that, when the Village Owner specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy.

(v) Voting. Each Village Owner entitled to notice of a meeting as provided in herein shall be entitled to cast the votes attributable to such Village Owner pursuant to the provisions hereof at the meeting for which such notice is given. If there is more than one (1) Record Owner of any Unit, any and all of the Village Owners owning such Unit may attend any meeting of the Village Owners, but the vote attributable to the Unit so owned shall not be increased by reason thereof. The Persons owning the majority interest in a Unit may from time to time designate in writing one (1) of their number

to vote. Fractional votes shall not be allowed, and the vote for each Unit shall be exercised, if at all, as a whole. No vote shall be cast for any Unit if the co-owners present in person or by proxy cannot agree to said vote or other action. Unless the Secretary of the Master Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the voting co-owner is acting with the consent of all other co-owners.

(vi) Vote Appurtenant to Unit. The right of a Village Owner to vote as provided in this Article may not be severed or separated from the ownership of the Unit to which the vote is appurtenant, except that any Village Owner may give an irrevocable proxy in the manner described above or may assign its right to vote to a contract purchaser, a lessee or tenant actually occupying his or her Unit or the Mortgagee of the Unit concerned, which assignment shall be limited to the term of the lease or the mortgage, as applicable. Any sale, transfer or conveyance of a Unit to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner or Owners, subject to any assignment of the right to vote to a contract purchaser, lessee or Mortgagee as provided herein.

(vii) Suspension of Voting Rights. The Master Association shall have the authority to suspend the voting rights of any Village Owner, including the right to vote at any meeting called pursuant to the provisions of this Article, for any period during which the payment of any assessment assessed against such Village Owner and the Unit owned by such Village Owner remains delinquent. Any suspension for nonpayment of any assessment shall not constitute a waiver or discharge of the Village Owner's obligation to pay the assessments provided for herein and in the Master Declaration.

Section 2. Voting Classes. There shall be two classes of vote allocated to the Village Owners within the Delegate District, as follows:

(a) Class A Vote. Each Village Owner, with the exception of Declarant, Developer, the Company and each Builder for so long as a Class B Vote exists, shall be entitled to cast one (1) vote for each Unit owned by such Village Owner which is subject to assessments pursuant to the provisions of the Master Declaration and this Supplementary Declaration ("Class A Vote").

(b) Class B Vote. Each of the Developer, the Company and any Builder which is also a Village Owner shall be entitled to cast three (3) votes for each Unit owned by said Developer, Company or Builder, respectively, and subject to assessments pursuant to the Master Declaration and this Supplementary Declaration ("Class B

Vote"). The Class B Votes shall cease and be converted to Class A Votes on the earlier of the following dates: (i) that certain date which is four (4) years after the issuance of the original subdivision public report for the first Phase of Development in the Annexed Property; or (ii) that certain date which is two (2) years after the issuance of the original subdivision public report for the most recent Phase of Development in Village VII.

Section 3. Voting by Delegate as Master Member.

(a) Classes of Master Membership. The Delegate as a Master Member shall have, with respect to the Units then a part of any Phase of Development governed by this Supplementary Declaration as to which assessments have commenced as provided for herein ("Subject Units"), (i) one (1) vote for each Subject Unit which has been conveyed to a purchaser other than Declarant, Developer, the Company or a Builder pursuant to a transaction requiring the issuance of a final subdivision public report by the DRE, and (ii) three (3) votes for each Subject Unit owned by Declarant, Developer, the Company, or a Builder. The Delegate shall be a Class A Master Member with respect to the voting rights attributable to Subject Units owned by a Village Owner other than Declarant, Developer, the Company or a Builder, and a Class B Master Member with respect to the voting rights attributable to Subject Units owned by Declarant, Developer, the Company or a Builder.

(b) Votes of Delegates. As a reasonable modification and complementary addition to the Master Declaration as authorized therein, and notwithstanding any contrary provision of the Master Declaration, including without limitation that Section entitled "Votes of Developer" in the Article entitled "The Master Association" (which Section provides, in pertinent part, that the Developer shall be a Class B Master Member having three (3) votes per Unit with regard to each Unit which is both (i) owned by Developer or other parties named in said Section, and (ii) annexed into the Master Project but for which a "Village Association" (as defined in the Master Declaration) has not been formed), the Class B Master Membership voting rights attributable to any Subject Unit shall be exercised solely by the Delegate as provided herein, despite the lack of formation of a Village Association within the Properties.

(c) Voting Procedures. The votes of the Delegate as a Master Member shall be cast in writing at a meeting called for the purpose of such voting. The manner, in which the Delegate casts its votes on a particular issue shall be determined by the ARC; provided, that where Subject Units are owned by Declarant, Developer, the Company or a Builder, the Delegate shall cast the votes attributable to those Subject Units on such issue only in the manner specified by Declarant.

ARTICLE VI
ARCHITECTURAL REVIEW COMMITTEE

Section 1. Members of Committee. The Architectural Review Committee ("ARC") shall consist of five (5) members. One of these members shall at all times be the natural person then serving as the Primary Delegate for Village VII, only for so long as that person holds the office of the Primary Delegate; said person shall be the chair of the ARC for the same period. The Declarant shall appoint all of the original members of the ARC, and replacements thereto. Further, Declarant reserves the power to appoint a majority of the members of the ARC until the fifth (5th) anniversary of the issuance of the Final Subdivision Public Report for the first phase of Village VII. After one (1) year from the date of the issuance of the first Final Subdivision Public Report for a Phase of Development of Village VII, the Master Board shall have the power to appoint one (1) member to the ARC until ninety percent (90%) of the Units in the Village VII have been sold, or until the fifth anniversary date of the issuance of the Final Subdivision Public Report for the first Phase of Development of Village VII, whichever first occurs. Thereafter, the Master Board shall have the power to appoint all of the members of the ARC. All members appointed to the ARC by the Master Board shall be from the membership of the Master Association. Members appointed to the ARC by the Declarant, however, need not be members of the Master Association. No member of the ARC shall be liable to any person for his decisions or failure to act in making decisions as a member of the ARC. Declarant may, in its discretion and at any time, assign to the Master Association by written assignment its powers of removal and appointment with respect to the ARC, subject to such terms and conditions regarding the exercise thereof as Declarant may impose.

Section 2. Meetings of the ARC. The ARC shall meet, from time to time, as necessary to perform its duties hereunder. The ARC may, by a majority vote of the members thereof, delegate any of its rights and responsibilities hereunder to one (1) or more duly licensed architects, who shall have full authority to act on behalf of the ARC on all matters so delegated.

Section 3. Architectural Standards/Guidelines. The Master Board (or ARC if authorized by a majority of the Master Board) may, from time to time, adopt architectural standards/guidelines to be administered through the ARC for use by said Committee in reviewing plans and specifications for proposed Improvements to an Owner's Unit. The architectural standards/guidelines may include, without limitation, those guidelines, procedures, limitations and restrictions upon Owners set forth below:

- (a) No Residence shall be located on any Unit nearer to the front Unit line or nearer to the side street line than the minimum building setback lines established by the appropriate governmental entity.

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(b) The roof of all portions of the dwelling, garage or other outbuilding constructed on a Unit shall be of substantially identical style, construction, and materials.

(c) No Owner shall convert or modify, any garage in any manner which would preclude such garage from being used for parking the number of four (4) wheel automotive vehicles therein for which it was originally designed.

(d) No toolsheds and other outbuildings shall be constructed upon any Unit in the Master Project, without taking into account and being compatible with the size and orientation of the Unit, and any existing structures thereon, including such restrictions as setbacks, size, location, architectural style, shape, design, color, materials, and finish.

(e) Any and all structures constructed, or caused to be constructed, on a Unit by an Owner shall be of uniform architectural style, color, materials, and construction as that of the residence originally built by the Declarant.

(f) The placement, reconstruction, addition, change or alteration of any Improvement on a Unit or the exterior of a residence, including the nature, kind, shape, materials, exterior color, location, and height of any Improvement, including landscaping;

(g) A description of the type of such construction, additions, changes or alterations which, if completed in conformity with the architectural standards, do not require approval of the ARC;

(h) Conformity of completed Improvements to plans and specifications approved by the ARC;

(i) Time limitations for the completion of the Improvements for which approval is required pursuant to the architectural standards;

(j) Procedures for submission of plans and specifications submitted for ARC review, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, landscape plans and a description or samples of exterior colors and materials;

(k) Restrictions controlling the species and placement of any trees, plants, shrubbery, ground cover, etc., to be placed, planted, irrigated and maintained in the Master Project (i.e., approved landscape palettes);

(l) Restrictions controlling the placement of any trees, plants, shrubbery, ground cover, etc., to be placed, planted, irrigated and maintained in the Master Project

(including requirements regarding the use of root barriers and/or other similar devices to prevent damage to Residences, hardscape and other Improvements); and

(m) A reasonable schedule of fees for submission of plans and specifications or bonds (or cash deposits) to ensure proper completion and clean up of the anticipated work and compliance with the approved plans.

The architectural standards may be periodically updated or revised by the Master Board, as the Master Board, in its reasonable discretion, may deem appropriate. The ARC shall maintain a copy of the then current architectural standards on file at all times, and shall provide each Owner with a copy of the architectural standards upon written request. The Master Board shall establish a reasonable fee for copies of the architectural standards, and other related materials, to cover costs of reproduction, administration and handling.

Section 4. Architectural Approval - Review of Plans and Specifications. The ARC shall comply with the Architectural guidelines/standards adopted by the Master Board (including any supplementary Rules and Regulations thereto adopted by the Master Board) to examine any request made pursuant to this Article, in order to ensure that the proposed plans are in conformance with and are harmonious to the exterior design and existing materials of the buildings in the Project. The ARC shall consider and act upon any and all plans and specifications submitted for its approval under this Declaration, and perform such other duties as, from time to time, shall be assigned to it by the Board, including the inspection of construction and progress to ensure its conformance with the plans approved by the ARC. No construction, alteration, grading, addition, excavation, demolition, modification, decoration, redecoration or reconstruction of an Improvement shall be commenced or maintained by any Owner until the plans and specifications therefor showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ARC and approved in writing by the ARC. The initial address for submission of such plans and specifications, until changed by the Master Association shall be the principle office of the Master Association. The ARC shall approve the plans and specifications submitted for its approval only if it deems that: (a) the construction, alterations or additions contemplated thereby and the locations indicated will not be detrimental to the appearance of the surrounding area of the Master Project as a whole; (b) the appearance of any structure affected thereby will be in harmony with surrounding structures; (c) the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Master Common Area, or the enjoyment thereof by the Owners; (d) the upkeep and maintenance thereof will not become a burden on the Master Association; and (e) the plans and specifications substantially comply with the Architectural standards/guidelines. The ARC may condition its approval of proposals or plans and specifications for any Improvement: (a) on such changes therein as it deems ap-

appropriate, (b) upon the agreement by the person submitting the same to grant appropriate easements to the Master Association for the maintenance of the Improvement, or (c) upon the agreement of the person submitting the same to reimburse the Master Association for the cost of such maintenance, or all of the above, and may require submission of additional plans and specifications or other information prior to approving or disapproving the submission.

The ARC may also issue rules or guidelines setting forth procedures for submission of plans for approval, requiring a payment of a fee to the Master Association to accompany each submission of plans and specifications, or additional factors which it will take into consideration in reviewing submissions which are consistent with the Architectural standards/guidelines.

The ARC may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, landscape plans and description or samples of exterior material and colors.

Section 5. Decisions of the ARC. Until receipt by the ARC of any required plans and specifications, and such other information as may be required hereinabove, the ARC may postpone review of any plans submitted for approval. Decisions of the ARC and the reasons therefor should be transmitted by the ARC to the applicant, at the address set forth in the application for approval, within forty-five (45) days after receipt by the ARC of all plans, specifications and materials required. Any application submitted pursuant to the provisions herein shall be deemed approved, unless written disapproval or a request for additional information or materials by the ARC shall have been transmitted to the applicant within forty-five (45) days after the receipt by the ARC of all required materials.

Section 6. Submittal to City - Right of ARC to Review. Upon obtaining the written approval of the ARC, the Owner shall thereafter submit plans and specifications to the City. In the event that all necessary approvals of the City for the issuance of a building permit or other permits required to commence the work contemplated in the plans and specifications are not obtained within six (6) months from the date of approval by the ARC, the ARC shall have the right, but not the obligation, to re-review all previously approved plans and specifications. In addition, in the event that the City requires modifications to the plans and specifications previously approved by the ARC, the Owner shall submit to the ARC all modifications to the plans and specifications previously approved by the ARC. In the event the Owner is obligated to resubmit plans and specifications to the ARC to reflect the modifications required by the City, said ARC shall have the right to review and to impose further conditions on any such modifications.

Section 7. Approval of City. Approval of any proposed or existing Improvement, or completion of an Improvement, by the ARC or the Master Board shall not be construed to warrant or represent in any way that the Improvement was approved by or complies with the minimum standards of the City. Similarly, approval of any proposed or existing Improvement by the City shall not be construed to constitute approval of such Improvement by the ARC or the Master Board.

Section 8. Conflicts Between City and ARC. In the event of any conflict in the conditions of approval of any proposed Improvements imposed by the City and the ARC, the more restrictive of such conditions shall be controlling. Further, nothing herein shall limit the ARC from imposing conditions of approval of any proposed Improvements which are more restrictive than conditions as may be imposed by the City.

Section 9. No Waiver of Future Approvals. The approval of the ARC to any submissions for any work done, or proposed to be done, or in connection with any other matter requiring the approval or consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent of any similar proposals, plans and specifications, drawings or other matters subsequently or additionally submitted for approval.

Section 10. Compensation of Members. The members of the ARC shall receive no compensation for services rendered, other than reimbursement by the Master Association for expenses incurred in the performance of such members' duties hereunder.

Section 11. Variances. Where circumstances such as topography, location of buildings, location of landscaping or other matters require, the ARC, by the vote or written assent of a majority of the members thereof, may allow reasonable variances as to any of the Protective Covenants contained in herein or in the Master Declaration or provisions under the rules and regulations promulgated by the ARC, on such terms and conditions as it shall require. The granting of such a variance shall not operate to waive any of the terms and provisions of the Master Declaration for any purpose, except as to the particular Unit and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the Owner's use of his or her Unit, including, but not limited to, zoning ordinances, Unit setback lines or requirements imposed by the City or other governmental authority.

Section 12. Inspection of Work. Upon consent of the Owner, which consent shall not be unreasonably withheld, any member or authorized representative of the ARC may, at any reasonable hour and upon reasonable notice, enter and inspect any Unit which has been the subject matter of an approval of a submission for an Improvement to his or her Unit. Such entry shall be made with as little inconvenience to the Owner as reasonably possible, and any damage caused thereby shall be repaired by the Master Association.

If the ARC finds that such work was not done in substantial compliance with the approved plans and specifications, it shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If a noncompliance exists, the Master Board, after Notice and Hearing, may levy an Assessment against such Owner for the costs of removing or remedying such noncompliance.

Section 13. Non-Liability of ARC Members. Neither Declarant, the Master Association, the Master Board or the ARC, or the members or designated representatives thereof, shall be liable for damages to any Owner submitting plans or specifications to them for approval, or to any Owner in the Project affected by this Master Declaration by reason of mistake in judgment, negligence or nonfeasance, unless due to willful misconduct or bad faith of the ARC. The ARC's approval or disapproval of a submission shall be based solely on the considerations set forth in this Article, and in such rules and regulations as may be promulgated by the ARC, and the ARC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plans or design from the standpoint of structural safety and conformance with building or other codes.

Section 14. Appeal. In the event plans and specifications submitted to the ARC are disapproved, the party making such submission may appeal in writing to the Master Board. The written request must be received by the Master Board not more than thirty (30) days following the final decision of the ARC. The Board shall submit such request to the ARC for review, and the written recommendations of the ARC will be submitted to the Master Board. Within forty-five (45) days following receipt of the request for appeal, the Master Board shall render its written decision. The failure by the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the party making such submission.

Section 15. Guidelines and Fees. The Architectural Review Committee ("ARC") may issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee payable to the Master Association, to accompany each application for approval, or stating additional factors which it will take into consideration in reviewing submissions. The ARC may provide that the amount of such fee shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the construction, alterations, or additions contemplated. The ARC may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, landscape plans, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior material and colors.

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ARTICLE VII
USE RESTRICTIONS

The Units and Master Common Area shall be occupied and used only as follows:

Section 1. Private Residential Dwelling. Each Unit shall be used as a private residential dwelling and for no other purpose, except such temporary uses as shall be permitted by Declarant while the Master Project is being developed and Units are being sold by Declarant.

~~Section 2. Master Common Area Use.~~ Use of the Master Common Area shall be subject to the provisions of this Master Declaration, the Rules and Regulations and to any additional limitations imposed by the Master Association.

Section 3. Conduct Affecting Insurance. Nothing shall be done or kept in any Unit or in the Master Common Area which will increase the rate of insurance on the Master Common Area without the approval of the Master Association. No Owner shall permit anything to be done or kept in his or her Unit or in the Master Common Area which will result in the cancellation of insurance on the Master Common Area or which would be in violation of any law. If, by reason of the occupancy or use of said premises by the Owner, the rate of insurance to the Master Common Area shall be increased, the Owner shall become personally liable for the additional insurance premiums.

Section 4. Liability for Damage. Each Owner shall be liable to the Master Association, pursuant to the laws of the State of California, for any and all costs and expenses which may be incurred by the Master Association to repair any damage to the Master Common Area which be sustained by reason of the negligence or willful misconduct of said Owner or of his family, tenants, lessees or contract purchasers, or their respective guests or invitees, whether minor or adult. After approval by a majority of the Board, any such costs and expenses shall be levied by the Board as a Compliance Assessment against such Owner's Unit.

Section 5. Signs. Subject to the provisions of California Civil Code, Sections 712 and 713, as same may be amended from time to time, no sign of any kind shall be displayed to the public view on or from any Unit or the Master Common Area without the approval of the Master Association, except such signs as may be used by Declarant in connection with the development of the Master Project and sale of Units, and except one (1) "for sale," "for lease" or "for exchange" sign of reasonable size (but not exceeding six [6] square feet) on any Unit. The foregoing restrictions shall not apply to any sign of customary and reasonable dimensions displayed on the Owner's Unit (or another Owner's Unit with consent) which states that the residence is for sale, lease or exchange, or advertising directions to the residence by the Owner or his or her agent, and which is reasonably located in plain view

of the public, so long as it is consistent with any standards promulgated by the ARC. All signs permitted under this Section shall conform with the City's sign ordinance, if any, and with all applicable governmental regulations.

Section 6. Maintenance of Animals. No animals of any kind shall be raised, bred or kept in any Unit or in the Master Common Area, except that common household pets, as determined by the Board, including dogs, cats, fish or birds, may be kept in each Unit; provided, however, that no animal shall be kept, bred or maintained for any commercial purpose or in unreasonable numbers as determined by the Board from time to time. Each Owner shall be responsible for cleaning up any excrement or other unclean or unsanitary condition caused by said animal in the Master Project. While walking or exercising an animal in the Master Project, the owner thereof shall, at all times, have readily available means to cleanup any excrement or other unclean or unsanitary conditions caused by said animal. The Master Association, upon the approval of a majority of the Board, shall have the right to prohibit maintenance of any animal within the Master Project which constitutes a private nuisance to any other person. Every person bringing an animal upon or keeping an animal in the Master Project shall be liable pursuant to the laws of the State of California to each and all persons for any injury or damage to persons or property caused by such animal. All animals maintained in a Unit must be kept either within an enclosure, yard or patio, or on a leash being held by a person capable of controlling the animal.

Section 7. Quiet Enjoyment. No Owner shall permit or suffer anything to be done or kept upon such Owner's Unit which will obstruct or interfere with the rights of quiet enjoyment of the other occupants, or annoy them by unreasonable noises or otherwise, nor will any Owner commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. Notwithstanding the foregoing, for as long as Declarant owns an interest in the Master Project, the Declarant's efforts in selling the Units may interfere with the Owners' quiet enjoyment of the Units, however, each Owner acknowledges this and waives any claims against the Declarant for nuisance due to any activity related to constructing, selling or marketing the Units. Each Owner shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to said premises, and shall remove all rubbish, trash and garbage from his or her Unit. All clotheslines, refuse containers, woodpiles, storage boxes, tools and equipment shall be prohibited from any Unit unless obscured from view by a fence or appropriate screen approved by the ARC.

Section 8. Soil Conditions. Many areas of Southern California have soil types known to be expansive in nature, and the Master Project is no exception. The soils reports prepared for the Master Project indicate that soils within the project are moderate to very high in expansion potential. Expansive soils will expand when they become wet and contract when they dry out. This

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expansion and contraction may cause movement, cracking and other distress in concrete slabs, patios, sidewalks and other flatwork improvements within the Master Project. Since movement of improvements constructed on expansive soils is normal and will occur, each Owner of a Unit in the Master Project should take this into account in the design of the landscape, hardscape and other improvements which such Owner constructs on his respective Unit.

Section 9. Post Tension Slabs. Each Owner hereby acknowledges that the concrete slab for Owner's Residence may be reinforced with a grid of steel cables which would be installed in the concrete and then tightened to create very high tension. This type of slab is commonly known as a "Post Tension Slab." Each Owner further acknowledges cutting into a Post Tension Slab for any reason (e.g. to install a floor safe, to remodel plumbing, etc.) is very hazardous and may result in serious damage to the Residence and/or personal injury. By accepting a grant deed to the Unit, and subject to confirmation by the Owner that his/her Residence was constructed with a post tension slab, each such Owner hereby specifically covenants and agrees that:

(a) He/she shall not cut into or otherwise tamper with the Post Tension Slab;

(b) He/she shall not knowingly permit any other person to cut into or tamper with the Post Tension Slab so long as Owner owns any interest in the Unit;

(c) He/she shall disclose the existence of the Post Tension Slab to any tenant, lessee, or grantee of the Residence; and

(d) He/she shall indemnify and hold Declarant, and its respective officers, employees, contractors and agents, free and harmless from and against any and all claims, damages, losses, or other liability (including attorneys' fees) arising from any breach of this Section.

Section 10. Structural Changes. There shall be no structural alteration, construction or removal of any residence, fence or other structure whatsoever in the Master Project without the prior written approval of the Board or its designated ARC, as required herein, except such works of construction by Declarant during the development of the Annexed Property.

Section 11. Improvements. There shall be no construction, alteration or removal of any Improvement in the Master Project without the approval of the ARC. No Improvement shall be constructed upon any portion of any Master Common Area, other than such Improvements as shall be constructed: (a) by the Declarant (or a person or entity to whom Declarant assigns its rights as developer), or (b) by the Master Association as provided herein. No fence or wall may be erected, altered or maintained on any Unit except with the ARC's prior approval. No projections of any type may be placed or permitted to remain above the roof of any residence within the Master Project, except one (1) or more chimneys and vent

stacks originally installed, if at all, by Declarant. No basketball backboard or other fixed sports apparatus may be constructed or maintained in the Master Project without the ARC's prior approval. No patio cover, wiring or air conditioning fixture, water softeners or other devices may be installed on the exterior of the residence, on a Unit, or be allowed to protrude through the walls or roof of the residence (with the exception of those items installed during the original construction of the residence by Declarant) unless the ARC's prior written approval is obtained.

Section 12. Windows. No window in any residence shall be covered in whole or in part, inside or outside, with aluminum foil, newspaper, paint, tint or any other material reasonably deemed inappropriate for such use by the Master Association.

Section 13. Commercial Activity. No business, commercial, manufacturing, mercantile, storage, vending or industrial operations of any kind shall be conducted in or upon any Unit or the Master Common Area, except such temporary uses as shall be permitted by Declarant. Notwithstanding the foregoing, this Section shall not preclude an Owner from maintaining a home-office and conducting business activities therefrom on the following conditions: (a) there is no external evidence of such activity; (b) such activities are conducted in conformance with all applicable government ordinances; (c) the patrons or clientele of such activities do not visit the residence or park automobiles or other vehicles within the Master Project; (d) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside of the boundaries of the residence or Unit; (e) no such activity increases the liability or casualty insurance obligation or premium of the Master Association; and (f) such activities are consistent with the residential character of the Master Project, conform with the provisions of this Master Declaration, and comply with all applicable laws. In no event, however, shall any Owner or the Master Association use a residence as an office for the rental, resale or leasing of Units without the prior written consent of Declarant.

Section 14. Parking. All vehicles in the Master Project shall be parked in accordance with the following:

(a) Restrictions Regarding Private Streets. All streets within the Project are private and are subject to all applicable laws, ordinances and regulations of the Master Association and all governmental agencies having jurisdiction over the Project. The on-street parking spaces shall be available on a first-come, first-served basis to all guests and visitors. Notwithstanding the foregoing, no vehicle may be temporarily parked along the street or in any designated parking stall for more than forty-eight (48) continuous hours or as otherwise determined by the Board.

(b) Recreational/Parking Restrictions. Except as may otherwise be permitted by the Master Association, no Owner shall park any vehicle on any portion of the Project, except wholly within his or her respective garage or, for temporary

parking purposes only, on his or her driveway (if, and only if, such driveway exceeds eighteen feet [18'] in length as measured from the edge of the sidewalk furthest from the street to the exterior surface of the garage door), provided however, such automobile does not extend beyond the curb line of the street or onto the sidewalk. No garage or driveway may be sold or assigned to, or retained in the ownership of, any person not an Owner, and no garage or driveway may be rented or leased to a non-Owner except in connection with the rental or lease of a residence. Without limiting the generality of the foregoing, no Owner shall park, store, or keep on his or her Unit or residence (including his or her driveway), Master Common Area, or any portion of the Master Project, any large commercial type vehicle, any recreational vehicle (including, but not limited to, campers, motorhomes, trailers, boat trailers, mobile homes or other similar vehicles), or any motorized or non-motorized vehicles that exceed seven feet (7') in height, seven feet (7') in width and nineteen feet (19') in length, except for purposes of loading, unloading, making deliveries or performing emergency repairs for limited time periods as determined by the Master Board, unless wholly enclosed within his or her garage. Further, no Owner shall park any standard passenger automobile (including campers, vans and similar vehicles up to and including three-quarter [3/4] ton when used for everyday transportation) except wholly within his or her respective garage, or for temporary purposes as approved by the Master Board, on his or her driveway, provided such automobile does not extend beyond the curb-line into the street or sidewalk.

(c) Repairs. No Owner shall conduct major repairs to any motor vehicle of any kind whatsoever in his garage or upon the Master Common Area, except for emergency repairs thereto and then only to the extent necessary to enable the vehicle to be moved to a proper repair facility.

(d) Storage of Goods in Garages. Each Owner shall keep his garage readily available for parking his respective vehicle therein and shall not store any goods or materials therein, nor use any portion of the garage for a workshop or other use if such storage or use would prevent said Owner from parking the number of vehicles therein for which said garage was originally designed and constructed by Declarant (i.e., two). Each Owner shall maintain a minimum interior space of his or her respective garage of twenty feet (20') by twenty feet (20') clear at all times to accommodate parking of vehicles within such garage and no business activity, day care, or garage sales shall be conducted within or from any garage in the Master Project.

(e) Garage Doors. All garage doors shall remain closed at all times, except as reasonably required for entry to and exit from the garage. Each Owner shall ensure that his garage door opener is in proper working order at all times.

Section 15. Regulation of Parking. Subject to the rights of the Master Association, through its officers, committees and agents, the Master Board is hereby empowered to establish "parking" and "no parking" areas within the Master Common Area, in accordance with Section 22658.2 of the California Vehicle Code, or any similar statute hereafter enacted, as well as to enforce these parking limitations by all means lawful for such enforcement, including, but not limited to, the levying of fines and the citing and towing of vehicles. No parking shall be permitted along any portion of a street designated as a fire lane, if any, by the City or County. The Master Board shall have the authority to tow away and store any vehicle or similar equipment parked in violation of the above limitations whether the same shall belong to any Owner or a member of his family or to any tenant, lessee, guest or invitee of any Owner. Charges for such towing and storing shall be assessed against the Owner of the residence which is responsible for the violation of such restrictions, and such assessment may be enforced as a Compliance Assessment.

Section 16. Compliance With Management Documents. All Owners shall be Members of the Master Association and shall comply with the terms and conditions as set forth herein and in the Articles and the By-Laws, and all Rules and Regulations of the Master Association and ARC. No Owner shall transfer any membership or interest in the Master Association, except upon the transfer of the Unit to which it is appurtenant.

Section 17. Declarant's Improvements. Nothing in this Article or elsewhere in this Master Declaration shall limit the right of Declarant to complete construction of any improvements to the Master Common Area and/or to any Unit owned by Declarant, or to alter the foregoing or to construct such additional Improvements as Declarant deems advisable prior to completion and sale of the entire Annexed Property. The rights of Declarant under this Supplemental Declaration may be assigned by Declarant to any successor to all or any part of Declarant's interest in the Project, as developer, by an express assignment incorporated in a recorded deed transferring such interest to such successor.

Section 18. Solar Heating. No solar heating panels or other solar energy collection equipment shall be installed on any portion of any Unit or Master Common Area, or any Improvement thereon, unless such equipment is installed in such location and in such manner as to be obscured from the view of other persons in the Master Project to the greatest degree practicable without significantly decreasing its efficiency. No person shall install any such panels or equipment without the prior written consent of the ARC, which shall have the right to reasonably restrict and determine the size, shape, color, style, materials or location of any such panels or equipment within the Project, subject to the provisions of California Civil Code Section 714, as same may be amended, from time to time. At a minimum, any solar panels are to be integrated with the roof design with the panels and frame colored to match the roof or bronze anodized.

Section 19. Antennas. No radio station or shortwave operators of any kind shall operate from any Unit. No Owner shall install, or cause to be installed, or maintain any television, radio, "Citizens Band" (C.B.) antenna, satellite dish or other similar electronic receiving or broadcasting device (including those devices having a diameter or diagonal measurement of one meter or less) in the Annexed Property in such a manner as to be visible from the Master Common Area, unless (1) approved by the ARC (which approval for a video or television antenna, including a satellite dish, shall not be unreasonably withheld or delayed but may include restrictions which do not significantly increase the cost of the installation, maintenance or use of the device or significantly decrease its efficiency or performance or preclude reception of an acceptable quality signal) and (2) in compliance with all applicable ordinances of the City, California Statutes (e.g., Civil Code Section 1376), and Federal Regulations, as each may be amended or revised.

Section 20. Leasing. No Owner shall be permitted to rent or lease his or her Unit for transient or hotel purposes or for a period of less than thirty (30) days. All rental and lease agreements shall be in writing and shall provide that the terms of such agreement shall be subject in all respects to the provisions of this Master Declaration, By-Laws and Articles, and that any failure by the tenant or lessee to comply with the terms of such documents shall constitute a default under such agreement. Other than the foregoing, there are no restrictions on the right of an Owner to rent or lease his or her Unit.

Section 21. Drilling. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Unit or the Master Common Area, nor shall oil wells, tanks, tunnels or mineral excavations be permitted upon or in any Unit or the Master Common Area. No derrick or other structure designed for use in boring for oil, water or natural gas shall be erected, maintained or permitted upon any Unit.

Section 22. Hazardous Materials. No hazardous waste, substance or material (as defined in any federal, state or local law, ordinance or regulation) shall be stored or permitted upon any portion of the Project, except in compliance with all applicable laws, ordinances and regulations of all applicable Public Agencies. Without limiting the generality of the foregoing, the Project is subject to all federal, state and local requirements of the National Pollutant Discharge Elimination System ("NPDES") adopted pursuant to the Federal Clean Water Act. In accordance therewith, the Master Association and all Owners may not dispose of any hazardous waste, substance or material into any storm drain or other drainage device located anywhere within the Master Project in violation of NPDES or any other applicable laws, ordinances or regulations. The Master Association shall provide annual reports to the City on or before October 1st to comply with the codes and ordinances adopted by the City with respect to the NPDES program.

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Section 23. Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted upon any portion of the Project, except in covered sanitary containers approved by the City located in appropriate paved areas screened and concealed from view by a fence, wall or other screen approved by the ARC, or in such portions of the Project, if any, improved with trash receptacles provided for the use of all Owners, and no odor shall be permitted to arise therefrom so as to render the Master Project, or any portion thereof, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. As required by the City in the Master Project conditions of approval, no trash containers shall be stored within the garages of the Residences, unless otherwise approved by the City and the Board. All such refuse which is put out for pickup, shall be in conformance with all appropriate standards established by the City or governing agency. In the event trash is collected from each individual Unit, appropriate sanitary containers may be exposed to the view of neighboring Residences only when set out on the sidewalks or streets no earlier than 5:00 p.m. the night prior to the trash pick-up day and removed from the sidewalk or street within ten (10) hours after pickup, unless otherwise modified by the Master Board.

Section 24. Drainage. There shall be no interference with the established drainage pattern over any Unit within the Master Project as to affect any other Unit or the Master Common Area, unless adequate alternative provision is made for proper drainage and is approved in writing by the ARC. For purposes hereof, "established" drainage is defined as the drainage which exists at the time such Unit is conveyed to a purchaser from Declarant, or later grading changes or architectural plans that are shown on plans approved by the ARC. Each Owner further agrees not to obstruct, retard or otherwise interfere with, in any manner whatsoever, any drainage swales, or to perform any grading or construction on his or her Unit which may result in creating an excessive amount of surface water runoff (i.e., an amount of water beyond the flow originally intended and provided for by the approved grading plan) to flow into said drainage swales. Except as may be otherwise maintained by the Master Association, each Owner of a Unit shall, at his sole cost and expense, maintain that portion of any drainage swale or other drainage devices located on his respective Unit.

Section 25. Prohibition Against Further Subdivision. No Owner shall make any conveyance, execute any document or map, or enter into any contract which shall purport to further subdivide any Unit in any manner whatsoever, including, without limitation, subdividing such Unit into additional lots, condominiums, stock cooperatives or timeshare uses, whether by map, deed or contract. Any such conveyance, document, map or contract shall be void and of no force or effect whatsoever.

Section 26. Patios and Balconies. Patios and balconies, and all furniture, plants and other improvements situated

therein, shall be kept at all times in a neat, clean, safe and attractive condition. Clothes, towels, blankets, laundry, or clotheslines shall not be placed on or hung from any patio or balcony, or any portion of the Master Common Area, where doing so would be visible from any other Unit, the Master Common Area or the public. Patios and balconies shall not be used for storage of any items deemed inappropriate by the ARC.

Section 27. Exemption of Declarant. Nothing in this Article or elsewhere in this Master Declaration shall limit, restrict, abridge or control, in any manner whatsoever, the rights of Declarant to complete the planning, development, grading, construction, advertising, marketing, leasing and sales of the Units, and all other property within Village VII, including, without limitation, the following specific rights, which may be exercised by Declarant, or by its agents and employees, in conjunction with such development and marketing of the Units in Village VII:

(a) The right to maintain and operate one (1) or more advertising, sales or leasing office(s) located upon any Unit(s) owned by Declarant or upon any Master Common Area in the Annexed Property without payment of rent or approval of the Master Association;

(b) The right to post and display from any Unit(s) owned or controlled by Declarant or from any Master Common Area in the Annexed Property any sign, flag, banner, billboard or other advertising which Declarant may, in its sole discretion, deem appropriate, irrespective of size, color, shape or materials of such items, except to the extent that the exercise of said right conflicts with any provisions of the City's Municipal Code or other applicable governmental regulations;

(c) The right to install, place, replace, construct, reconstruct, modify or remove any Improvement from any Unit owned or controlled by Declarant or from any Master Common Area in the Annexed Property, as Declarant may, in its sole discretion, deem appropriate; provided that in the event Declarant removes any Master Association owned Improvement from any Master Common Area in the Annexed Property without the express prior written consent of the Master Board, Declarant shall replace such Improvement with an Improvement of substantially similar value, appearance and utility within a reasonable period following completion of any work necessitating the removal of the Improvement;

(d) The right to conduct any commercial activity upon any Unit owned or controlled by Declarant or upon any Master Common Area in the Annexed Property which reasonably relates to the development, marketing, leasing or sales of the Units in Village VII; and

(e) The right to park vehicles upon any Unit owned or controlled by Declarant or upon any Master Common Area in the Annexed Property.

Section 28. No Easements for View Purposes; Disclaimer. The Article herein entitled "Architectural Review Committee," sets forth procedures for the approval of Improvements which may be constructed upon Units in Village VII which are consistent with the architectural standards adopted, from time to time, pursuant to said Article. The architectural standards may have some effect on views and the passage of light and air to individual Units. However, by promulgation and enforcement of the architectural standards, or otherwise, neither Declarant, the Master Board nor the ARC, or the members, employees or consultants of any of the foregoing, have made any representations whatsoever concerning the view, if any, that a particular Unit or other Improvement thereon will enjoy. There are no express or implied easements or rights whatsoever appurtenant to any Unit for view purposes, or for the passage of light and air. Each Owner, by accepting a deed to a Unit, hereby expressly acknowledges and agrees that further construction within the Project may impair the view from such Owner's Unit, and each Owner hereby expressly consents to any such impairment.

Section 29. Proximity to Talone Lake/Vectors. The Project is located in proximity to Talone Lake and as such, Owners therein may be impacted from time to time by vectors (e.g., mosquitoes). Owner understands and acknowledges the presence of the lake and the nuisance which could arise from vectors, including but not limited to mosquitoes. Owner will such take precautions, as Owner deems necessary, to avoid being bitten or otherwise disturbed by such vectors.

Section 30. No Warranty of Enforceability. While Declarant has no reason to believe that any of the Protective Covenants contained in this Article or elsewhere in this Supplementary Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such Protective Covenants. Any Owner acquiring a Unit in Village VII in reliance on one or more of such Protective Covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit, agrees to hold Declarant harmless therefrom.

ARTICLE VIII GENERAL PROVISIONS

Section 1. Amendment and Revocation. This Supplementary Declaration may be amended or revoked by Declarant, at its sole discretion, at any time prior to the close of escrow for the sale of the first Unit in the first Phase of Development of the Annexed Property to an Owner, subject to notification to the DRE. At any time subsequent to such sale and close of escrow, this Supplementary Declaration may be amended only in accordance with the provisions of that Section of the "General Provisions" Article of the Declaration entitled "Amendments." Notwithstanding the foregoing, in the event it becomes necessary or desirable to amend this Notice of Annexation and the nature of such amendment affects only a Phase of Development, then the minimum requisite percentage

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Exhibit "A"

Lots 1 through 188, inclusive, of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 2000, in the Office of the County Recorder of San Diego County.

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Exhibit "B"

All of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 2000, in the Office of the County Recorder of San Diego County, excepting Lots 1 through 189.






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Exhibit "C"
(depiction of walls/fences maintained as Master Common Area)

Exhibit C

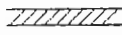


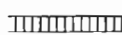
ROUTE 11092

MAINTENANCE RESPONSIBILITY LEGEND

-  SUB-ASSOCIATION MASTER HOMEOWNERS ASSOCIATION
-  RANCH MAINTENANCE ASSOCIATION
-  MASTER HOMEOWNER ASSOCIATION
-  PER EDWARDS AGREEMENT
-  CALTRANS MAINTENANCE



TRACT 7.3
FENCE/WALL MAINTENANCE RESPONSIBILITY LEGEND

-  PRIVATE HOMEOWNER MAINTAINED
-  MASTER H.O.A. MAINTAINED
-  RANCH MAINTENANCE MAINTAINED
-  CALTRANS MAINTAINED

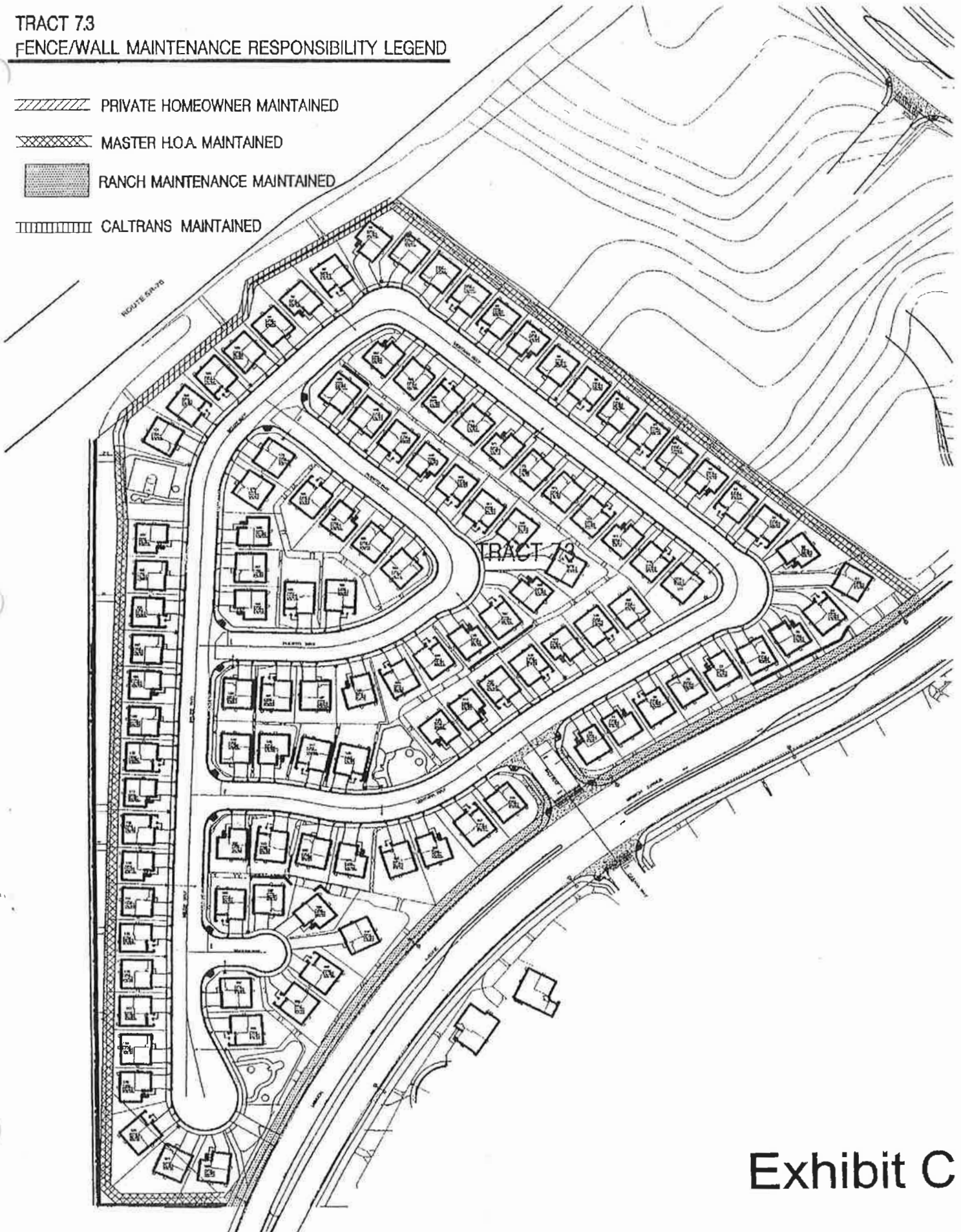





Exhibit C

11094

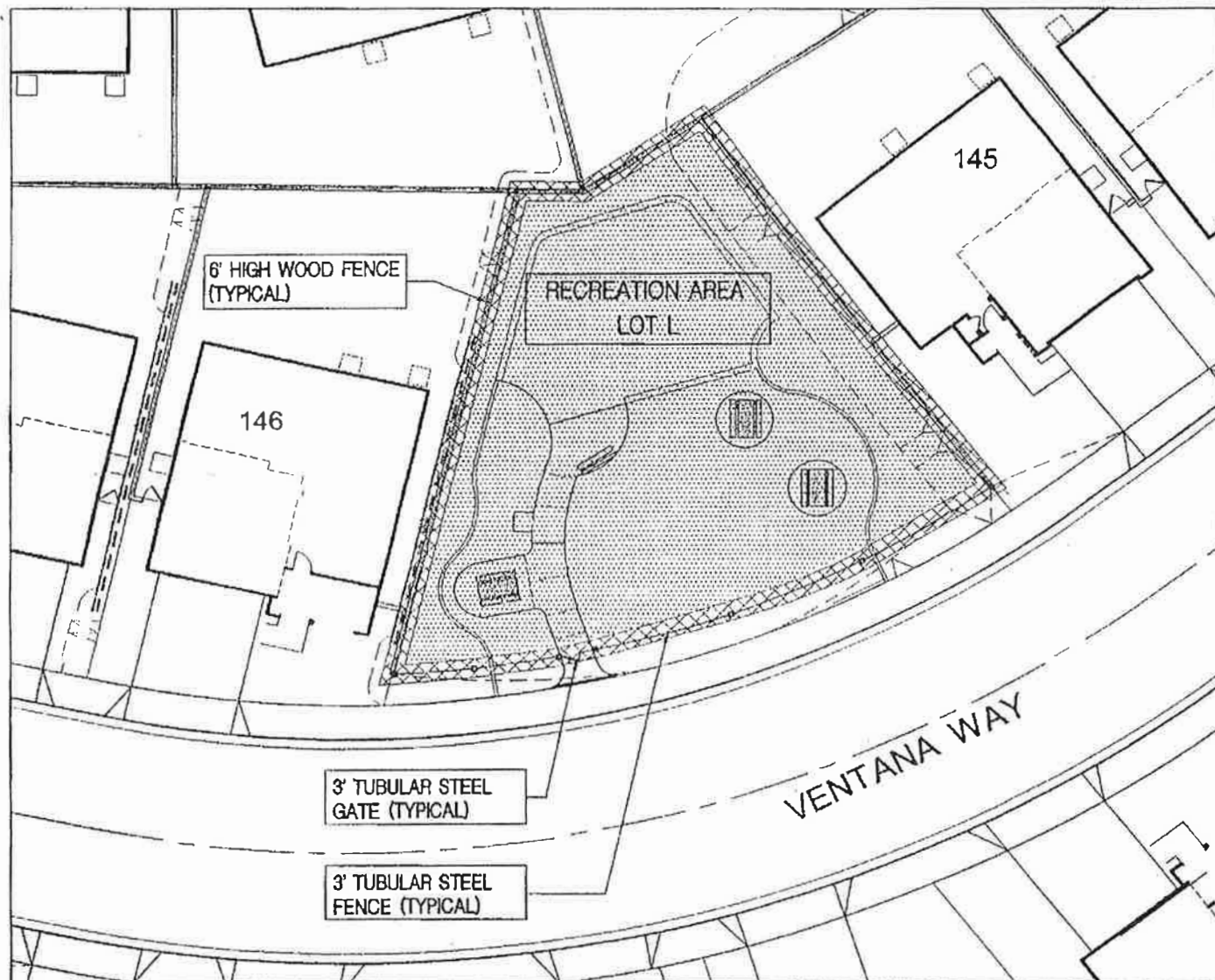
**TRACT 7.2
FENCE/WALL MAINTENANCE RESPONSIBILITY LEGEND**

-  PRIVATE HOMEOWNER MAINTAINED
-  MASTER H.O.A. MAINTAINED
-  RANCH MAINTENANCE MAINTAINED



COMMUNITY ENTRY MONUMENT-
MAINTAINED BY RMA.

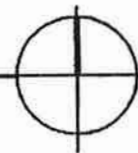
NOTE:
FENCE ALONG EDWARDS PROPERTY TO BE
PRIVATELY MAINTAINED UNTIL
MAINTENANCE AGREEMENT IS FINALIZED.

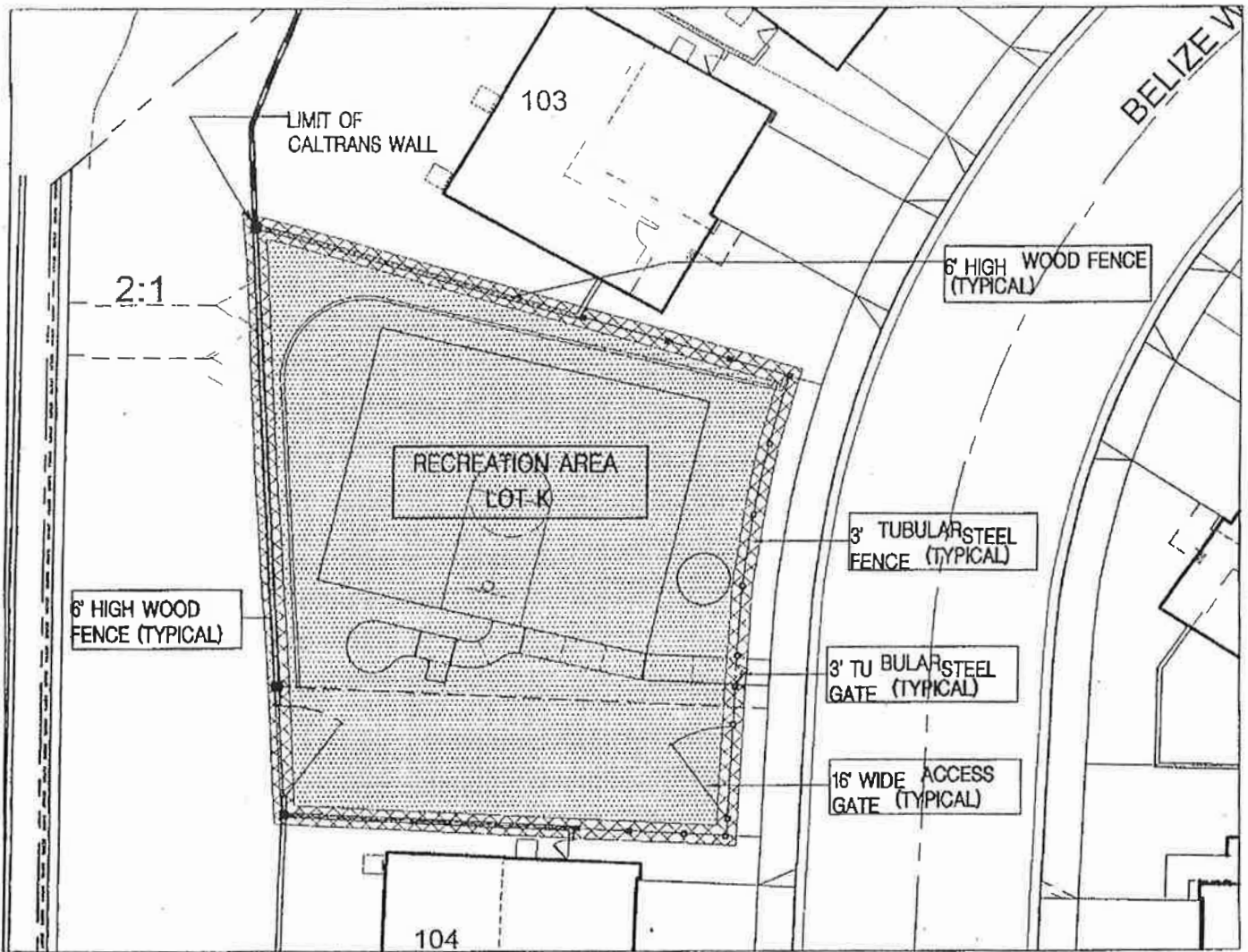



XXXX MASTER HOA MAINTAINED
COMMON WALLS AND FENCES

RECREATION AREA 'A' - VILLAGE 7.3

N.T.S.

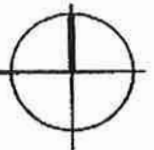


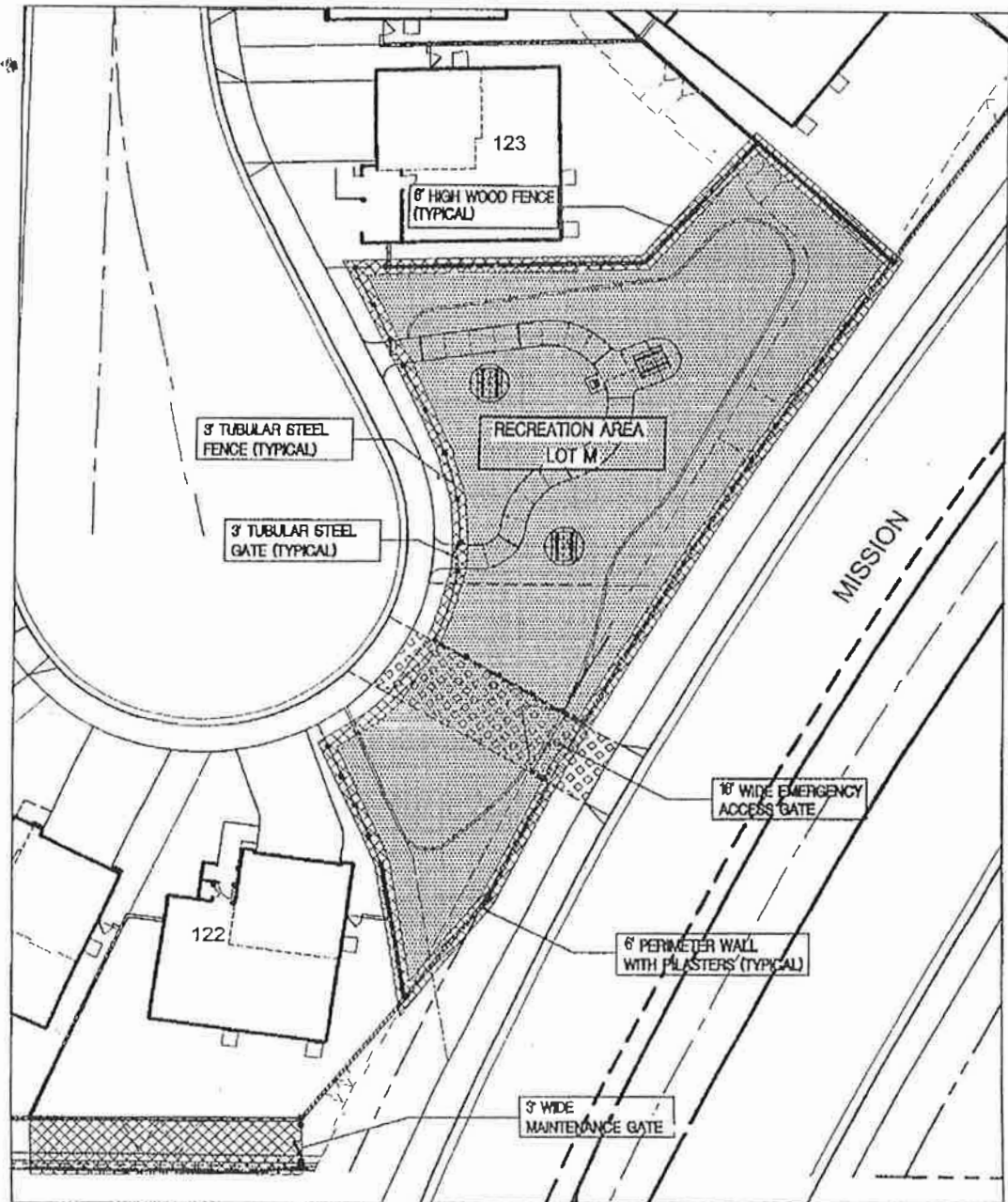



 MASTER HOA MAINTAINED
 COMMON WALLS AND FENCES

RECREATION AREA 'B' - VILLAGE 7.3

N.T.S.



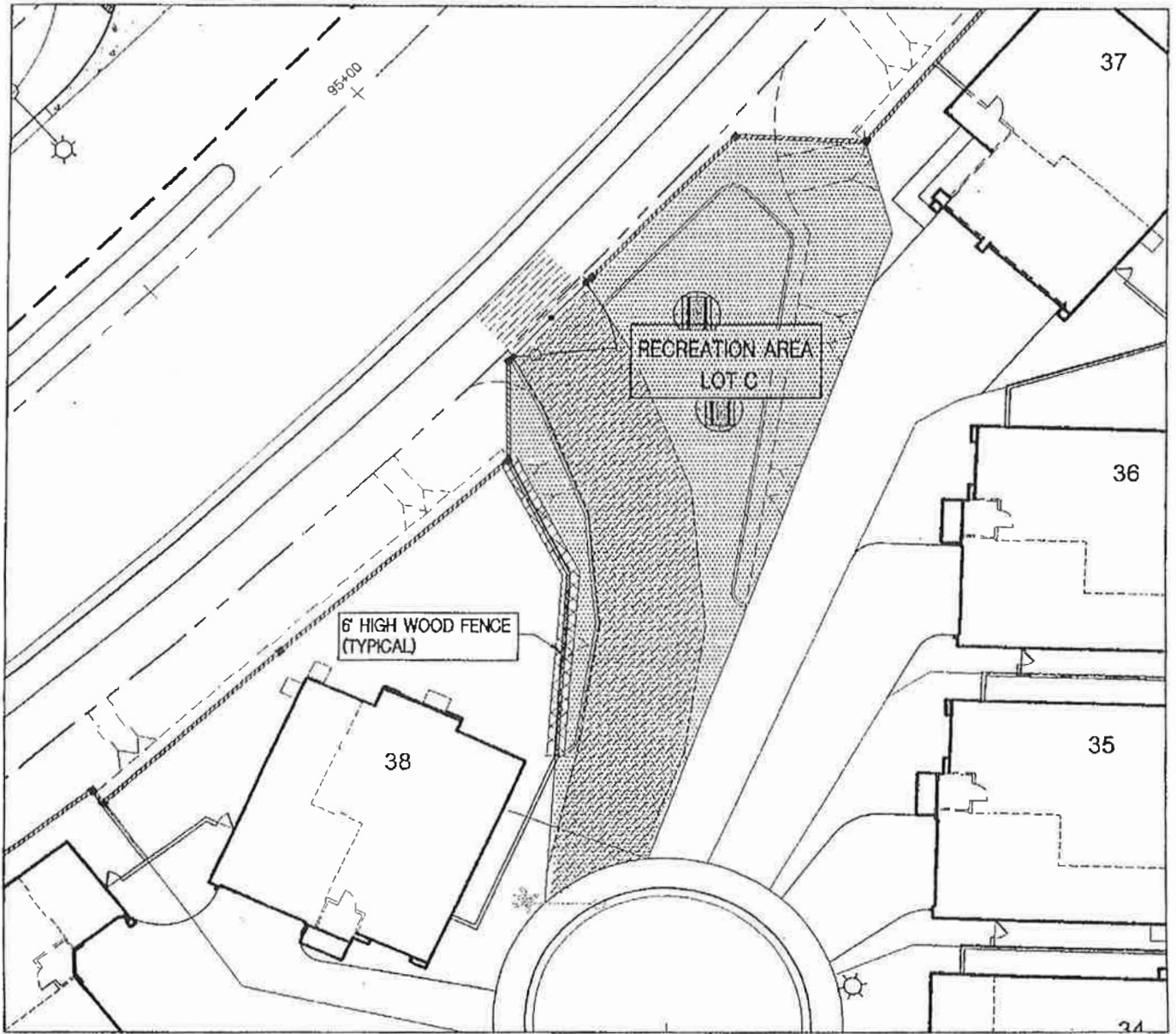


MASTER HOA MAINTAINED
COMMON WALLS AND FENCES

RECREATION AREA 'C' - VILLAGE 7.3

N.T.S.



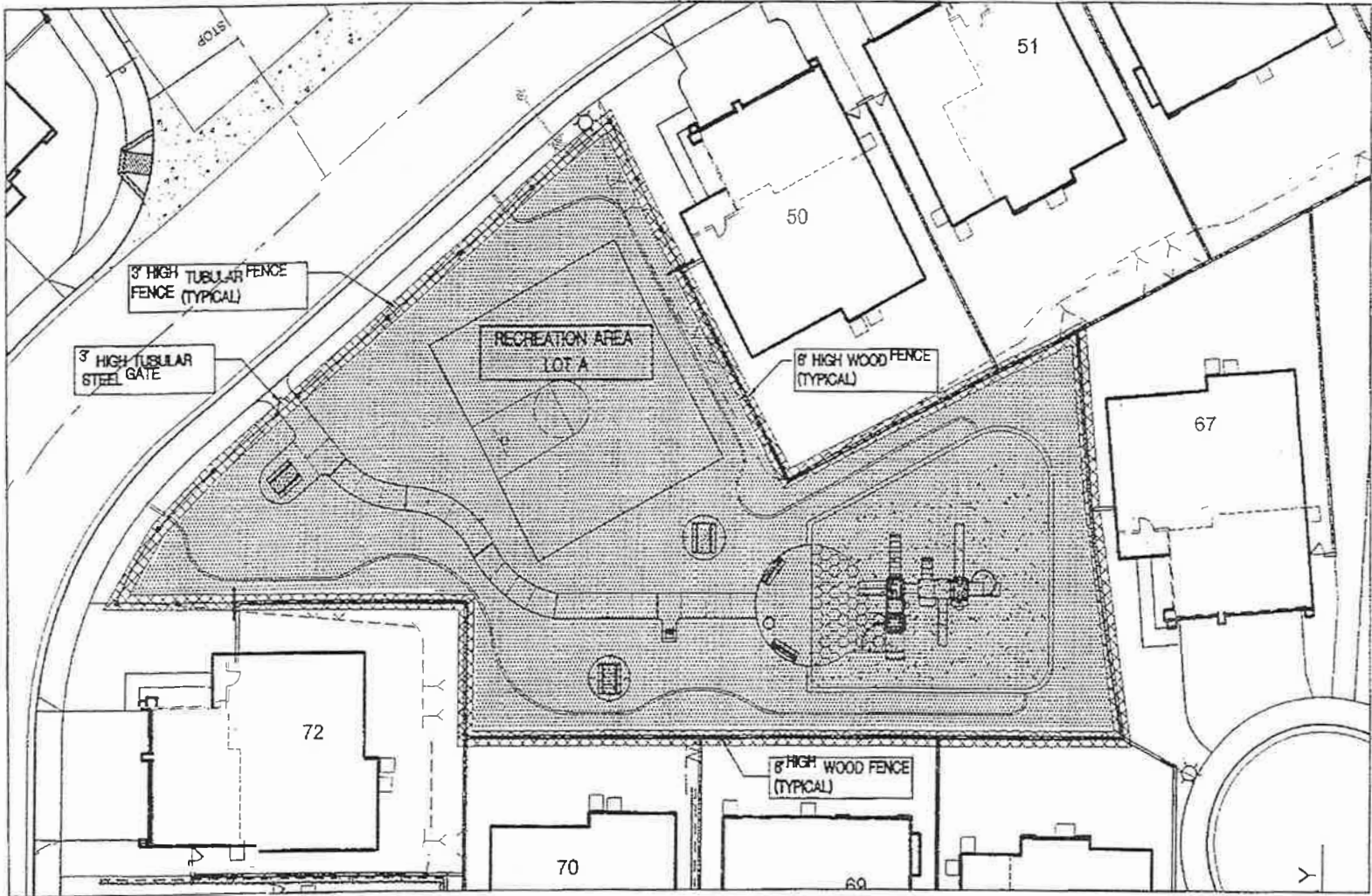


XXXXX MASTER HOA MAINTAINED
COMMON WALLS AND FENCES

RECREATION AREA 'B' - VILLAGE 7.2

N.T.S.





RECREATION AREA 'A' - VILLAGE 7.2

N.T.S.



11099

Exhibit C

11100

Exhibit "D"

PRAVADA (AREA 7.2)

Phase 1

Lots 1 through 14, inclusive, Lots 70, 71, 72, Lots A, B and D of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lot E depicted on a supplemental page of this Exhibit "D."

Phase 2

Lots 15 through 24, inclusive, Lots 61 through 69, inclusive, Lots H and I of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lot G depicted on a supplemental page of this Exhibit "D."

Phase 3

Lots 25 through 41, inclusive, Lots 58 through 60, inclusive, Lots C and G of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lot f depicted on a supplemental page of this Exhibit "D."

Phase 4

Lots 42 through 50, inclusive, Lots 54 through 57, inclusive, and Lots E and F of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto.

BELAMAR (AREA 7.3)

Phase 1

Lots 107 through 111, inclusive, Lots 131 through 138, inclusive, Lots 143 through 149, inclusive, and Lots L and T of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lots N and P depicted on a supplemental page of this Exhibit "D."

Phase 2

Lots 112 through 130, inclusive, and Lots M, R and S of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lot P depicted on a supplemental page of this Exhibit "D."

Phase 3

Lots 150 through 165, inclusive, Lots 181 and 186 of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lot Q depicted on a supplemental page of this Exhibit "D."

Phase 4

Lots 95 through 106, inclusive, Lot 166, Lots 178 through 180, inclusive, and Lots 187 and 188, and Lots K, J, P and Q of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions

of private street Lot O depicted on a supplemental page of this Exhibit "D."

Phase 5

Lots 85 through 94, inclusive, Lots 167 through 176, inclusive of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto and easements for ingress, egress, access, and utility purposes over portions of private street Lot O depicted on a supplemental page of this Exhibit "D."

Phase 6

Lot 73 through 84, inclusive, Lots 139 through 142, inclusive, Lot 177, and Lots N and O of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26, 00, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto.

RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT.

11103

DOC # 2000-0279209

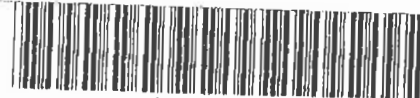
MAY 26, 2000 4:01 PM

Recording Requested by

When Recorded Mail to:

GALLAGHER & MOORE
2 Park Plaza, Suite 300
Irvine, CA 92614
Attn: Frederick C. Moore

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 19.00



2000-0279209

1215778-6

[Space Above for Recorder's Use]

AMENDED AND RESTATED
DECLARATION OF ANNEXATION AND RESTRICTIONS

This Amended and Restated Declaration of Annexation ("Annexation") is made this 12 day of APRIL, 2000, by KAUFMAN & BROAD COASTAL, INC., a California corporation ("K&B").

RECITALS

A. Collins Development Company, a California corporation ("Developer") previously recorded that certain Declaration of Annexation and Restrictions on August 1998, as Document Number 1998-0549029 ("Declaration of Annexation"). Subsequent to recordation of the Declaration of Annexation, K&B purchased property which was described in the Declaration of Annexation as Annexable Property.

B. Pursuant to the provisions of the "Master Declaration of Covenants, Conditions and Restrictions for The Villages of Rancho Del Oro" filed in the Office of the County Recorder of San Diego County on September 4, 1986, at File/Page No. 86-388367, as amended ("Master Declaration"), Developer had the unilateral right to annex into the "Master Project" (defined in the Master Declaration) the real property described in the Declaration of Annexation.

C. With the recordation of the Declaration of Annexation, Developer annexed the Annexable Property into the Master Project and by such annexation, the covenants, conditions and restrictions of the Master Declaration apply to the Annexable Property in the same manner as if the Annexable Property were originally covered by the Master Declaration as a part of the Master Project. No amendment, addition, change or deletion in this Annexation shall be deemed to affect the provisions of the Master Declaration as covenants running with the land or as equitable servitudes to be uniformly applicable to all portions of the Master Project, including the Annexable Property and other portions of the Master Project added thereto by annexation.

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D. In connection with obtaining approval from the City of Oceanside ("City") for K&B's residential development of the Annexable Property, the City required K&B to amend and restate the Annexation to attach a legal description consistent with the final map description being processed with the City for Lot 7.3 and portions of Lot 7.1 and Lot 7.2 of Rancho Del Oro Master Subdivision Map East, Map No. 11409. To satisfy such request, K&B prepared this Annexation (which was sent to the Master Association for approval) and desires to amend and restate the Declaration of Annexation with this Annexation in order to modify Exhibit "A" with Exhibit "A" attached hereto.

NOW, THEREFORE, K&B hereby declares the following:

DECLARATION

1. Annexation of Annexable Property:

1.1 This Annexation is issued in compliance with the provisions of the Master Declaration and the real property described in Exhibit "A" attached hereto is annexed into the Master Project and subject to the Master Declaration.

1.2 Upon the recordation of this Annexation in the Office of the Recorder of the County of San Diego, the annexation of the Annexable Property shall be and become accomplished and all of the incidents of the annexation of said property, as set forth in the Master Declaration, shall be in full force and effect.

2. Application of Master Declaration:

2.1 Each of the covenants, conditions and restrictions of the Master Declaration shall apply to the Annexable Property as if it was originally covered by the Master Declaration as a part of the Master Project.

2.2 Assessments shall commence as to all of the Annexable Property as set forth in the Article of the Master Declaration entitled "Assessments." Upon commencement of the assessments established in the Article of the Master Declaration entitled "Assessments" with respect to the Annexable Property, assessments for the Master Project shall be recalculated, with the Annexable Property being assessed for a proportionate share of the total expenses of the Master Association on the same basis as other property in the Master Project.

3. Interpretation: Except as otherwise defined herein, words, terms and phrases used herein and in the Master Declaration shall have the meaning ascribed thereto in the Master Declaration.

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K&B has executed this Annexation has executed this Annexation on the day and year first above written.

"K&B"


KAUFMAN AND BROAD COASTAL, INC.,
a California corporation

BY:


LISA GORDON

ITS: ASSISTANT SECRETARY

BY:


KURT BAUSBACK

ITS: ASSISTANT SECRETARY

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the persons or the entities upon behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

(SEAL)

50081.001-4578.FCM 040500

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Exhibit "A"

That certain real property and all improvements constructed thereon described as:

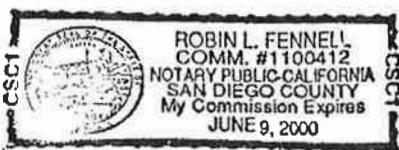
Lots 1 through 188, inclusive, and Lots A through T of Rancho del Oro Village VII, in the City of Oceanside, County of San Diego, State of California, according to Map thereof No. 13970, filed in the Office of the County Recorder of San Diego County.

50081.001-4578.FCM 040500

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California 11107
 County of San Diego
 On 4-12-00 before me, the undersigned
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared Lisa Gordon & Kent Bauback
Name(s) of Signer(s)

personally known to me – OR – proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Rob L. Fennell
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____
 Document Date: _____ Number of Pages: _____
 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

11108 MAY 26, 2000 4:01 PM

WHEN RECORDED MAIL TO:
RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT

CITY CLERK
CITY OF OCEANSIDE
300 North Coast Highway
Oceanside, CA 92054

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 28.00



1215778-6

(Space above for Recorder's Use)

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
ON REAL PROPERTY
(AREAS 7.2 AND 7.3 OF RANCHO DEL ORO VILLAGE VII
AND THE REMAINDER PARCEL OF PARCEL MAP NO. 17296)

KAUFMAN & BROAD COASTAL, INC., a California corporation ("K&B") is the owner of that certain real property generally located west of College Boulevard and south of State Route 76 and Frazee Road more particularly described on Exhibit "A" attached hereto and incorporated herein by reference hereto (referred to as the "PROPERTY"). HIGHPOINT INVESTMENTS, INC., a California corporation ("HIGHPOINT") is the owner of that certain commercial real property more particularly described on Exhibit "B" attached hereto and incorporated herein by reference ("HIGHPOINT PROPERTY"). K&B and HIGHPOINT are sometimes referred to as "OWNER".

WHEREAS, the PROPERTY and HIGHPOINT PROPERTY are restricted by Specific Plan S-1-80, Development Plan No. D-8-98, Tentative Map T-2-98, Variance V-6-98 approved by the City of Oceanside pursuant to Planning Commission Resolution No. 98-P39 and City Council Resolution No. 00-R198-1, hereinafter collectively referred to as the "Resolutions", for the construction of one hundred eighty-eight residential lots (188) within Village VII and one commercial lot; and

WHEREAS, Government Code Section 66411.1 of the Subdivision Map Act and the Resolutions require that a covenant be recorded by the PROPERTY OWNER to reflect the restrictions and on-site and off-site improvements required to be made on the PROPERTY prior to and as a condition of any development of the PROPERTY, in accordance with the Resolutions; and

WHEREAS, the OWNER intends to restrict the PROPERTY and HIGHPOINT PROPERTY in accordance with the conditions of the Resolutions, as required by the Oceanside City Council and

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11109

Planning Commission

NOW, THEREFORE, the OWNER declares that said real PROPERTY and HIGHPOINT PROPERTY shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the covenants, conditions and restrictions set forth in this Declaration of Covenants, Conditions and Restrictions (hereinafter the "Declaration") expressly and exclusively for the use and benefit of said PROPERTY AND HIGHPOINT PROPERTY and each and every person and entity who now or in the future owns any portion of said PROPERTY and HIGHPOINT PROPERTY. This Declaration shall constitute covenants running with the land and shall be binding on and for the benefit of OWNER, its successors and assigns, and all subsequent owners of the PROPERTY and HIGHPOINT PROPERTY, together with their grantees, successors, heirs, executors, administrators, devisees, and assigns.

OWNER HEREBY DECLARES AND COVENANTS AS FOLLOWS:

1. Compliance with each and every condition of approval as set forth in the Resolutions shall be required and satisfied as a condition of any grading, improvement or development of the PROPERTY and HIGHPOINT PROPERTY. The Resolutions set forth specific requirements for on-site and off-site improvements, grading, payment of fees, and site development, building and use standards.

2. No provision of this Declaration is intended to, nor shall it be deemed to, modify, waive, delete or amend any condition or provision of the Resolutions. Each and every condition of the Resolutions is expressly incorporated into this Declaration and made a part hereof, and shall constitute covenants running with the land.

3. The City shall have the right, but not the obligation, to enforce the provisions of this Declaration. In the event it becomes necessary for the City to institute legal action to enforce any provision of this Declaration, the City shall be entitled to recover from the OWNER, his assign or any successors in interest in the PROPERTY and HIGHPOINT PROPERTY, reasonable attorney's fees and costs incurred by the City in such action.

4. This Declaration shall constitute covenants running with the land and shall be binding on and for the benefit of OWNER, its transferees, successors, and assigns, and any other present or future interest holders or estate holders of any portion or all of the PROPERTY and HIGHPOINT PROPERTY.

5. The entire list of conditions applicable to the PROPERTY and HIGHPOINT PROPERTY may be reviewed in the

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Resolutions. Copies of the Resolutions are on file with the Planning Department of the City of Oceanside.

6. This Declaration shall not be modified, removed or released without the prior written consent of the City of Oceanside.

IN WITNESS WHEREOF, _____ executes this Declaration this 23 day of Feb, 2000.

OWNER

KAUFMAN & BROAD COSTAL, INC.,
a California corporation


BY:

ITS:

HIGHPOINT INVESTMENTS, INC.,
a California corporation

BY: STEVE LUDWIG

ITS: VICE PRESIDENT



V.P.

APPROVED AS TO FORM:



City Attorney

50081.001-4087.FCM 021800

11111

PROPERTY and HIGHPOINT PROPERTY may be reviewed in the Resolutions. Copies of the Resolutions are on file with the Planning Department of the City of Oceanside.

6. This Declaration shall not be modified, removed or released without the prior written consent of the City of Oceanside.

IN WITNESS WHEREOF, _____ executes this Declaration this 23 day of Feb, 2000.

OWNER

KAUFMAN & BROAD COASTAL, INC.,
a California corporation

BY: _____

ITS: _____

BY: _____

ITS: _____

EXECUTIVE VICE PRESIDENT

HIGHPOINT INVESTMENTS, INC.,
a California corporation

BY: _____

ITS: _____

APPROVED AS TO FORM:

City Attorney

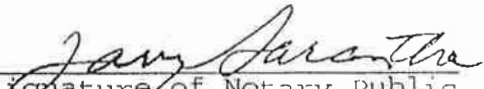
50061.001-4067.FCM 021000

11112

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On 2-23, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared STEVE LUOWIG, known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the persons or the entities upon behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.


Signature of Notary Public



(SEAL)

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STATE OF CALIFORNIA)
)
COUNTY OF San Diego)

On 2-23, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Lisa Gordon and Martin Lightenst, known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the persons whose names ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~they~~ they executed the same in ~~his~~ their authorized capacities and that by ~~his~~ their signatures on the instrument, the persons or the entities upon behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Michele A. Kittinger
Signature of Notary Public



(SEAL)

50081.001-4087.FCM 021000

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EXHIBIT "A"

Rancho Del Oro-Village VII, Map No. 13970, filed on 5-26,
00, in the Office of the County Recorder of San Diego County,
California, except Lot 189 thereof.

50081.001-4007.FCM 021000

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11115

EXHIBIT "B"

Lot 189 of Rancho Del Oro-Village VII, Map No. 13970, filed on
5-26, 00, in the Office of the County Recorder of San
Diego County, California.

50081.001-4087.FCM 021800

6

DOC # 2000-0413455

AUG 04, 2000 10:59 AM

Recording requested by and when recorded return to:

2653

RECORDED REQUEST OF
First American Title
SUBDIVISION MAPPING DEPT.

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 46.00

GALLAGHER & MOORE
Attn: Frederick C. Moore, Esq.
2 Park Plaza, Suite 300
Irvine, CA 92614



2000-0413455

124 4861-6

(Space Above For Recorder's Use)

FIRST AMENDMENT TO SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF EASEMENTS FOR
RANCHO DEL ORO VILLAGE VII
(PRAVADA/BELAMAR)

THIS FIRST AMENDMENT TO SUPPLEMENTARY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESERVATION OF EASEMENTS FOR RANCHO DEL ORO VILLAGE VII (PRAVADA/BELAMAR) ("First Amendment") is made this 1st day of August, 2000, by KAUFMAN & BROAD COASTAL, INC., a California corporation ("Declarant").

R E C I T A L S:

A. Declarant is the owner of that certain real property located in the City of Oceanside, County of San Diego, State of California, more particularly described on Exhibits "A" and "B" (the "Annexed Property") attached to the Supplementary Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Rancho Del Oro Village VII (Pravada/Belamar).

B. Declarant caused to be recorded against the Annexed Property that certain Supplementary Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Rancho Del Oro Village VII (Pravada/Belamar) on May 26, 2000, as Instrument No. 2000-0279209, in the Official Records of San Diego County, California ("Declaration").

..-4781.FCM 060200

C. Declarant is the sole owner of all Lots in the Annexed Property affected by the Declaration and desires to amend various portions of the Declaration to reflect a slight change in the Phases of Development and to attach a portion of Exhibit "D" depicting certain ingress, egress, access and utility easements which was inadvertently omitted from Exhibit "D" attached to the Declaration.

NOW, THEREFORE, Declarant does hereby amend the Declaration as set forth herein. Each and all of the covenants, conditions and restrictions set forth herein shall run with the property identified in the Declaration and shall inure to the benefit of, and be binding upon, Declarant, and its respective grantees, heirs, executors, administrators, devisees, successors and assigns.

1. Exhibit "D" attached to the Declaration is hereby deleted in its entirety and replaced with Exhibit "D" attached hereto.

EXCEPT AS OTHERWISE AMENDED, RESTATED AND MODIFIED HEREIN, the Declaration shall remain in full force and legal effect.

IN WITNESS WHEREOF, this First Amendment has been duly executed by Declarant on the day and year first above written.

"DECLARANT"

KAUFMAN AND BROAD COASTAL, INC.,
a California corporation

BY: _____

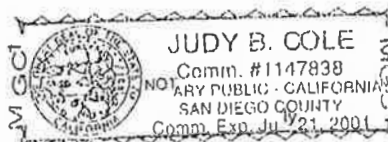
ITS: _____

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

On 8/1/00, 2000, before me, the undersigned, a Notary Public in and for said State, personally appeared Kurt Bausback personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the persons or the entities upon behalf of which the person acted executed the instrument.

WITNESS my hand and official seal.

Judy B. Cole
Signature of Notary Public



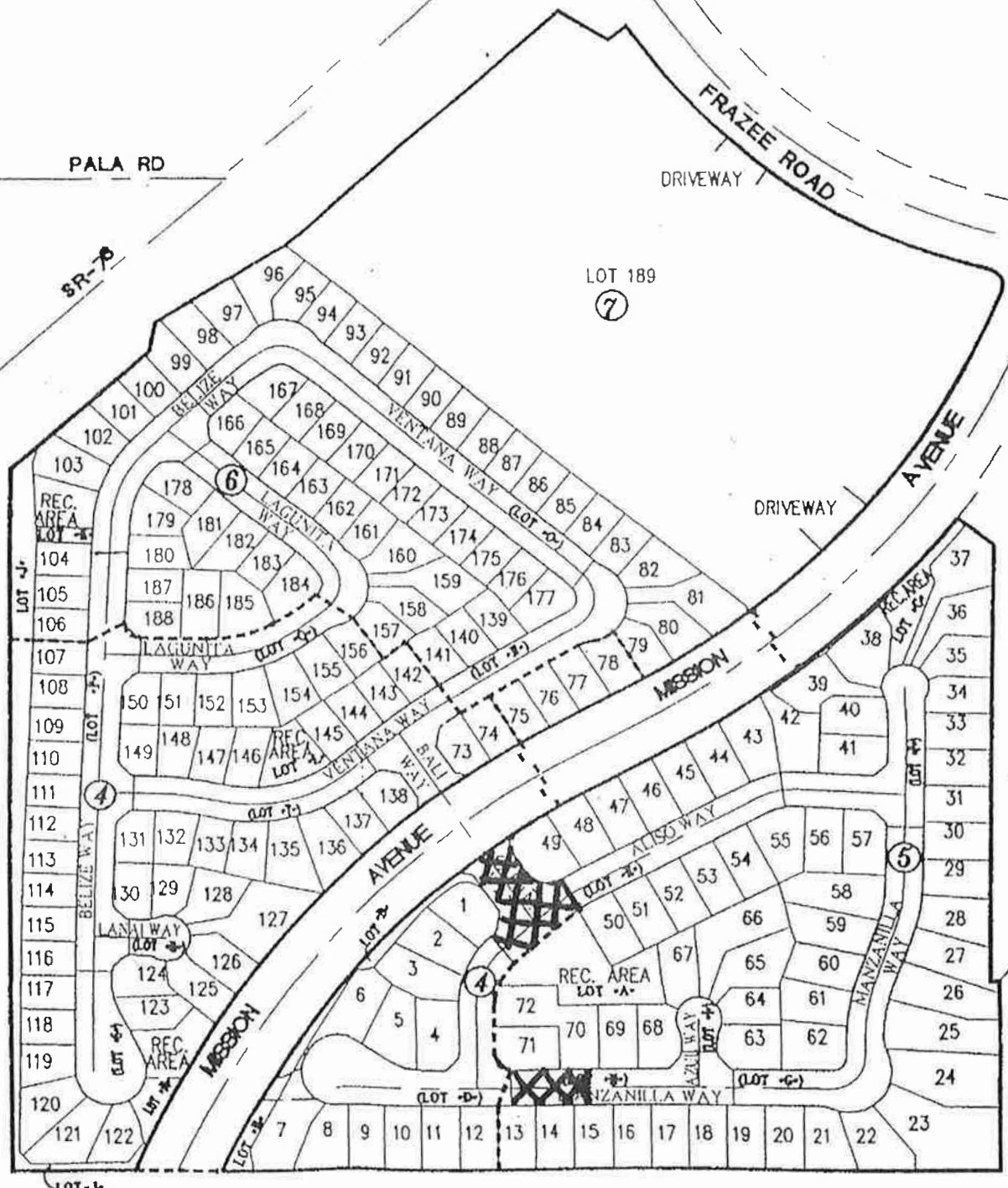
(SEAL)

Exhibit "D"

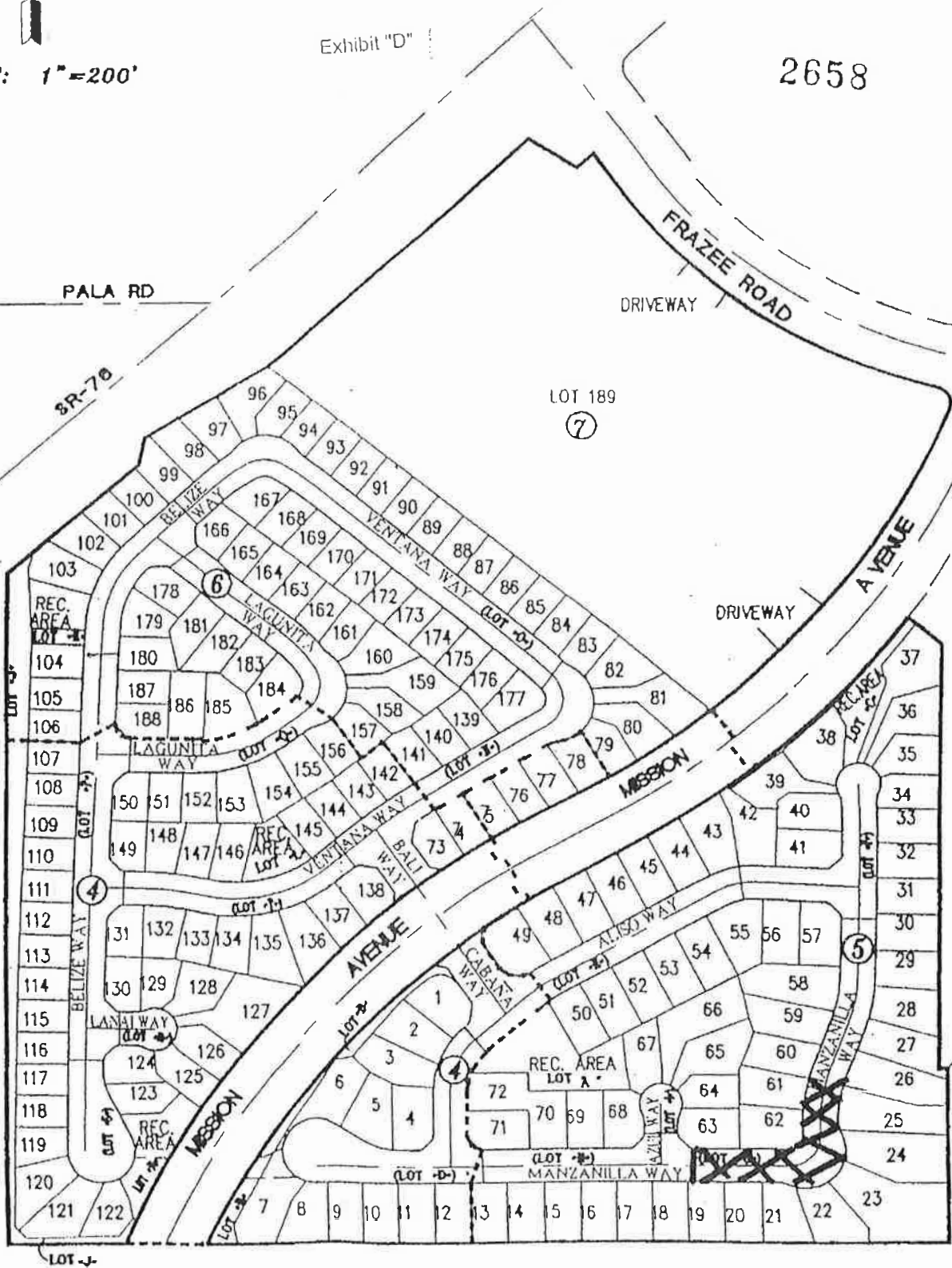
PRAVADA (AREA 7.2)

- Phase 1 Lots 1 through 14, inclusive, Lots 70, 71, 72, Lots A, B and D of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lots E and H depicted on a supplemental page of this Exhibit "D."
- Phase 2 Lots 15 through 24, inclusive, Lots 61 through 69, inclusive, Lots H and I of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lot G depicted on a supplemental page of this Exhibit "D."
- Phase 3 Lots 25 through 41, inclusive, Lots 58 through 60, inclusive, Lots C and G of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over a portion of private street Lot F depicted on a supplemental page of this Exhibit "D."
- Phase 4 Lots 42 through 50, inclusive, Lots 54 through 57, inclusive, and Lots E and F of Area 7.2 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto.

SCALE: 1"=200'

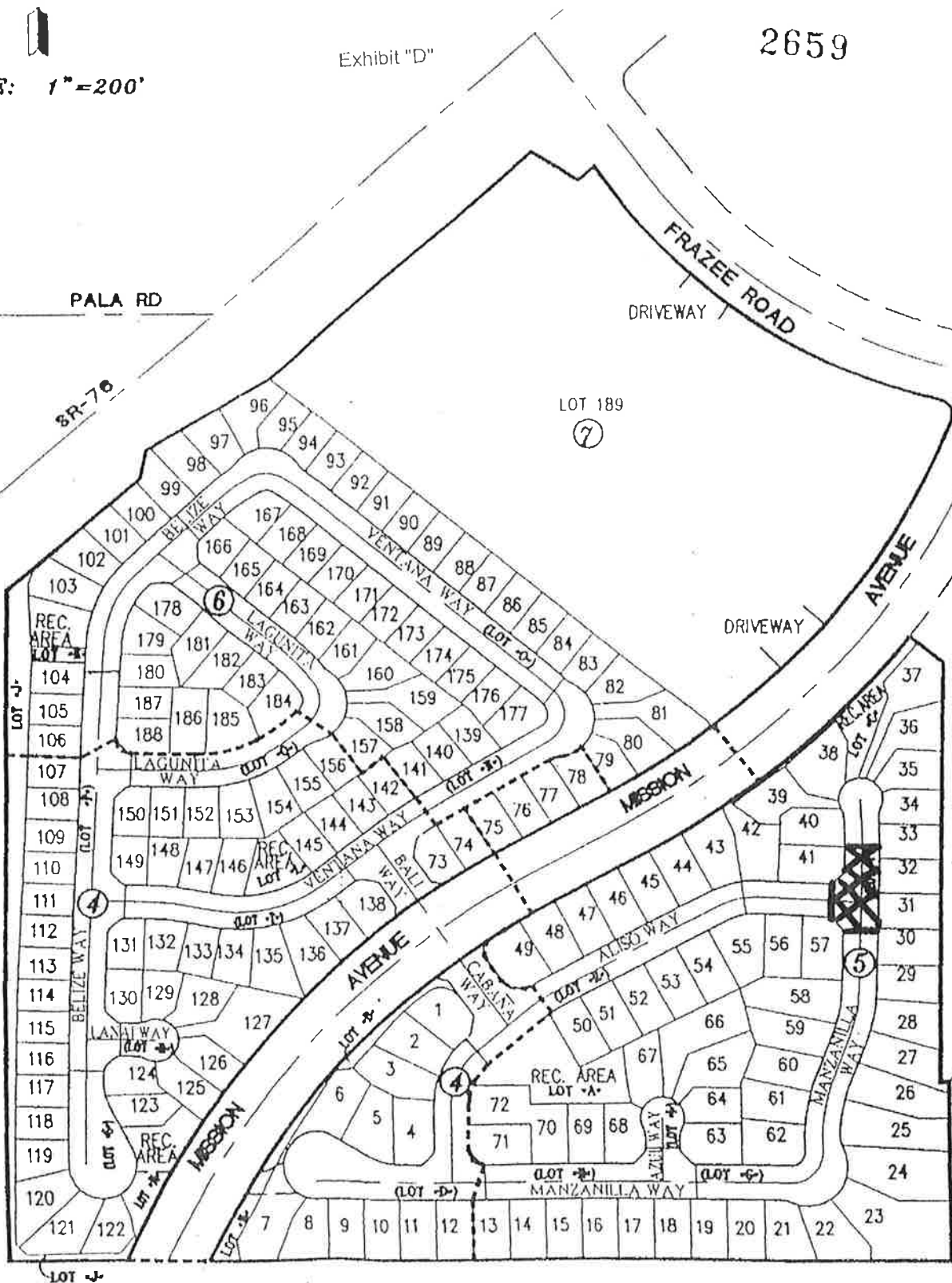


Easement Area
Pravada Phase 1



Easement Area
Pravada Phase 2

SCALE: 1"=200'



Easement Area
 Pravada Phase 3

BELAMAR (AREA 7.3)

Phase 1

Lots 107 through 111, inclusive, Lots 131 through 138, inclusive, Lots 143 through 149, inclusive, and Lots L and T of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lots N and P depicted on a supplemental page of this Exhibit "D."

Phase 2

Lots 112 through 130, inclusive, and Lots M, R and S of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lot P depicted on a supplemental page of this Exhibit "D."

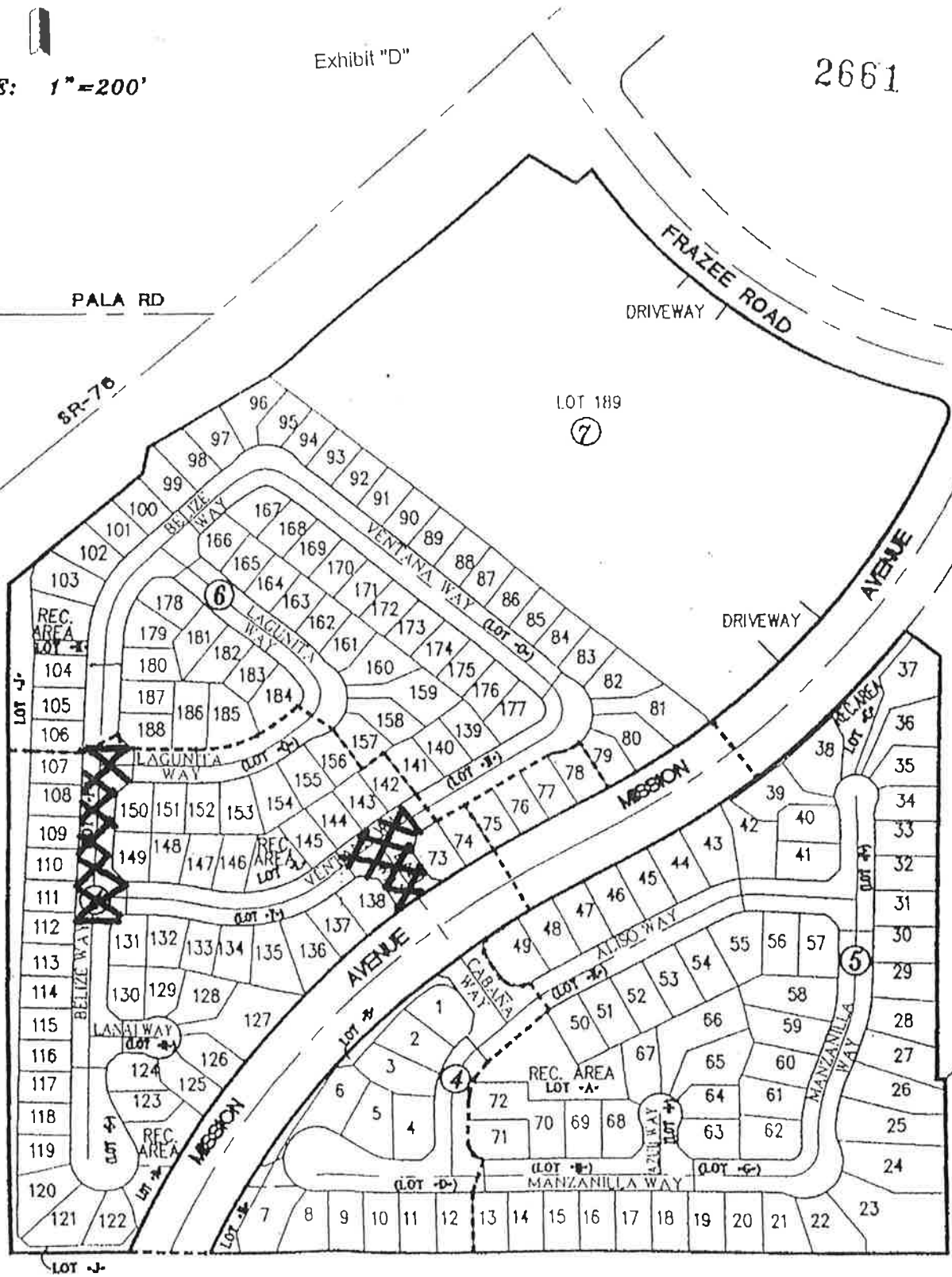
Phase 3

Lots 150 through 165, inclusive, Lots 181 and 186 of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lot Q depicted on a supplemental page of this Exhibit "D."

Phase 4

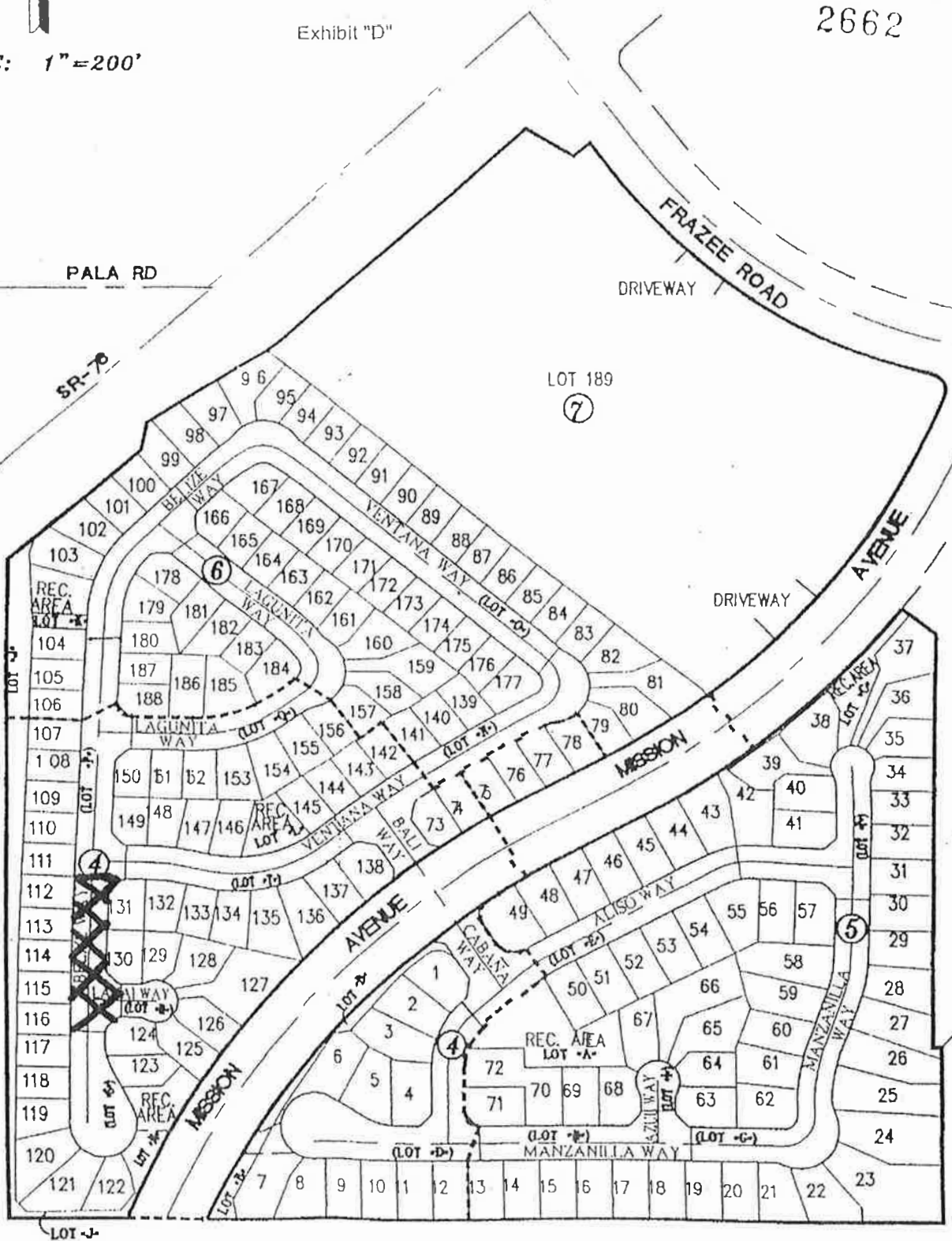
Lots 95 through 106, inclusive, Lot 166, Lots 178 through 180, inclusive, and Lots 187 and 188, and Lots K, J, P and Q of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those walls and fences depicted on Exhibit "C" attached hereto, and easements for ingress, egress, access and utility purposes over portions of private street Lot O depicted on a supplemental page of this Exhibit "D."

SCALE: 1"=200'



Easement Area
Belamar Phase 1

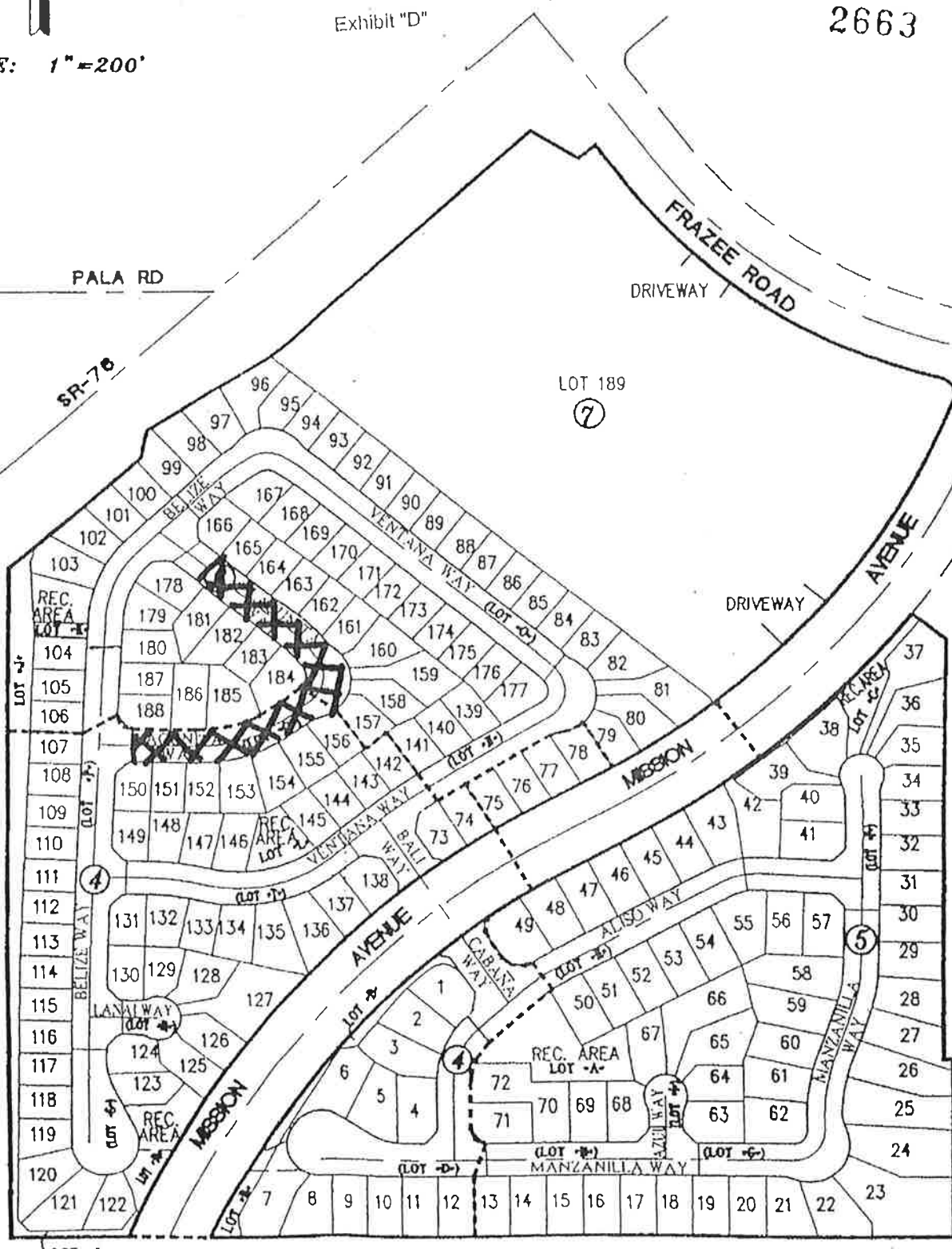
SCALE: 1"=200'



Easement Area

Belmar Phase 2

SCALE: 1"=200'

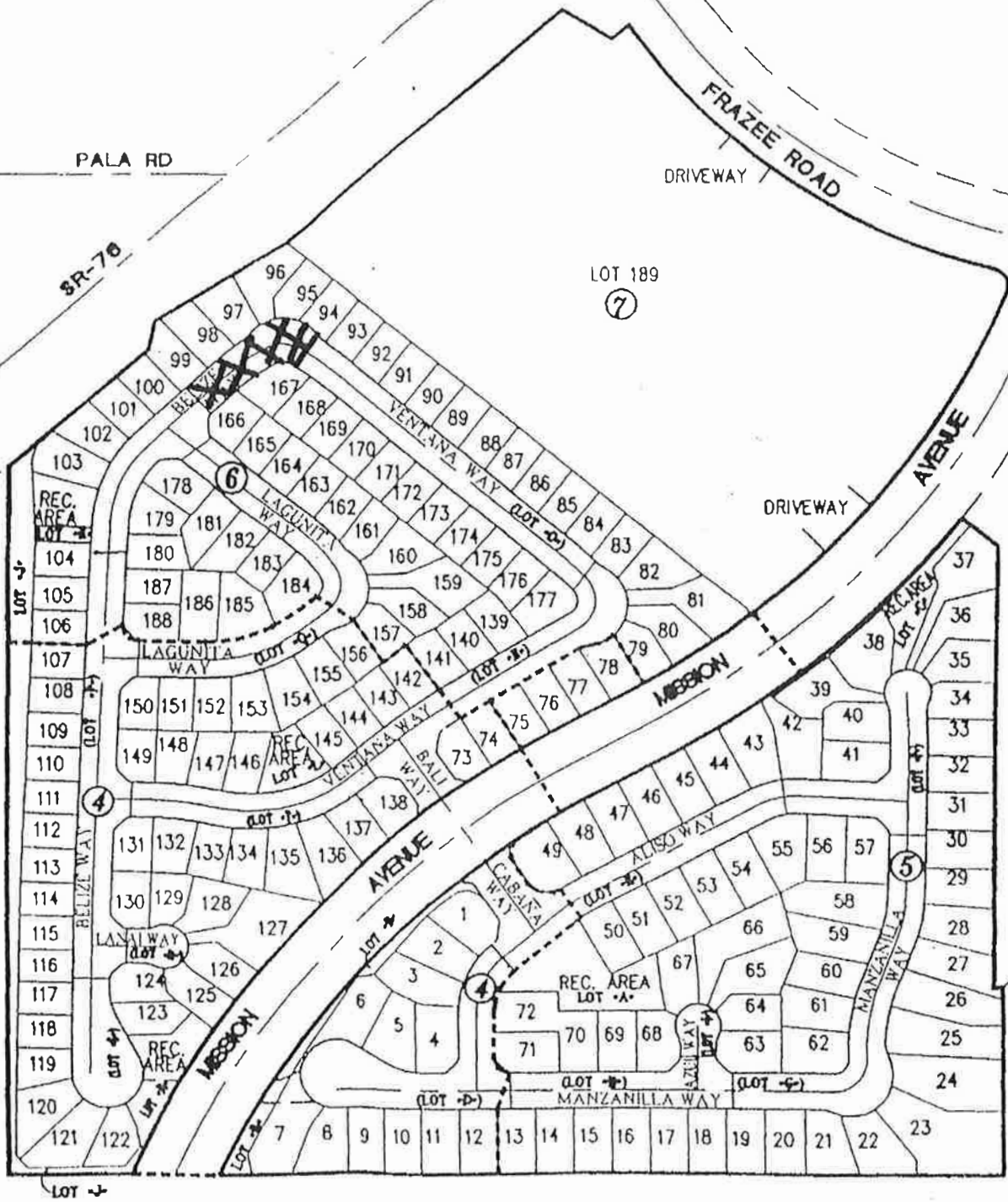


Easement Area
Belamar Phase 3

SCALE: 1"=200'

Exhibit "D"

2664



Easement Area

Belamar Phase 4

Phase 5

Lots 85 through 94, inclusive, Lots 167 through 176, inclusive of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto and easements for ingress, egress, access, and utility purposes over portions of private street Lot O depicted on a supplemental page of this Exhibit "D."

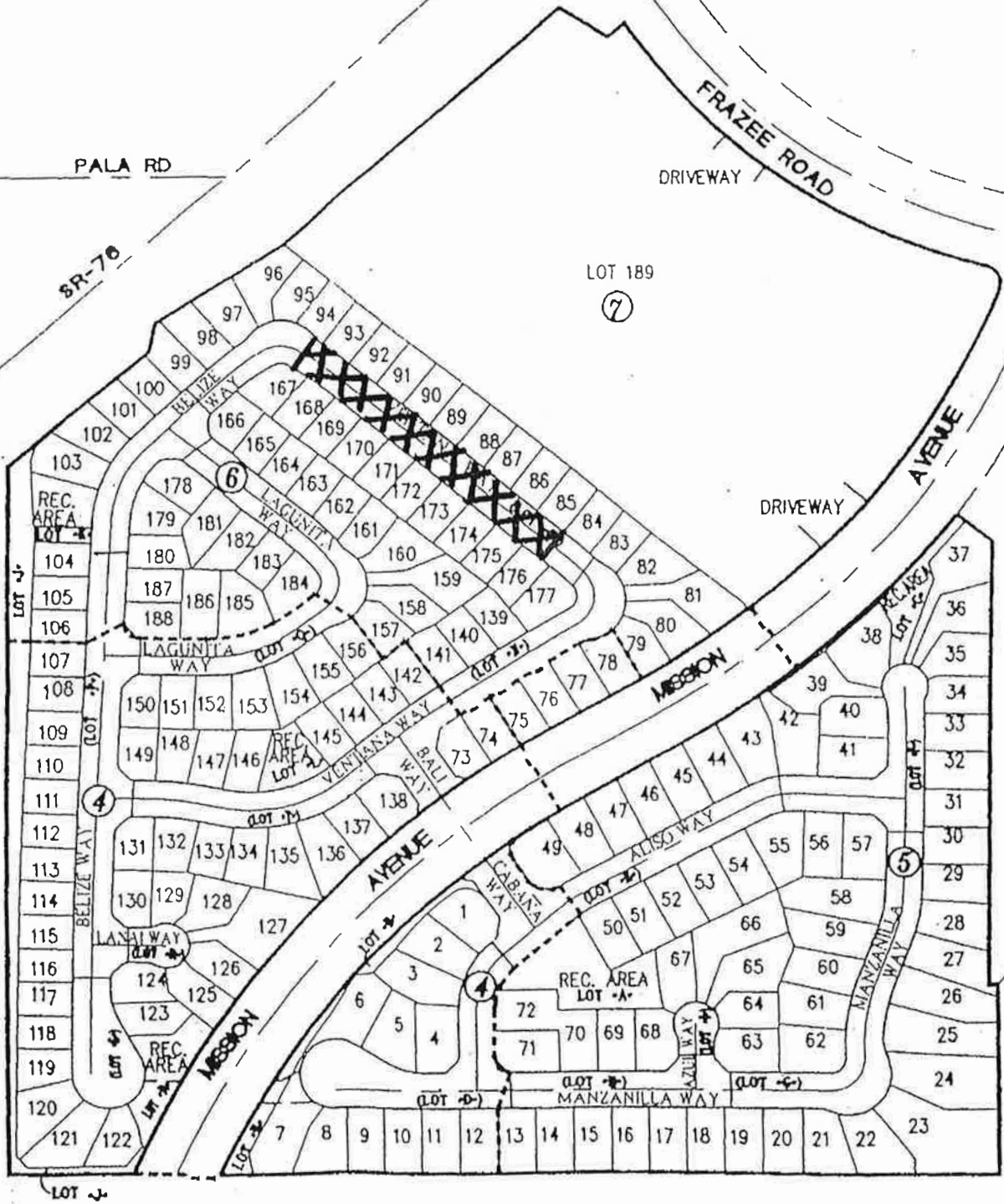
Phase 6

Lot 73 through 84, inclusive, Lots 139 through 142, inclusive, Lot 177, and Lots N and O of Area 7.3 of Rancho Del Oro-Village VII, Map No. 13970, filed on May 26, 2000, in the Office of the County Recorder of San Diego County, together with those certain walls and fences depicted on Exhibit "C" attached hereto.

SCALE: 1"=200'

Exhibit "D"

2666



Easement Area
Belamar Phase 5