

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Vista Homeowners Association
c/o Transcontinental Management, Inc.
3355 Mission Avenue, Suite 111
Oceanside, CA 92054
(Attn: Steve Neu, Property Manager)

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FOURTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS

FOR

VISTA HOMEOWNERS ASSOCIATION

NOTICE

(Gov't Code §12956.1)

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

**FOURTH AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR
VISTA HOMEOWNERS ASSOCIATION**

This document is being recorded to amend that certain Third Amended Declaration of Restrictions for VISTA HOMEOWNERS ASSOCIATION, as amended from time to time (hereafter "Declaration") which was recorded on October 1, 1991, as Document Number 1991-0507862 of Official Records of San Diego County, California against the property (hereafter "Property") legally described as follows:

Lots 1 through 259, inclusive of Vista Tract 80-23 according to Map thereof No. 10515 filed in the Office of the County Recorder of San Diego County, California on November 16, 1982.

This Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions for Vista Homeowners Association has been adopted by a requisite vote of the Members under the provisions of Article VIII, Section 4 of the Declaration, which requires approval by the vote or written assent of at least fifty-one percent (51%) of the voting power of the Members.

California Civil Code Section 1355 provides that an amendment is effective after (1) approval of the percentage of Owners required by the governing documents has been given, (2) that fact has been certified in a writing executed and acknowledged by the Association's President, if no other officer is designated in the Declaration, and (3) the writing has been recorded in the County in which the Property is located. The certification by the President of the Association is attached hereto as Exhibit "A."

Based on the foregoing, the Declaration is hereby amended and restated in its entirety to read as follows:

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF VISTA HOMEOWNERS ASSOCIATION**

This DECLARATION is made on September 21, 2006 as a revision to those covenants, conditions and restrictions ("CC&R's") declared on September 23, 1982, by CAL-WEST DIVERSIFIED, INC., the California corporation that initiated the Planned Unit Development ("PUD") known as Vista Del Mar, a Senior Community. This Declaration supersedes and replaces all prior declarations and amendments and revisions thereto, as listed below:

1. The Original Declaration, dated September 23, 1982, recorded at the San Diego County Recorder's Office on November 19, 1982 at File/Page No. 82-357994.
2. The First Amendment to the Declaration, dated November 19, 1982, recorded at the San Diego County Recorder's Office on November 19, 1982 at File/Page No. 82-357995.
3. The Second Amendment to the Declaration, dated May 9, 1983, recorded at the San Diego County Recorder's Office on June 10, 1983 as File No. 83-194086.
4. Amendment to the Declaration, dated February 8, 1989, recorded at the San Diego County Recorder's Office on February 10, 1989 as Document No. 89-072936.
5. The Third Amendment to the Declaration, dated August 2, 1991, recorded at the San Diego County Recorder's Office on October 1, 1991 as Document No. 1991-0507862.
6. Amendments to the Third Amendment to the Declaration, dated September 5, 1995, recorded at the San Diego County Recorder's Office on September 15, 1995 as Document No.1995-0411951.
7. Corrected Amendments to the Third Amended Declaration, dated October 19, 1995, recorded at the San Diego County Recorder's Office on November 1, 1995 as Document No. 1995-0495907.

RECITALS

This Declaration is made with reference to the following facts and circumstances:

A. There exists in the City of Vista, State of California, a group of two hundred and fifty nine (259) Lots known as Vista Tract 80-23 according to Map No. 10515 as filed for record in the office of the San Diego County, California, Recorder on November 16, 1982.

B. Lots 1 through 256 were graded and certain improvements made to permit construction of homes as herein later described.

C. Lots 257, 258 and 259, previously conveyed to the Association, are known as Common Area, which hereinafter includes all Common Facilities, modifications thereto and amenities thereon.

D. The Owners of Lots 1 through 256 and all additions thereto receive title to their Individual Lots, plus an appurtenant membership in the Vista Homeowners Association, a California non-profit mutual benefit corporation created for the purpose of administering and controlling the Common Area and regulating certain of the acts and actions of owners with respect to their Individual Lots. These controls and regulations are to be mutually beneficial to all Owners.

E. Vista Homeowners Association shall be operated as housing for older persons. Residency within the Community is restricted by to older persons (including, but not limited to, to Qualifying Residents and Qualified Permanent Residents, as these terms are defined by law and the Association Governing Documents) to the fullest extent permitted by federal, state and local law. Vista Homeowners Association qualifies as a Senior Citizen Housing Development under Section 51.3 of the California Civil Code (or any superseding statute). By adhering to the occupancy age restrictions, Vista Homeowners Association also constitutes housing for older persons under the terms and conditions of the Fair Housing Act Amendments for 1988 (or any superseding statute) and all applicable regulations there under.

F. On September 21, 2006, the Owners of the Individual Lots in the Association, representing fifty-one percent (51%) of the voting power of the Members of the Association voted in person to amend the Original Declaration (as amended from time to time), all in accordance with the procedures for amendment set forth in the Original Declaration. It was the intention of the Owners to amend the Original Declaration (as amended from time to time) as set forth in this document, with the Recordation of this Fourth Amendment to the Declaration. The Owners' action to amend the Original Declaration (as amended from time to time) as set forth herein and the fact that the requisite percentage of affirmative votes required in the Original Declaration was achieved, is attested by the execution of this Fourth Amendment to the Declaration by duly authorized officers of the Association, as required by California Civil Code Section 1355(a). As so amended, the easements, covenants, restrictions and conditions set forth herein shall run with the Properties and be binding upon all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.

PROVISIONS OF DECLARATION

When the Vista Homeowners Association assumed control of Lots 1 through 259, Lots 1 through 256, including any additions thereto, were and shall continue to be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved by their Owners subject to the limitations, restrictions and easements stated herein. Such conditions are for the purpose of enhancing and protecting the value and attractiveness of the Community and every part thereof. All of said declarations, limitations, covenants, conditions, restrictions and easements shall run with the land and shall be binding upon all Owners, their successors and assigns, and all parties having or acquiring any right, title or interest in Lots 1 through 256 inclusive. All present and future Owners, tenants and occupants of Individual Lots within the Community shall be subject to, and comply with, each and every provision of the Association Governing Documents,

as the same or any of them shall be amended from time to time. The acceptance of a deed to any Individual Lot, the entering into a lease, sublease or contract of sale with respect to any Individual Lot, or the occupancy of any Individual Lot shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration and all other Association Governing Documents, as the same or any of them may be amended from time to time, shall be binding on him/her and that he/she will observe and comply with the Association Governing Documents (including this Declaration).

ARTICLE I

DEFINITIONS

1. **"Architectural and Landscaping Committee"** or **"Committee"** means the committee created in accordance with this Declaration.

2. **"Articles of Incorporation"** or **"Articles"** means the Articles of Incorporation of the Association, as the same may be amended from time to time.

3. **"Assessment"** means that portion of the cost of maintaining, improving, repairing, operating the Common Area and operating the Association which is to be paid by each Owner, as determined by the Association and/or any Regular, Special or Special Individual Assessment made or assessed by the Association against an Owner and his/her Individual Lot, in accordance with this Declaration and/or California law.

4. **"Association"** means the VISTA HOMEOWNERS ASSOCIATION, a California non-profit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined in California Civil Code Section 1351(a) (or any superseding statute).

5. **"Association Governing Documents"** is a collective term that means this Declaration, the Articles of Incorporation, the Bylaws and the Association Rules and Regulations (as published in the Homeowners Manual), as each of the same may be amended from time to time.

6. **"Board of Directors"** means the governing body of the Association. Wherever **"Board"** is used in this document, it shall mean the Board of Directors of the Association.

7. **"Bylaws"** means the Bylaws of the Association, as the same may be amended from time to time.

8. **"Common Area"** means all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area owned by the Association at the time of the recordation of this Fourth Amendment to the Declaration is set forth above in Paragraph C of the Recitals. Unless the context clearly indicates a contrary intent, any reference herein to the **"Common Area"** shall also include any Common Facilities located thereon.

9. **"Common Expenses"** means the actual and estimated expenses of operating and maintaining the Common Area (and any reasonable reserve for such purposes), and such other expenses as may arise incident to the operation of the Association, as found and determined by the Board of Directors.

10. **"Common Facilities"** means the Clubhouse, the swimming pool, spa and other facilities constructed or installed, or currently located within the Common Area and owned by the Association.

11. **"Community"** means the Vista Homeowners Association, which consists of the 256 Individual Lots and the Common Area.

12. **"Declaration"** means this Declaration ("CC&Rs"), as the same may be amended from time to time. The "Original Declaration" means and refers to the document referenced in the Preamble to this Declaration.

13. **"Individual Lot"** means those Lots 1 through 256 only, of Vista Tract 80-23, according to Map No. 10515, filed at the San Diego County Recorder's Office on November 16, 1982, that are separately owned by the Members of the Association, and which do not form part of the Association's Common Area. The term "Individual Lot" shall also include the Manufactured Home and any and all improvements constructed or to be constructed on the Individual Lot.

14. **"Institutional Lender"** means any financial institution holding a recorded first mortgage on any Individual Lot in the Community.

15. **"Lot"** means those parcels identified as Lots 1 through 259 of Vista Tract 80-23, according to Map No. 10515, recorded at the San Diego County Recorder's Office, on November 16, 1982.

16. **"Manufactured Home"** shall mean the pre-manufactured residential structure which an Owner causes to be installed upon his/her Individual Lot in accordance with the guidelines established from time to time by the Board and/or the Architectural and Landscaping Committee.

17. **"Member"** means a person or entity entitled to membership in the Association as provided herein. Whenever "membership" is used in this Declaration for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting, as specified in this

Declaration, all persons who are members because of their joint ownership of a particular Individual Lot shall be counted as one (1).

18. **"Mortgage"** means any security device encumbering any or all portion of the Properties, including, but not limited to, a deed of trust. A "first mortgage" shall mean a mortgage which is recorded, which has first priority over all other mortgages, and which was made in good faith and for value.

19. **"Mortgagee"** shall refer to a beneficiary or a holder of a deed of trust, as well as, a mortgagee in the conventional sense.

20. **"Mortgagor"** shall refer to a trustor of a deed of trust, as well as, a mortgagor in the conventional sense.

21. **"Owner"** means any person, firm, corporation or other entity which owns a fee simple interest in any Individual Lot. If a Lot is transferred or conveyed to a trust, the Owner is the trustee or co-trustees of such trust. **"Owner of Record"** includes an Owner and means any person, firm, corporation or other entity who is the record holder or holders of title to an Individual Lot in the Community, as shown by the Official Records of the San Diego County Recorder's Office. "Owner" shall also include any person having a fee simple title to any Individual Lot and shall include the seller under a recorded installment land sales contract, but shall exclude persons or entities having any interest merely as security for the performance of an obligation. Whenever **"Owner"** is used in this Declaration for the purpose of determining quorums, percentages, or minimum or maximum numbers for voting, as specified in this Declaration, all the Owners of a particular Individual Lot shall be counted as one (1).

22. **"Person"** means a natural person, a corporation, a partnership, a trustee, or other legal entity.

23. **"Properties"** means all parcels of real property (Common Area and Individual Lots) as described in the Recital, together with all buildings, structures, utilities, Common Facilities, and other improvements now located or hereafter constructed or installed thereon and all appurtenances thereto.

24. **"Residence"** means a Manufactured Home constructed or to be constructed on an Individual Lot.

ARTICLE II

DESCRIPTION OF THE PLANNED UNIT DEVELOPMENT KNOWN AS VISTA DEL MAR,
USE OF COMMON AREA AND CONVEYANCE OF THE COMMON AREA
TO THE ASSOCIATION

1. Description. The Planned Unit Development known as the Vista Homeowners Association, consists of 256 Individual Lots and the Common Area.

2. Use of Common Area. Each Owner shall have a non-exclusive right and an easement of use and enjoyment over and across the Common Area (subject to the provisions of the Association Governing Documents) in accordance with the purposes for which the Common Area is intended so long as the rights of other Owners are not hindered by or otherwise encroached on by such use and subject to certain rights of the Association related to the Common Area, including, but not limited to, the following provisions:

- a. The right of the Association to regulate and manage the Common Facilities located within the Properties.
- b. The right of the Association to adopt Association rules (as set forth in the Homeowners Manual), regulating the use and enjoyment of the Properties for the benefit and well being of all Owners in common.

The foregoing right and easement shall be appurtenant to and shall not be conveyed or otherwise transferred separately from its respective Individual Lot and shall be deemed to be conveyed or encumbered with its respective Individual Lot even though the description in the instrument of conveyance or encumbrance may refer only to fee title to the Individual Lot.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

1. The Association Shall Manage the Common Area. The management of the Common Area shall be vested in the Association, through its Board of Directors, in accordance with the Association Governing Documents and California law.

2. Membership. The Owner of an Individual Lot shall automatically, upon becoming the owner of same, be a Member of the Association for each Individual Lot owned and shall remain a Member thereof until such time as his/her ownership of the Individual Lot ceases for any reason, at which time his/her membership in the Association shall automatically cease. Persons or entities who hold an interest in an Individual Lot merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Individual Lot through foreclosure or deed in lieu thereof.

3. Transferred Membership. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale of the Individual Lot to which it is appurtenant, and then only to the purchaser of such Individual Lot. In the case of a sale, the membership appurtenant to the transferred Individual Lot shall pass automatically to the purchaser upon the recording of a deed evidencing the transfer of title. Any attempt to make a prohibited transfer is void. In the event the Owner of any Individual Lot should fail or refuse to transfer the membership registered in his/her name to the purchaser of his/her Individual Lot, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void. Within three (3) days of the transfer of any Individual Lot, the transferor and transferee thereof must each notify the Board of Directors, in writing, of the transfer.

4. Membership and Voting Rights. Each Member shall be entitled to one (1) vote per Individual Lot owned by that Member. When more than one (1) person holds an interest in one Individual Lot, all such

persons shall be members. However, for voting purposes, Individual Lots that are owned by more than one person shall be considered one "Member" and shall be entitled to only one (1) vote that shall be cast as the majority of such persons among themselves determine. In no event shall more than one (1) vote be cast with respect to any Individual Lot, and in no event shall an Individual Lot vote be split. The Owner (or holder of a valid proxy) exercising the vote for any Individual Lot at a meeting shall be conclusively held to be voting in the manner determined by the majority of the Owners of that Individual Lot unless the Association is otherwise notified in writing prior to the meeting or an objection is made by another Owner of that Individual Lot from the floor at the meeting.

Any provision of the Association Governing Documents calling for membership approval of actions to be taken by the Association shall require the vote or written assent of a prescribed percentage of the membership, as set forth in the Association Governing Documents or California law.

ARTICLE IV

ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Individual Lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is hereby deemed to covenant and agree to pay to the Association: (a) Regular Assessments or charges (payable in equal monthly installments); (b) Special Assessments (for capital improvements), and (c) Special Individual Assessments (assessments levied against Owners for damage caused to the Common Area and/or for gaining the Owner's compliance with the Association Governing Documents). Each such Assessment shall be established and collected as hereinafter provided. All Assessments, together with interest, costs and reasonable attorneys' fees incurred by the Association in collecting any delinquent assessment(s), shall be a charge and a continuing lien upon the Individual Lot against which each such assessment is made. The lien shall become effective upon the recordation of a Notice of Assessment Lien. Such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such Individual Lot at the time when the assessment fell due. Each Owner who acquires title to the Individual Lot (whether by conventional conveyance, judicial sale, trustee's sale or otherwise) shall be personally liable only for those Assessments attributable to the Individual Lot which become due and payable after the date that person acquires title. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them. However, if the acquired Individual Lot is subject to a valid lien for delinquent Assessments (and related costs of collection), the Association may continue to exercise its foreclosure remedies against the Lot, regardless of the change in ownership, and/or the Association may pursue its collection remedies against the prior Owner, individually. No Owner may exempt himself/herself from liability for assessments by the abandonment of his/her Individual Lot or by his/her failure or refusal to use the Common Area (or any facilities located thereon).

2. Purpose of Assessments. The Assessments levied by the Association shall be used for purposes including, but not limited to, the following: To pay for the maintenance, repair, replacement, restoration, operation and management of the Common Area, and to pay other necessary costs arising incident to the operation of the Association.

3. Regular Assessments.

a. Determining Annual Assessments. At least ninety (90) days before the close of each fiscal year of the Association, the Board of Directors shall determine the operating budget for the Association for the succeeding fiscal year. The operating budget shall include all expenses of the Association, and an adequate reserve fund for maintenance, repairs and replacement of the Common Area. The amount so determined (less any surplus expected to be on hand from the prior year's operating budget) shall be the total Association annual Regular Assessment. The Board may appoint a Finance Committee to assist in the determination of the operating budget.

b. Maximum Total Association Annual Regular Assessment. The total annual Regular Assessment, as set by the Board, may not be increased each year by more than twenty percent (20%) above the total annual Regular Assessment for the Association, for the previous fiscal year, except by the affirmative vote of a majority of a quorum of the membership, as provided by the Civil Code Section 1366 (or any superseding statute).

4. Special Assessments. In addition to the Regular Assessments authorized above, the Association may levy, in any fiscal year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area; provided, however, that in any fiscal year the Board may not, without the vote or written assent of a majority of the votes of the membership levy special assessments to defray the costs of any action or undertaking on behalf of the Association that in aggregate exceeds five percent (5%) of the budgeted gross annual expenses of the Association for that fiscal year, as provided by Civil Code Section

1366 (or any superseding statute). The provisions hereof with respect to Special Assessment do not apply in the case where the special assessment (i.e. a "Special Individual Assessment" as discussed in the paragraph below) against a Member is a remedy utilized by the Board to reimburse the Association for costs incurred in bringing the Member and his/her Individual Lot into compliance with the Association Governing Documents.

5. Special Individual Assessments. The Board may impose Special Individual Assessments against any Owner, in any of the circumstances set forth below. However, no Special Individual Assessment may be imposed against an Owner pursuant to this Paragraph 5, until the Owner has been afforded the notice and hearing rights to which he/she is entitled, pursuant to the Association Governing Documents and California law. Subject to the foregoing, the acts and circumstances which may give rise to liability for Special Individual Assessments include, but are not limited to, the following:

a. Damage to Common Area or Common Facilities. In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities is caused by the willful misconduct or negligent act or omission of any Owner, any member of his/her family, or any of his/her tenants, his/her guests, his/her invitees (or his/her tenant's guests or invitees), the Board shall cause the same to be repaired or replaced. All costs and expenses incurred in connection with the repair or replacement shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

b. Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to (a) accomplish the payment of delinquent Assessments by an Owner, or (b) to call an Owner to a due process hearing, in order to bring the Owner and/or his/her Individual Lot into compliance with any provision of the Association Governing Documents, the amount incurred by the Association (including reasonable fines and penalties duly imposed hereunder, accounting fees, and/or reasonable attorneys' fees) incurred by the Association in

calling the Owner to a due process hearing, shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

Once a Special Individual Assessment has been levied against an Owner for any reason described above, notice thereof shall be mailed to the affected Owner. The Special Individual Assessment shall be due and payable as a separate debt of the Owner payable in full to the Association within thirty (30) days after the mailing of the notice of Special Individual Assessment.

6. Assessments to Address Emergency Situations. The requirement of a membership vote to approve (a) Regular Assessment increases in excess of twenty percent (20%) of the previous year's Regular Assessments, or (b) Special Assessments that, in the aggregate, exceed five percent (5%) of the Association's budgeted gross expenses for the fiscal year in which the Special Assessment(s) are levied, shall not apply to Assessments that are necessary to address emergency situations. For the purposes of this section, an emergency situation is that defined in Civil Code Section 1366 (or any superseding statute) and includes any of the following:

- a. An extraordinary expense required by an order of a Court.
- b. An extraordinary expense necessary to repair or maintain the Common Areas and/or Common Facilities where a threat to personal safety is discovered.
- c. An extraordinary expense necessary to repair or maintain the Common Areas and/or Common Facilities that could not have been reasonably foreseen by the Board in preparing and distributing the budget.

However, prior to the imposition or collection of an assessment under this paragraph, the Board shall pass a resolution containing the written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members, together with the notice of the Emergency Special Assessment.

7. Division and Payment of Assessments.

a. The aggregate cost of those items shown on the operating budget of the Association, from year to year, shall be divided equally among the Individual Lots in determining Regular Assessments.

b. Special Assessments shall also be charged to and divided among each of the Individual Lots equally, in the same manner prescribed for the allocation of Regular Assessments.

c. The Owners of each Individual Lot shall be jointly and severally liable for the assessment made against his/her Individual Lot. Each Owner shall be obligated to pay to the Association his/her annual Regular Assessment in twelve (12) equal monthly installments on or before the first (1st) day of each calendar month, and to pay Special Assessments within thirty (30) days after their levy or at such times as the Board of Directors shall designate. All assessments shall be paid at such place as the Board of Directors shall designate.

8. Regular Assessments - Miscellaneous. Regular Assessments shall become due on the first day of the month. The Board of Directors shall determine and fix the amount of the annual Regular Assessment against each Individual Lot at least thirty (30) days in advance of the initial levy of the same. Written notice of the annual Regular Assessment for each Individual Lot shall be sent to the Owner thereof by the Association not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year as provided in Civil Code 1365(a)(4) (or any superseding statute). The Association shall, upon demand by anyone with a legitimate interest, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Individual Lot has been paid. A properly executed certificate of the Association as to the status of assessments on an Individual Lot shall be binding upon the Association as of the date of its issuance.

9. Nonpayment of Assessments; Recording of Lien. If any assessment is not paid within fifteen (15) days after the due date, a late charge, in such amount as is determined by the Board of Directors, shall be assessed for each month or fraction thereof from the due date until the assessment and all late charges are paid. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Individual Lot. Commencement of a legal action against the Owner shall not constitute a waiver of any lien rights as described in this paragraph.

In compliance with the requirements specified in sections of the California Civil Code (or any superseding statute) the Board of Directors may cause to be recorded as to any delinquent assessment in the Official Records of San Diego County, California, a Notice of Assessment Lien. The Notice shall state the amount of such delinquent assessment and such related charges as may be authorized by this Declaration and California Civil Code Section 1366 (or any superseding statute). It shall include a description of the Individual Lot against which the lien has been assessed, and the name of the recorded or reputed owner of the Individual Lot. The Notice shall be signed by any member of the Board of Directors or the person designated by the Association for that purpose and mailed in the manner set forth in Civil Code Section 2924b (or any superseding statute) to all record owners of the Individual Lot no later than ten (10) calendar days after recordation. Said Notice of Assessment Lien shall also be deemed to secure all those foregoing items. They shall become due or incurred relative to the Individual Lot after the recordation of the lien, and until the completion of the enforcement of the lien or the payment of the full amount secured by the lien, or any other satisfaction to be made in connection therewith. Within twenty-one (21) days of the payment of the sums specified in the Notice of Assessment Lien, the Association shall record or cause to be recorded in the Office of the County Recorder a lien release or notice of rescission and provide the Owner a copy of the lien release or notice that the delinquent assessment has been satisfied.

10. Subordination of the Lien to First Deeds of Trust and First Mortgages; Notice of Default. The lien for assessments provided for herein shall be subordinate to the lien for the first mortgage only. However, the sale or transfer of any Individual Lot pursuant to a judicial foreclosure under the first mortgage or an exercise of the power of sale under a first mortgage shall extinguish the lien for such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Individual Lot from liability for any assessments thereafter becoming due or from the lien thereof.

11. Priorities; Enforcement; Remedies. When a Notice of Assessment Lien has been recorded, the amounts reflected in and by such Notice shall constitute a lien on such Individual Lot prior and superior to all other liens except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and, (b) the lien or charge of any first mortgage.

The lien reflected by such Notice of Assessment Lien may be enforced by sale by the Association, its attorney, or any other person authorized to make the sale; provided, however, that no proceeding or action shall be instituted to foreclose such lien, either judicially or under the power of sale granted herein, until notice of intention to proceed to foreclose the lien shall have been delivered by the Board of Directors, at least thirty (30) days prior to the commencement of any such action or proceeding, to the Owner of the Individual Lot affected by the lien. Such sale shall be conducted in accordance with the provisions of Sections 2924 - 2924h of the California Civil Code (or any superseding statute) applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law.

The Association, acting on behalf of the Owners, shall have the power to bid for the Individual Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent, and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

Subject to the provisions of the Bylaws, the Board may suspend the voting rights and right to use the recreational facilities of a Member who is in default in payment of any assessment.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS;
RESTRICTIONS ON BOARD MEMBERS

1. General. In addition to the duties and powers enumerated in the Bylaws and in this Declaration, and without limiting the generality thereof, the Board of Directors shall have the responsibility and authority to:

a. Exercise all powers vested in the Board under the Association Governing Documents and under the laws of the State of California.

b. Maintain, repair, replace, restore, operate and manage all of the Common Area and all facilities, improvements, equipment and landscaping situated thereon, and establish an adequate reserve fund for repair, replacement and restoration thereof. In the event that the need for maintenance or repair of the Common Area is caused through the willful or negligent act of an Owner, members of his/her household, his/her guests, tenants, invitees, licensees or tenants, or tenants' guests or tenants' invitees the cost of such maintenance or repair or replacement for such maintenance or repair, shall be levied as a Special Individual Assessment, added to and become a part of the assessment to the attributable Owner's Individual Lot, as more particularly set forth in this Declaration.

c. Obtain all water, gas and electric service, refuse collection, and janitorial and gardening service necessary in connection with the operation and maintenance of the Common Area.

d. Secure:

(i) appropriate fidelity bond coverage to protect against dishonest acts by the Association's officers, directors, employees, trustees, and all others who are responsible for handling of the Association funds,

(ii) insurance for the protection of the Board of Directors from personal liability in the management of the Association's affairs,

(iii) fire and extended coverage insurance for the Common Area,

(iv) a comprehensive policy of public liability insurance covering all of the Common Area,

(v) worker's compensation insurance (if necessary), and

(vi) such other policy or policies of insurance as the Board of Directors deems necessary or desirable in protecting the interests of the Association and its Members.

e. Employ at its option, a manager or other persons or contract with independent contractors or managing agents to assist in the operation of the Association, to fix their duties and establish their compensation.

e. Discharge by payment, if necessary, any lien against the Common Area, and assess the cost thereof to the Member or Members responsible for the existence of said lien.

f. Adopt reasonable rules not inconsistent with this Declaration relating to the use of the Common Area, the Common Facilities and the conduct of Owners and their tenants and guests with respect to the Common Area and the Common Facilities.

g. Enforce all applicable provisions of the Association Governing Documents and all other related instruments or documents with respect to the ownership, management or control of the Individual Lots, Common Areas and Common Facilities within the Association. In so doing, exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by the provisions of the Association Governing Documents.

h. Prepare annual reports, balance sheets and operating statements for the Association, and maintain books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles.

i. Appoint and remove all officers of the Association.

j. Impose monetary penalties and/or temporary suspensions of an Owner's rights as a Member of the Association (including the suspension of voting rights and the right to use the Common Area and the recreational Common Facilities) or other appropriate discipline for failure to comply with the Association Governing Documents, provided that notice and a hearing are provided to the Owner, as more particularly set forth in this Declaration.

k. Fill a vacancy on the Board of Directors, or on any committees of the Board, except for a vacancy created by the removal of a Board member by a vote of the membership.

l. Pay for pest control, state franchise taxes, Common Area lighting, street cleaning and other expenses with respect to the Association, which are or would become a lien on any portion of the Common Areas, and, and other necessary charges, costs and expenses with respect to the Common Area, subject to the limitations set forth below in Paragraph 3, under Restrictions/Limitations on Powers of the Board and California law.

m. Enter into contracts for the furnishing of goods or services for the Common Area and Association, subject to the limitations set forth below in Paragraph 3, under Restrictions/Limitations on Powers of the Board and California law.

n. Delegate its powers to officers of the Association, to committees established by the Board or employees of the Association, to such extent and in such manner as the Board of Directors may from time to time reasonably determine.

o. Enter upon any Individual Lot as necessary, in connection with construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common.

p. Temporarily transfer money from a reserve fund to the Association's general operating funds, as authorized by law, including, but not limited to, when funds are needed to meet short-term cash flow requirements or other Association expenses.

q. Subject to compliance with California Civil Code Section 1354 (or any superseding statute), institute, defend, settle or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceedings involving Association matters, including, but not limited to, matters pertaining to:

- (i) enforcement of the Association Governing Documents.
- (ii) damage to the Common Areas.

2. **Duties.** In addition to such duties as are imposed upon it by the provisions of the Bylaws or elsewhere provided herein, it shall be the duty of the Board of Directors to:

- a. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting.
- b. Supervise all officers, committee members, agents and employees of the Association, and to see that their duties are properly performed.
- c. Levy and collect Assessments from Members of the Association as stated in ARTICLE IV, ASSESSMENTS.

3. **Restrictions/Limitations on Powers of the Board.** The Board of Directors shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the votes of the Association membership.

- a. Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) budgeted gross expenses of the Association for that fiscal year.

b. Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

c. Paying compensation to members of the Board of Directors or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a director or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

d. Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one

(1) year, with the following exceptions:

(i) A management contract for the Association,

(ii) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission, provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(iii) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration, provided that the policy permits for short rate cancellation by the insured.

(iv) Lease agreements for fixtures or equipment ~~of~~ not to exceed five (5) years duration.

e. Filling a vacancy on the Board of Directors created by the removal of a Board member by a vote of the membership.

ARTICLE VI

UTILITIES

1. **Owners' Rights and Duties.** The rights and duties of the Owners with respect to sanitary sewer, water, electric, gas, cable television, telephone lines and connections shall be as follows:

a. Whenever sanitary sewer, water, electric, gas, cable television, telephone lines, and connections are installed within the Community, which lines and connections or any portion thereof lie upon the Common Area or upon Individual Lots owned by someone other than the Owner of an Individual Lot served by said lines and connections shall have the right and is hereby granted a non-exclusive easement to the full extent necessary therefore, to have utility companies enter upon the Common Area and the Individual Lot upon which said connections and lines or any portion thereof lie to repair, replace and generally maintain said connections and lines as and when necessary.

b. Whenever sanitary sewer, water, electric, gas, cable television, telephone lines and connections are installed within the Community, which lines and connections serve more than one (1) Individual Lot, the Owner of each Individual Lot served by said lines and connections shall be entitled to the full use and enjoyment of such portions of said lines and connections as service his/her Individual Lot.

2. **Association's Duties.** The Association shall maintain all utility installations located in the Common Area, except for those installations maintained by utility companies of any kind, whether public, private or municipal.

ARTICLE VII

USE RESTRICTIONS

In addition to all of the other provisions and conditions contained herein, the use of the Common Area and each Individual Lot shall be subject to the following:

1. **Lot Use.** All Individual Lots shall be used for single-family Manufactured Home residential purposes. In no event shall a Manufactured Home be occupied by individuals who do not satisfy the Age Restrictions set forth in the Association Governing Documents. No commercial or industrial usage shall be conducted thereon.

2. **Nuisances.** No illegal, noxious or offensive activities shall be carried out or conducted upon any Individual Lot, or in any part of the Community. Nothing shall be done thereon which (i) may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each Owner of his/her Individual Lot, (ii) shall in any way increase the rate of insurance for the Association, or cause any insurance policy to be canceled or to cause a refusal to renew the same, and/or (iii) will impair the structural integrity of any building in the Community.

3. **Parking and Vehicle Restrictions.** The following parking and vehicle restrictions shall apply within the Properties:

a. Other than within an enclosed garage or carport, no inoperable vehicle, trailer, camper, commercial vehicle, boat or similar equipment shall be permitted to remain upon any area within the Community. No motor vehicle shall be constructed, reconstructed or repaired within the Properties and no inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Properties. Notwithstanding the foregoing restrictions, certain vehicles otherwise prohibited above may be parked in the designated recreational vehicle parking area, but only to the extent authorized by and subject to the Association's Rules and Regulations (as published in the Homeowners Manual) for use of the recreational vehicle parking area.

b. Certain streets in the Association are designated as fire lanes. Parking shall not be permitted on any street within the Properties, except in approved, designated and marked parking areas. Designated guest parking areas within the Common Areas are primarily for guest use only, and not to be used by Owners or Residents for purposes of parking or storing vehicles, campers, motor homes, etc. except as authorized by the Association Governing Documents.

c. Any signs or markings of a commercial nature on any vehicles parked permanently in the Community shall be unobtrusive and inoffensive, as determined by the Board.

d. No noisy or smoky vehicles shall be operated within the Community.

e. No off-road unlicensed motor vehicles shall be operated within the Community.

f. The Board shall have the authority to promulgate further reasonable rules and restrictions of uniform application regarding the parking and/or operation of vehicles within the Community as necessary to regulate parking within the Community.

4. **Signs**. Commercial signs of any size or description are prohibited, except "FOR SALE" or "FOR RENT" signs of customary and reasonable dimensions as permitted by law may be displayed without approval of the Board (provided that they are posted or placed entirely within an Owner's Individual Lot, and not on the Association's Common Area). Owners may not post non-commercial signs and posters that are more than nine (9) square feet in size. Owners also may not post non-commercial flags or banners that are more than fifteen (15) square feet in size. Non-commercial signs, posters, flags and banners may not be posted in an Owner's Individual Lot where they will detrimentally affect the protection of public health or safety and/or if the posting or display would violate a local State or Federal law.

5. **Rubbish Disposal.** All rubbish, trash and garbage shall be regularly removed (which in all cases shall be at least every seven (7) days) and shall not be allowed to accumulate upon any part of the Community. All rubbish, trash and garbage shall be kept in sanitary containers. All trash enclosures or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, woodpiles or storage piles, including trash and recycle containers, shall be kept screened and concealed from view of other Individual Lots and streets. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the installation of improvements on an Individual Lot) shall be removed from the Properties to a public dump or trash collection area by the Owner or tenant at his/her expense. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this section.

6. **Radio and Television Antennas.**

- a. No outside television antenna, aerial or other similar device ("Antenna") with a diameter or diagonal measurement in excess of thirty-six (36) inches shall be erected, constructed or placed on any Individual Lot.
- b. The installation of any Antenna with a diameter or diagonal measurement of thirty-six (36) inches requires prior approval of the Board of Directors or its designated committee. (This requirement is in compliance with California Civil Code Section 1376b and 1376c relative to television antennas, and the requirements of the Federal Communications Commission, or any superseding statute or regulation.)
- c. Upon the prior written approval of the Board of Directors or its designated committee, which approval shall not be unreasonably withheld, the Association may approve an application for the installation of an Antenna, if the application indicates that the installation will satisfy all the conditions set forth below. The burden is on the

applicant to show that all conditions are satisfied. Any application for the installation of an Antenna must indicate, and the Owner must be able to demonstrate the following: (i) the Antenna is for the personal, non-commercial use of the Owner or resident, (ii) the location of the Antenna is as inoffensive as possible to other Owners and residents, and (iii) all installations will comply with local zoning requirements and building codes, as applicable.

d. Before approving an Application for an Antenna, the Board of Directors or its designated committee shall have the power, within the law (as amended from time to time), to require such specific forms of placement of the device as it deems appropriate to achieve the intent of this section, which is primarily aesthetic appearance.

7. Right to Rent or Lease.

a. Owners shall have the right to rent or lease their Individual Lots provided that the lease or rental agreement is made subject to the provisions and conditions of this Declaration and other Association Governing Documents (as the same or any of them shall be amended from time to time), all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner- lessor shall provide any tenant or lessee with a current copy of all Association Governing Documents and shall be responsible for compliance by the tenant or lessee (and the tenant/lessee's guests, invitees) with all of the provisions of the Association Governing Documents, during the tenant's/lessee's occupancy and use of the Individual Lot.

b. Any Owner may delegate his/her right to use and enjoy the Common Area and Common Facilities to his/her tenants or lessees. However, during this period when an Individual Lot has been rented or leased, the Owner-lessor, his or her family members, guests and invitees shall not be entitled

to use and enjoy the Common Areas or Common Facilities, except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Individual Lot. This restriction does not apply to any Owner-lessor who is contemporaneously residing in another Individual Lot within the Community.

c. Owners must notify the Board, in writing, within seven (7) days of the initiation of the lease or rental agreement and any subsequent changes.

8. **Construction and Improvements.**

a. No Manufactured Home improvement, or other structure of any kind shall be constructed, commenced, erected, decorated, painted, resurfaced or otherwise maintained upon any Individual Lot, nor shall any alteration or improvement of any kind be made thereto until: (i) the same has been approved, in writing, by the Architectural and Landscaping Committee, and (ii) all necessary governmental approvals and permits have been obtained for the same. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, and the like shall be submitted in writing to the Architectural and Landscaping Committee for approval.

b. In the event an Owner proceeds with the installation of improvements on his/her Individual Lot without proper approval, the Association shall be entitled to exercise the enforcement remedies set forth in this Declaration, and the Association Governing Documents, including, but not limited to, ordering an immediate cessation and abatement of all aspects of the proposed modification or improvement, until such time as the proposed modification or improvement is reviewed by the Committee and approval is granted.

c. All proposed improvements must be consistent with the Committee's adopted rules and guidelines, as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation.

d. Modifications to the landscaping of the Individual Lots shall not be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the proposed materials [including, but not limited to, natural materials (such as plants, grass, trees or shrubs) and synthetic materials (such as concrete, rock or other similar materials)] to be used shall have been submitted to and approved in writing by the Committee as being consistent with Association adopted rules and guidelines.

e. Whenever any plans and specifications are submitted in writing to the Committee, pursuant to the provisions of this paragraph, they shall be approved or disapproved within thirty (30) days after the date of submission to the Committee. However, said plans and specifications will be deemed disapproved for the purposes of this paragraph if the Committee fails to approve the plans and specifications within thirty (30) days after the date of submission to the Committee.

f. Once a proposed work or improvement has been duly approved by the Committee, no material modifications shall be made in the approved plans and specifications thereof and no subsequent alteration, relocation, addition or modification shall be made to the work of improvement, as approved, without a separate submittal to, and review and approval by, the appropriate Committee. If the proposed modification will have, or is likely to have, a material affect on other aspects or components of the work, the Committee, in its discretion, may order that the Owner and

his/her contractors cease working not only on the modified component of the improvement, but also on any affected component.

9. Clothes Lines. No exterior clothes lines shall be erected or maintained on or in the Community and there shall be no drying or laundering of clothes on any Individual Lot in any manner that is visible from any neighboring Individual Lot or the Common Area.

10. Power Equipment and Car Maintenance. No power equipment, hobby shops or car maintenance (other than emergency work) shall be permitted within the Community except with prior written approval of the Board. Approval shall not be unreasonably withheld, and in deciding whether to grant approval the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar objections. The hours of operation of any power equipment, hobby shops and/or car maintenance are subject to limitation, as established by the Board from time to time.

11. No Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage, or other outbuilding (and/or the use of these temporary structures as a residence) shall be permitted on any Individual Lot at any time.

12. No Oil, Quarrying or Mining Operations. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted within the Community, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted.

13. Water Run-Off. No Individual Lot shall be improved or altered by any structure, fence, wall planting or landscaping which will significantly alter the established drainage pattern of the Individual Lot.

14. No Re-subdivision. No Individual Lot shall be further subdivided nor less than all of any such Individual Lot be conveyed by any Owner thereof and no Owner of an Individual Lot within the Properties shall be entitled to sever that Individual Lot from the Common Area portion of the Properties.

15. Access. Each grantee of an Individual Lot agrees for himself/herself, his/her heirs, assigns, and successors-in-interest that he/she will permit free access by Owners of adjacent or adjoining Individual Lots to any slopes or drainage facilities located on his/her Individual Lot which affect such adjacent or adjoining Individual Lots when: (a) such access is essential for the maintenance of permanent stabilization on said adjacent or adjoining Individual Lots, or (b) such access is essential for the maintenance of the drainage facilities for the protection and use of property other than that on which the slope or drainage facility is located.

16. No Rezoning. Upon recordation of this Declaration, no petition to rezone any part of the Community will be circulated or signed by any Owner, and no application for rezoning will be signed or filed with any governmental authority by any Owner without first obtaining in writing the approval of the Board of Directors.

17. Senior Citizen Community. Notwithstanding any powers given to the Board below to the contrary, this Community shall be operated as housing for older persons. Thus, residency within this Community shall be restricted to older persons to the fullest extent permitted by Federal, State and local law. Specifically, the Association and its Members shall each be empowered to enforce compliance with all applicable Federal, State and local "Laws," as defined below, which permit age restrictions in housing (including, without limitation, the Fair Housing Amendments Act of 1988, 42 U.S.C. Section 3601 et seq. and the California Unruh Civil Rights Act, California Civil Code Section 51 et seq.), as any such laws may be superseded from time to time hereafter.

There have been, and it is likely that there will continue to be changes in the Laws affecting housing for older persons after the date this Amendment is recorded. Therefore, to avoid further amendments to

this Declaration, which may be needed due to subsequent changes in the Laws pertaining to age restrictions, the Association's Board of Directors shall be empowered to promulgate Rules and Regulations to implement and comply with any such Laws. This includes amending such Rules and Regulations from time to time to achieve compliance with any subsequent legislation or court rulings pertaining to age restrictions. The age restriction provisions of this section shall be deemed to have been amended by any Rules and Regulations promulgated by the Board under the authority of this section. Therefore, all Owners, residents and prospective purchasers shall be deemed to have constructive notice of any such Rules and Regulations promulgated by the Board. If any Law, now or hereafter enacted, should require or be interpreted to require that specific restrictions applicable to housing for older persons be recorded as part of this Declaration, then the Board shall be empowered, without any approval of the Owners or Members, to record an amendment to this Declaration to ensure that this Community remains eligible as housing for older persons under applicable Laws.

The following are the minimum requirements applicable at the time this section is enacted. To ensure compliance with the Fair Housing Amendments Act of 1988, occupancy of each Residence in this Community shall be restricted to at least one (1) person fifty-five (55) years of age or older. Furthermore, to comply with the requirements of the Unruh Civil Rights Act, all residents of this Community shall be fifty-five (55) years of age or older, unless a resident qualifies under one of the exceptions to the age requirements of the Unruh Civil Rights Act (or any superseding statute).

Notwithstanding any exception which arguably may be permitted by the Unruh Civil Rights Act, a minimum of eighty percent (80%) of the Individual Lots in this Community shall be occupied by at least one (1) person fifty-five (55) years of age or older. Any person, who is under fifty-five (55) years of age, and who otherwise qualifies under the Law for residency in housing for older persons may continue to reside within an Individual Lot until such time as the Individual Lot is sold or transferred to any other person. In no case may any such

person reside within an Individual Lot if such residency would cause the number of Individual Lots occupied solely by persons under fifty-five (55) years of age to exceed twenty percent (20%) of the residential Individual Lots in this Community. Individual Lots sold or transferred by persons under fifty-five (55) years of age, who resided on said Individual Lot by virtue of this provision, shall be occupied, after sale or transfer, by at least one (1) person fifty-five (55) years of age or older.

For purposes of this section, the word "Law" shall include, without limitation, all statutes, ordinances and other forms of legislative enactments and amendments, administrative rulings and guidelines, and decisions and interpretations from and arising out of administrative enforcement proceedings and court decisions. For purposes of this section the word "Declaration" shall have the meaning set forth in California Civil Code Section 1351, or any successor statute.

In the event of any inconsistency or conflict between the provisions of this section and any other provision of the Declaration, the terms of this section shall control. Furthermore, in the event of any inconsistency among the provisions of Federal Law, State Law, local Law, this Declaration, and the Association's Rules and Regulations, then the Association's Rules and Regulations and this Declaration shall be controlled by the provisions of Federal Law, State Law and local Law, in that order.

18. Recreational Vehicle Storage. Lot 258 of Vista Tract 80-23, according to Map thereof No. 10515, as filed for record in the Official Records of San Diego County, California, on November 16, 1982, which Lot constitutes a portion of the Common Area, shall be used, subject to such rules and regulations as are promulgated by the Board of Directors from time to time, for the storage of recreational vehicles. Owners shall be restricted from storing their recreational vehicles anywhere in the Community except upon such property.

19. Utility Installations. No pipes, conduits, lines, wires, equipment or facilities for the communication, transmission or metering of electricity, gas, water, telephonic or other utility shall

be constructed, placed or permitted to be placed anywhere upon an Individual Lot other than within a Manufactured Home or other improvement on such Lot unless the same shall be contained in pipes, conduits, cable or vaults constructed, placed and maintained underground or concealed in or under Manufactured Homes or other approved structures.

20. Animals. The following restrictions regarding the care and maintenance of pets within the Properties shall be observed by each Owner and resident:

- a. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Individual Lot, without the prior written consent of the Board of Directors. Notwithstanding the foregoing consent of the Board of Directors, in no event shall more than one (1) small pet be raised, bred or otherwise allowed upon any Individual Lot, and in all cases owning, raising and breeding of such animals and birds shall comply with all applicable zoning laws and the same shall not be kept, bred or maintained for commercial purposes. An exception to this restriction is the allowance of "service dogs" (Seeing Eye for the blind, etc.) However, as stated in the law, the Owner/resident shall ensure that the animal is on a leash and is properly tagged as a service dog by an authorizing agency.
- b. Dogs shall be allowed on the Common Area only when they are leashed and otherwise under the supervision and restraint of their owners.
- c. Each person bringing or keeping a pet on the Properties shall be solely responsible for the conduct of the Owner's pets. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

d. The Board shall have the right to establish and enforce additional Rules and Regulations for the reasonable control and keeping of household pets in the Association.

21. Diseases and Pests. No Owner shall permit any thing or condition to exist upon his/her Individual Lot which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

ARTICLE VIII

GENERAL PROVISIONS

1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, and in such action shall be entitled to recover such reasonable attorneys' fees and costs as are ordered by the Court. Without limiting the generality of the foregoing, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every act or omission. Failure of the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The City of Vista shall have the right: (i) to enforce, by any proceeding at law or in equity and with the same force and effect and with the same penalties as if such provisions constituted zoning ordinances, all of the use restrictions set forth in Article VII above, (ii) to supersede the Association and cause the Common Area to be properly maintained, if the City of Vista determines, in its reasonable judgment, that the Association is failing to properly fulfill its maintenance responsibilities, (iii) to bill the Association for the costs the City of Vista incurs in undertaking such action. If the Association fails to repay such costs to the City of Vista in a timely manner, then all Owners shall be jointly and severally liable for the payment of such costs to the City of Vista and the City of Vista shall have the right to seek collection from any or all of such Owners with respect to the same.

2. Invalidity of any Provision. Should any provision of the Association Governing Documents be declared invalid or in conflict with any law of the jurisdiction where the Community is situated, the validity of all of the other provisions of the affected document shall remain unaffected and in full force and effect.

3. Term. The covenants and restrictions of this Declaration shall run with and bind the Community and all parts thereof, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Individual Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded. They shall be automatically extended for successive periods of ten (10) years each, unless an instrument in writing, signed by the Owners of a majority of the Individual Lots has been recorded within the year preceding the beginning of each successive ten (10) year period, agreeing to terminate this Declaration.

4. Amendments. This Declaration may only be amended by the vote or written assent of fifty-one percent (51%) of the total voting power of the Association. Any amendment must be recorded and shall become effective upon being recorded in the Official Records of San Diego County, California. Notwithstanding anything herein to the contrary, the percentage of the voting power necessary to amend a specific clause or provision of any of the Association Governing Documents shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause or provision.

5. Owner's Right and Obligation to Maintain and Repair. Each Owner at his/her sole cost and expense, shall maintain and repair his/her Individual Lot and the Manufactured Home and other improvements situated upon his/her Individual Lot. This obligation shall include, without limitation, maintenance and repair of the foundation and all structural components and exterior building surfaces of the Manufactured Home and all other improvements situated upon his/her Individual Lot. This includes replacement of trim, caulking, painting and roof repair, and the installation, maintenance, repair and replacement of the plumbing, electrical and other utility systems serving the Individual Lot and located anywhere upon the Individual Lot. It also includes all portions of the yard area of the Individual Lot and any improvements made thereto. In the event that any Owner fails to maintain and repair such areas in an acceptable manner, the Association, after approval by a two-thirds (2/3) vote of

the Board of Directors, shall have the right, through its agents and employees, to repair, maintain and restore such areas, and the cost thereof shall be added to and become part of an Individual Special Assessment to which such Owner's Individual Lot is subject.

6. **Association Maintenance Responsibilities.** The Association shall be responsible to maintain, repair, replace, restore, operate and manage all of the Common Area and all facilities, improvements, equipment and landscaping situated thereon, and to establish an adequate reserve fund for repair, replacement and restoration thereof. In the event that the need for maintenance or repair of the Common Area is caused through the willful or negligent act of an Owner, his/her guests, tenants, invitees, or tenants' guests or tenants' invitees the cost of such maintenance or repair or replacement shall be levied as a Special Individual Assessment, to which such Owner's Individual Lot is subject, so long as notice and a hearing are provided to the Owner, as more particularly set forth in this Declaration and the Association Governing Documents.

7. **Insurance.**

a. Each Owner shall obtain and maintain hazard insurance on his/her Manufactured Home and all other structures and facilities situated on his/her Individual Lot. The scope of coverage of such insurance shall be at least equal to or greater than fire and extended coverage and shall be at least equal to the full replacement cost thereof. Owners may carry whatever personal liability, property damage liability, fire and casualty insurance with respect to his/her Individual Lot, Residence and personal property as the Owner desires. The Association shall have no responsibility for the adequacy or extent of such insurance coverage.

b. The Association shall obtain and continue in effect fire and extended coverage for no less than one hundred percent (100%) of the replacement cost of insurable Common Area property. Such insurance shall name the Association as the insured for the benefit of the individual Owners.

c. The Association shall obtain and continue in effect a comprehensive policy of public liability insurance covering all of the Common Area. Such insurance policy shall contain a "severability of interest" endorsement or clause which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use and shall be in amounts of not less than One Million Dollars (\$1,000,000.00) per occurrence, for personal injury and property damage.

d. If necessary, the Association shall obtain and continue in effect worker's compensation insurance.

e. The Association shall obtain and continue in effect fidelity coverage to protect against dishonest acts on the part of the directors, managers, trustees, employees and volunteers responsible for handling funds belonging to or administered by the Association. Such coverage shall meet the following provisions and limitations:

- (1) Such fidelity bonds shall name the Association as the named insured;
- (2) Such fidelity bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Association including reserves;
- (3) Such fidelity bonds shall contain an appropriate endorsement to cover any persons who serve without compensation if the policy would not otherwise cover such individuals.

f. The Association shall obtain and continue in effect insurance for the protection of its officers and directors and committee members from personal liability in the management of the Association's affairs.

g. Each hazard insurance policy required hereunder must be written by a carrier which has a financial rating by Best's Insurance Reports of Class VI or better. Policies are also acceptable from an insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policy holder's rating of at least A. Each carrier must be specifically licensed or authorized by law to transact business in the State of California. Policies are unacceptable where: (i) under the terms of the carrier's charter, bylaws or policy, contributions may be made against any Owner or an Institutional Lender (or its designee), (ii) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders or members, or (iii) the policy includes any limited clauses (other than insurance conditions) which would prevent an Institutional Lender or Owner from collecting insurance proceeds.

h. Premiums for insurance procured by the Association shall be a common expense to be included in the Regular Assessments levied by the Association, and the portion of such payments necessary for such premiums may be held in a separate account of the Association and used solely for the payment thereof as such premiums become due.

8. Damage or Destruction to an Individual Lot. In the event of any damage or destruction to a Manufactured Home or other improvement located upon an Individual Lot, the Owner thereof shall reconstruct the same as soon as reasonably practicable and substantially in accordance with the original plans and specifications which were approved by the Architectural and Landscaping Committee. However, any such Owner may reconstruct or repair his/her Manufactured Home pursuant to new or changed plans and specifications if such plans and specifications are approved by the Architectural and Landscaping Committee, and comply with any City, State and/or Federal updated Codes.

9. Damage or Destruction to Common Area. If, in the event of damage or destruction of the Common Area or the Common Facilities thereon, the proceeds from the insurance policy or policies then in force are sufficient to totally cover the cost of repair and replacement to a substantially similar configuration, the Board of Directors shall promptly cause the repair and/or replacement to take place. However, should the proceeds from the insurance policy or policies be inadequate to cover the aforementioned costs, then a Special Assessment to provide the requisite additional funds may be levied in accordance with the provisions of this Declaration, and the repair or replacement shall only then take place.

10. Entry for Repairs. Upon consent of the Owner, which consent shall not be unreasonably withheld, the Association or its agents may enter upon any Individual Lot when necessary in connection with any maintenance, landscaping or construction for which the Association is responsible; provided, however, that such consent shall not be required in the following circumstances: (a) in an emergency (and the Association's work may be performed under such emergency circumstances, whether or not the Owner or his/her lessee is present), or (b) when the Association is effectuating repairs, restoration or maintenance which an Owner was otherwise required to make as set forth in this Declaration, but which the Owner has failed to perform which, if left undone, will pose a threat to, or cause unreasonable interference with, Association property or the Owners in common. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Association at the expense of the Association.

11. Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and distributed to all Members, regardless of the number of Members or of the amount of assets of the Association, as follows:

a. A pro forma operating statement (budget) for each fiscal year, to be distributed not less than thirty (30) days and not more than ninety (90) days before the beginning of the fiscal year, as provided in Civil Code Section 1365(a)(4), (or any superseding statute).

b. A fiscal year end balance sheet, which shall include a schedule of assessments received and receivable identified by the number of the Individual Lot and the name of the individual or entity assessed.

c. An annual report, consisting of the following, shall be distributed within one hundred twenty (120) days after the close of the Association's fiscal year.

- (i) A balance sheet as of the end of the fiscal year;
- (ii) An operating statement for that fiscal year;
- (iii) A statement of changes in financial position for the fiscal year; and
- (iv) Any information required to be reported under California Corporations Code Section 8322 (or any superseding statute).

d. Ordinarily the annual report referred to in subparagraph 10c above shall be prepared by an independent accountant for any fiscal year in which the gross income to the Association exceeds \$75,000.00. If the annual report referred to above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statements were prepared without audit from the books and records of the Association.

12. Owner's Compliance. Each Owner shall be responsible for the compliance of the Owner, members of the Owner's household, the Owner's tenants, guests, invitees and all other occupants of or visitors to the Owner's Individual Lot with the provisions of the Association Governing Documents, and the decisions and resolutions of the Association, or its duly authorized representatives. Failure to comply with any such provisions, decisions, or resolutions, shall constitute

the basis for an action to recover sums due for damages or for injunctive relief. Each Owner shall also be liable for any fines and penalties imposed on the Owner, following the procedures set forth more fully in this Declaration and the Association Governing Documents, for any violations by the Owner, or members of the Owner's household, the Owner's tenants, guests, invitees or any other temporary or long term occupants of or visitors to the Owner's Individual Lot.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in the Association Governing Documents shall be deemed to be binding on all Owners, their successors and assigns.

13. Architectural and Landscaping Committee. The Board shall have the power to appoint and remove all of the members of the Architectural and Landscaping Committee ("Committee"). The Committee shall consist of between three (3) and five (5) persons, all of whom must be Members of the Association. The Committee shall have the duty to consider and act upon the proposals and plans for improvements submitted to it pursuant to this Declaration and the Association Governing Documents, and to perform other duties delegated to it by the Board of Directors and to carry out all other architectural review duties imposed by this Declaration and the Association Governing Documents.

14. Notices. Except as may otherwise be provided by specific provisions herein and by any law now in effect or hereinafter enacted, any communication or notice permitted or required by the Declaration may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, certified or registered mail, addressed to each person at the street address of his/her Individual Lot or to such address given by such person to the Board of Directors.

15. Granting of Easements. The Board of Directors shall have the absolute right and power, at any time, to enter into any written agreement with the City of Vista or any other governmental or public

agencies or utilities to change the location of any of the easements to the City of Vista or such other governmental or public agencies or utilities. Each Owner hereby appoints the Board of Directors as his/her attorney-in-fact for the purpose of effecting such agreement(s). The power herein granted to the Board of Directors shall be and is a power coupled with an interest.

16. In the event any enforcing person shall commence litigation to enforce any of said limitations, restrictions, conditions, or covenants, such enforcing person, if he/she prevails in such litigation, shall be entitled to have judgment against and recover from any defendant (other than nominal) in such litigation such attorneys' fees and costs as the court may adjudge reasonable and proper.

IN WITNESS WHEREOF, the undersigned, President and Secretary of the Board of Directors of VISTA HOMEOWNERS ASSOCIATION declare that the Owners, representing not less than fifty one percent (51%) of the voting power of the Members of the Association have approved and empowered the undersigned to record this Fourth Amendment to the Declaration of Covenants, Conditions and Restrictions. We have set our hand effective this date 27 September 2006 2006

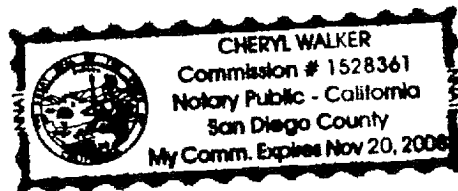
James E. Howe
James E. Howe, President

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

On 27th Sept, 2006 before me, Cheryl Walker, a Notary Public in and for said State, personally appeared James E. Howe, Association President for Vista Homeowners Association, ~~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 that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Cheryl Walker
Notary Public in and for said State



Mary Ann Treister
Mary Ann Treister, Secretary

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

On 27th September, 2006 before me, Cheryl Walker, a Notary Public in and for said State, personally appeared Mary Ann Treister, Secretary for Vista Homeowners Association, ~~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 that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Cheryl Walker
Notary Public in and for said State

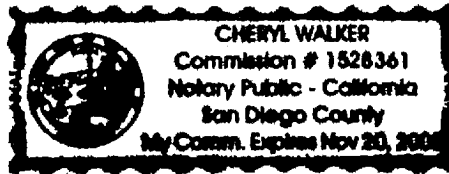


EXHIBIT A

CERTIFICATION OF PRESIDENT AS TO APPROVAL OF FOURTH AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VISTA HOMEOWNERS ASSOCIATION

I, James E. Howe, declare and state as follows:

1. I certify that I am the current President of Vista Homeowners Association. ("Association").
2. This document is executed for the purpose of certifying the requisite approval for the Fourth Amendment to the Declaration of Restrictions of Vista Homeowners Association ("Fourth Amendment"), solicited by the Association, pursuant to California Civil Code Section 1363.05.
3. According to Article VIII, Section 4 of the Declaration of Restrictions of Vista Homeowners Association ("CC&Rs"), Amendments, the CC&Rs may only be amended by the vote or written assent of fifty-one percent (51%) of the total voting power of the Association.
4. I hereby certify that, according to the books and records of the Association at the time of the mailing of the Solicitation Statement and voting documents, there were two hundred and fifty-six (256) total membership votes which were entitled to be cast on the proposed Fourth Amendment. One vote is given per Individual Lot, to the Owners and Members of each of the two hundred and fifty-six (256) Individual Lots of the Association. As such, at least one hundred and thirty one (131) votes of the total voting power must be cast in favor of the proposed Fourth Amendment, in order to approve the proposed Fourth Amendment.
5. After tabulating the ballots received at the Special Meeting of Members held on September 21, 2006, the vote count from Secret Ballots received from the Membership was as follows:

Fourth Amendment to the Declaration of Restrictions of Vista Homeowners Association

<u>Total Votes Received</u>	<u>Yes</u>	<u>No</u>
178	171	7

6. Therefore, the requisite votes required of the Membership under the Association's Governing Documents to approve the Fourth Amendment was obtained.

On behalf of the Association, I declare under penalty of perjury under the laws of the State of California that the foregoing facts are true and correct.

Executed on 26 Sept 2006, at Vista, California

By: _____

James E. Howe, President
Vista Homeowners Association

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

On 26th Sep 4, 2006 before me, CHERYL WALKER, a Notary Public in and for said State, personally appeared James E. Howe, Association President for Vista Homeowners Association, 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 that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Cheryl Walker
Notary Public in and for said State

