

ORIGINAL DOCUMENT FILED
May 3, 1974
File # 74-115331

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Owners Association
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AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OCEANA EAST UNIT NO. 1
OWNERS ASSOCIATION
A 55+ SENIOR COMMUNITY

At Least One Resident in Every Dwelling Must Be Age 55 or Older
Every Other Resident In The Unit Must Be 45 or Older With Certain
Specified Exemptions -- See Section 6.3 For Details

THE PROJECT IS A COMMON INTEREST DEVELOPMENT

THE PROJECT IS A PLANNED UNIT DEVELOPMENT

The name of the Association is:

OCEANA EAST UNIT NO. 1 OWNERS ASSOCIATION

**AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

OCEANA EAST UNIT NO. 1

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AMENDED AND RESTATED
DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

OCEANA EAST UNIT NO. 1

The Declaration of Covenants, Conditions and Restriction executed by OCEANA DEVELOPERS, INC. ("Declarant") dated May 2, 1974, and recorded May 3, 1974 as File/Page No. 74-115331 of Official Records of San Diego County, California, as amended by documents recorded August 9, 1982 as File/Page No. 82-244376 and August 8, 1985 as File/Page No. 85-285311 of Official Records of San Diego County, California ("Original Declaration"), which affects all of the real property located in the City of Oceanside, County of San Diego, State of California, described as ("Properties"):

Lots 1 through 127, inclusive, of OCEANA-EAST UNIT NO. 1, in the City of Oceanside, County of San Diego, State of California according to Map thereof No. 7857 filed in the Office of the County Recorder of San Diego County, California, on January 30, 1974.

is hereby amended and restated, in its entirety, to read as follows:

RECITALS:

A. The Properties described above have been improved as a common interest development of the type defined in California Civil Code section 1351 as a "planned development".

B. The name of the Association created for the purpose of managing the development is OCEANA EAST UNIT NO. 1 OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association"), the members of which are the owners of the residential Lots within the Properties.

C. In recording the Original Declaration, the Declarant established a general plan for the protection and benefit of all of the real property described above and fixed certain protective covenants, conditions and restrictions upon each and every ownership interest in the real property described above, providing that each ownership interest therein be thereafter held, used, occupied, leased, sold, encumbered, conveyed and/or transferred pursuant thereto. Each and all of said covenants, conditions

and restrictions are for the purpose of protecting the value and desirability of and inure to the benefit of all of the real property described above and run with and are binding upon and pass with said real property and each and every ownership interest therein and inure to the benefit of, apply to and bind the respective successors in title or interest of each such ownership interest.

ARTICLE 1

DEFINITIONS

Section 1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association filed with the California Secretary of State as they may from time to time be amended.

Section 1.2 "Association" shall mean and refer to OCEANA EAST UNIT NO. 1 OWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

Section 1.3 "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.4 "Bylaws" shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 1.5 "Common Area" shall mean all real property (including improvements thereon) owned by the Association for the common use and enjoyment of the Owners.

Section 1.6 "Declaration" shall mean and refer to this document as it may from time to time be amended.

Section 1.7 "Governing Documents" is a collective term that means and refers to this Declaration, the Articles, the Bylaws, the Subdivision Map and the Association Rules.

Section 1.8 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area, and shall unless the context otherwise so indicates include the dwelling unit (residence) located thereon.

Section 1.9 "Member" and "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interests merely as security for the performance of an obligation.

Section 1.10 "Mortgage" shall mean and refer to a Deed of Trust as well as a mortgage.

Section 1.11 "Mortgagee" shall mean and refer to the beneficiary of a Deed of Trust as well as the mortgagee of a mortgage encumbering a Lot.

Section 1.12 "Notice and Hearing Rights" shall mean the due process rights to which an Owner is entitled before certain disciplinary action may be taken, as more fully set forth in section 11.6.5 hereof.

ARTICLE 2

PROPERTY RIGHTS IN COMMON AREA

Section 2.1 Owners' Easements of Enjoyment. Every Owner of a Lot has a right and easement of ingress, egress and of enjoyment in and to the Common Area, which right is appurtenant to and passes with the title to every such Lot, subject to the following provisions:

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

2.1.2 The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his or her Lot remains unpaid, and for a period not to exceed thirty (30) days for any infraction of a provision of the Governing Documents, provided that no such suspension for any infraction of the Governing Documents shall be effective until the Owner has been afforded his or her Notice and Hearing Rights.

2.1.3 The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No dedication or transfer of all or substantially all of the assets of the Association shall be effective unless approved by two-thirds (2/3rds) of all Members.

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

Section 2.2 Delegation of Use. Subject to the limitations of this section 2.2 and of article 6, sections 6.2 and 6.3, any Owner may delegate, in accordance with the Bylaws, his or her rights of enjoyment to the Common Area to the members of his or her family, tenants or contract purchasers who reside on such Owner's Lot. Any rental, lease or other occupancy of a Unit shall be subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner-lessor shall provide any tenant, lessee or occupant with current copies of the Governing Documents and shall be responsible for compliance by the tenant, lessee or occupant with all of the provisions thereof during such occupancy and use of the Living Unit. During any period when a Living Unit has been rented or leased, the Owner-lessor, his or her family, guests and invitees shall not be entitled to use and enjoy the Common Areas of the Properties (other than roads), except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Living Unit, provided that this restriction shall not apply to an Owner-lessor who is contemporaneously residing in another Living Unit within the Properties.

ARTICLE 3

ASSOCIATION

Section 3.1 Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot which is subject to assessment. In the case of a sale, membership passes automatically to the purchaser upon recording of a deed evidencing transfer of title to the Lot.

Section 3.2 Voting Rights. The Association shall have one class of voting membership. Each Owner shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 3.3 Powers of Association. The Association, acting by and through the Board, shall have the responsibility of managing and maintaining the Common Areas and discharging the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its properties and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners.

Section 3.4 Rules and Regulations. The Board may, from time to time and subject to the provisions of this Declaration and sections 1357.100 through 1357.150 of the California Civil Code, propose, enact and amend rules and regulations of general application to the Owners of Lots within the Properties.

ARTICLE 4

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1 Covenant to Pay Assessments. Each Owner of one or more Lots, by acceptance of a deed or other conveyance therefor (whether or not it shall be so expressed in such deed or conveyance), covenants and agrees to pay to the Association: (i) Regular Assessments, (ii) Special Assessments, and (iii) Special Individual Assessments. Each such Assessment shall be established and collected as hereinafter provided.

Section 4.2 Purpose of Assessments. Each assessment made in accordance with the provisions of this Declaration shall be used exclusively: (a) to promote the recreation, health, safety and welfare of individuals residing within the Properties; (b) to promote the enjoyment and use of the

Properties by the Owners and their families, tenants, invitees, licensees, guests and employees; (c) to provide for the repair, maintenance, replacement and protection of the Common Area and Common Maintenance Areas and (d) for the operation of the Association. Each and every assessment levied hereunder constitutes a separate, distinct and personal obligation of the Owner of the Lot against which the assessment is imposed that shall be binding on the Owner's heirs, successors and assigns, provided that the personal obligation of each Owner for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. Such assessments shall be in amounts sufficient for the Association to perform its obligations under the Governing Documents and law.

Section 4.3 Extent of Owner's Personal Obligation for Assessments. Each and every assessment levied, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall also be a debt and a personal obligation of the person who was the Owner of the Lot at the time the assessment was levied. Each Owner who acquires title to a Lot (whether by deed, at judicial sale, trustee's sale or otherwise) shall be personally liable only for assessments attributable to the Lot so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

Section 4.4 Creation of Assessment Lien. All assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which such assessment is made. Any lien for unpaid assessments created pursuant to the provisions of this article may be subject to foreclosure as provided herein.

Section 4.5 No Avoidance of Assessment Obligations. No Owner may exempt himself or herself from personal liability for assessments duly levied by the Association, nor release the Lot or other property owned by him or her from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any improvements thereon or by abandonment or non-use of his or her Lot or any other portion of the Properties.

Section 4.6 Regular Assessments.

4.6.1 Establishment of Regular Assessments. Not less than 30 days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to a reserve fund established to defray the costs of future repairs, replacements or additions to the Common Area) by preparing a budget satisfying the requirements of the Bylaws and California Civil Code section 1365. Said budget shall be distributed to all Members not less than 30 days nor more than 90 days prior to the beginning of the Association's fiscal year. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Board shall not be permitted to increase Regular Assessments for that fiscal year unless the Board first obtains the approval of Owners,

constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with the Bylaws.

4.6.2 Limitation on Increase of Regular Assessment. The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that, except as provided in subparagraph 4.6.3 below, the Board of Directors may not impose a Regular Assessment that is more than 20 percent greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association. Further, no increase in the Regular Assessment shall be imposed for any fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association unless the Board has complied with subdivision (a) of Civil Code section 1365 regarding preparation and distribution of an operating budget and other documents.

4.6.3 Assessments to Address Emergency Situations. The requirement of a membership vote to approve Regular Assessment increases in excess of 20 percent of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph 4.6.3, an emergency situation is any of the following:

- (i) An extraordinary expense required by an order of a court.
- (ii) An extraordinary expense necessary to repair or maintain the Common Areas or any portion of the Common Maintenance Area where a threat to personal safety is discovered.
- (iii) An extraordinary expense necessary to repair or maintain the Common Area or the Common Maintenance Area that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subsection 4.6.1 above, provided that, prior to the imposition or collection of an assessment under this subparagraph (iii), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.

4.6.4 Allocation of Regular Assessment. The total estimated Common Expenses, determined in accordance with subsection 4.6.1, above, shall be allocated among, assessed against, and charged so that each Lot bears an equal share of the total Regular Assessment.

4.6.5 Mailing Notice of Assessment. The Board of Directors shall mail to each Owner at the street address of the Owner's Lot, or at such other address as the Owner may from time to time designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year no less than 30 days prior to the effective date.

4.6.6 Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Association.

4.6.7 Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her Lot shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Association's Board of Directors. Installments of Regular Assessments shall be delinquent if not paid by the 15th day after the Assessment is due.

Section 4.7 Special Assessments.

4.7.1 Purposes for Which Special Assessments May Be Levied. Subject to the membership approval requirements set forth in section 4.7.2 below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes:

(i) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then, except as prohibited by section 4.7.2, the Board of Directors shall levy and collect a Special Assessment, applicable to the remainder of such fiscal year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder. The Board's assessment authority pursuant to this section 4.7.1(i) shall be subject to membership approval requirements under the circumstances described in section 4.7.2.

(ii) Capital Improvements and Repairs. The Board may also levy Special Assessments for additional capital improvements within the Common Area (i.e., improvements not then in existence that are unrelated to repairs for damage to, or destruction of, the existing Common Area improvements) and for capital repairs to, and replacement of, existing improvements if reserves are insufficient to pay for such repairs or replacements. The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, and replacement repair of the Common Area through Regular Assessments (including the funding of reasonable reserves) and to maintain adequate insurance on the Common Area.

(iii) Other Purposes. The Board may also levy Special Assessments for such other purposes as are consistent with its purposes and the interests of the members as the Board in its discretion deems advisable, including but not limited to new capital improvements.

4.7.2 Special Assessments Requiring Membership Approval. No Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment is levied shall be made without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or

election of the Association, provided that this membership approval requirement shall not apply to any Special Assessment levied to address "emergency situations" as defined in section 4.6.3.

4.7.3 Allocation of Special Assessments. A Special Assessment shall be divided among, assessed against and charged to each Owner and his or her Lot in the same manner prescribed for the allocation of Regular Assessments. Notice of the Special Assessment shall be mailed to each Owner not less than thirty (30) days prior to the due date of the Special Assessment or first installment thereof.

4.7.4 Payment of Special Assessments. Special Assessments for purposes described in section 4.7.1(i) shall be due as a separate debt of the Owner and a lien against his or her Lot, and shall be payable to the Association in equal monthly installments during the remainder of the then current fiscal year. Special Assessments for purposes described in section 4.7.1(ii) or (iii) shall be due as a separate debt of the Owner and a lien against his or her Lot, and shall be payable in full, or in installments as determined by the Board, to the Association within 30 days after the mailing of such notice or within such extended period as the Board shall determine to be appropriate under the circumstances giving rise to the Special Assessment.

Section 4.8 Special Individual Assessments.

4.8.1 Circumstances Giving Rise to Special Individual Assessments. In addition to the Special Assessments levied against all Owners in accordance with section 4.7, above, the Board of Directors may impose a Special Individual Assessment against an Owner in any of the circumstances described in subparagraphs (i) through (iii) below, provided that no Special Individual Assessment may be imposed against an Owner unless the Owner has been afforded his or her Notice and Hearing Rights. Subject to the foregoing, the acts and circumstances giving rise to liability for Special Individual Assessments include the following:

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

(ii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to accomplish: (A) the payment of delinquent Assessments, (B) any repair, maintenance or replacement to any portion of the Properties that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or (C) to otherwise bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable ~~fin~~ ~~es~~ ~~and~~ ~~penalties~~ ~~duly~~ ~~imposed~~ ~~hereunder~~, ~~title~~ ~~company~~ ~~fees~~, ~~accounting~~ ~~fees~~, ~~court~~ ~~costs~~ ~~and~~ ~~reasonable~~ ~~attorneys'~~ ~~fees~~) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

(iii) Required Maintenance on Lots. If any Lot is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash, junk automobiles, or improper weed or vegetation control, the Association shall have the right to enter said Lot, correct the offensive or hazardous condition and recover the cost of such action through imposition of a Special Individual Assessment against the offending Owner.

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

4.8.3 No Lien for Fines. Special Individual Assessments imposed to recover monetary penalties for failure of a Member to comply with the Governing Documents may only become a lien against the Member's Lot that is subject to foreclosure if such lien and foreclosure remedies are subsequently permitted by law. Currently, Civil Code section 1367 prohibits such liens. However, except as specifically prohibited by law, it is the intent of this Declaration that Special Individual Assessments (including without limitation those imposed to recover late payment penalties or to reimburse the association for the cost of repairing damage to the Common Areas for which the assessed Member is responsible), if not paid prior to delinquency, may be collected either in an action at law or by resort to the lien and foreclosure remedies set forth in section 4.10 below.

Section 4.9 Exemption of Certain of the Properties From Assessments. The following real property subject to this Declaration shall, unless devoted to use as a residential, be exempt from the assessments and the lien thereof provided herein:

- (i) Any portion of the Properties dedicated and accepted by a local public authority;
- (i) The Common Area; and
- (ii) Any Lot owned by the Association.

Section 4.10 Notice and Procedure for Member Approval. In the event that Member approval is required in connection with any increase or imposition of Assessments pursuant to this article 4, approval of the necessary percentage of the Members may be requested either by written ballot conducted in accordance with Corporations Code section 7513 or at a duly noticed meeting of the Members called for that purpose. The quorum required for such membership action shall be a majority of the Members.

Section 4.11 Maintenance of Assessment Funds.

4.11.1 Bank Accounts. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors. In addition, the Board shall be entitled to make prudent investment

of funds in certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board, and such officers or agents of the Association as the Board shall designate, shall have exclusive control of said account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Association accounts shall be subject to the minimum signature requirements imposed by California Civil Code section 1365.5.

4.11.2 Separate Accounts. Commingling of Funds. To preclude a multiplicity of bank accounts, all funds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. Any interest received on such deposits shall be credited proportionately to the balances of the various Assessment fund accounts maintained on the books of the Association. Except as provided below, the proceeds of each Assessment shall be used only for the purpose for which such assessment was made, and such funds shall be received and held in trust by the Association for such purpose. Notwithstanding the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the Association and its Members to make such adjustments. If the proceeds of any Special Assessment exceed the amount required to accomplish the purpose for which such assessment was levied, such surplus may, in the Board's discretion, be returned proportionately to the contributors thereof, reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded or credited proportionately on account of the Owners' future Regular Assessment obligations.

(i) For purposes of accounting, but without requiring any physical segregation of assets, the Association shall maintain a separate accounting of all funds received by it in payment of each Assessment and of all disbursements made therefrom, provided that receipts and disbursements of Special Assessments made pursuant to section 4.7.1(i) shall be accounted for together with the receipts and disbursements of Regular Assessments; and separate liability accounts shall be maintained for each capital improvement for which reserve funds for replacement are allocated.

(ii) Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

Section 4.12 Collection of Assessments; Enforcement of Liens.

4.12.1 Delinquent Assessments. If any installment payment of a Regular Assessment or any lump sum or installment payment of any Special Assessment or Special Individual Assessment is not paid within 15 days after the same becomes due, such payment shall be delinquent and the amount thereof shall bear interest from the due date, beginning 30 days after the due date, until the same is paid, at the rate of twelve percent (12%) per annum or the maximum rate allowed by law, whichever is less. In addition to the accrual of interest, there shall be due as to any delinquent lump sum or installment payment of a Regular or Special Assessment a late charges in the amount of ten percent

(10%) of the delinquent sum, or such lesser amount as the Board may determine, to compensate the association for the administrative costs of dealing with the delinquent account.

4.12.2 Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in California Civil Code section 1367 or comparable superseding statute, the amount of any delinquent Regular, Special, or Special Individual Assessment, together with any late charges, interest and costs (including attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the Lot of the Owner so assessed when the Association causes to be recorded in the Office of the County Recorder of San Diego County, a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth the information required by California Civil Code section 1366.

4.12.3 Procedure Prior to Recording Lien. Before the Association may record such a lien, the Association shall notify the Owner in writing by certified mail of the fee and penalty procedures of the Association and provide an itemized statement of the charges owed by the Owner and such other information as may be required by statute. The recorded lien shall be mailed to the Owner as provided in California Civil Code section 1367.

4.12.4 Release Upon Payment. Upon payment in full of the sums specified in the Notice of Delinquent Assessment and such additional sums as may have become due and payable (even though not delinquent) after such recording, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof upon payment of a reasonable fee therefore.

4.12.5 Remedies Available to the Association to Collect Assessments. The Association may initiate a legal action against the Owner personally obligated to pay the delinquent assessment, foreclose its lien against the Owner's Lot, accept a deed in lieu of foreclosure or pursue any other remedy authorized by law. Foreclosure by the Association of its lien may be by judicial foreclosure or by nonjudicial foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to California Civil Code section 2934a. Any sale of a Lot by a trustee acting pursuant to this section shall be conducted in accordance with California Civil Code sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages or deeds of trust.

4.12.6 Nonjudicial Foreclosure. Nonjudicial foreclosure shall be commenced by the Association in accordance with the provisions of California Civil Code section 1367 and such other provisions of California law as may be applicable. The Association shall have the rights conferred by California Civil Code section 2934a to assign its rights and obligations as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and for purposes of said section 2934a, the Association shall be deemed to be the sole beneficiary of the delinquent Assessment obligation.

Section 4.13 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Declaration, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed against the Owner's Lot.

Section 4.14 Subordination of the Lien to First Mortgages. The lien of assessment herein shall be subordinate to the lien of any bona fide first Mortgage upon any Lot given for value, and the sale or transfer of any Lot pursuant to judicial or nonjudicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the Mortgagee of a first Mortgage or other purchaser of a Lot obtains title to the same as a result of foreclosure, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer, except for a share of such charges or assessments resulting from a reallocation of such charges or assessments which are made against all Lots.

Section 4.15 Estoppel Certificate. The Association shall furnish upon demand by any Owner or mortgagee, a certificate signed by an officer or designated agent of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

ARTICLE 5

ARCHITECTURAL CONTROL

Section 5.1 Membership of Architectural Committee. The Board shall appoint an Architectural Committee ("Committee") composed of not less than three persons, each of whom:

- (i) Shall be a Member of the Association or a full-time resident of Oceana East Unit No. 1 who is residing with a Member who is also a full-time resident of Oceana East Unit No. 1;
- (ii) Shall not concurrently be a member of the Board;
- (iii) Shall serve for a term of one year, but may be removed at any time by a majority vote of the Board.

Section 5.2 Authority of Architectural Committee. The Board may delegate to the Architectural Committee such authority under this article 5 as the Board, in its discretion, deems appropriate. In the event of the death or resignation of any member of such Committee, a successor shall be appointed by the Board. The members of the Committee shall not be entitled to any compensation for services performed pursuant hereto. The Board shall specify the jurisdiction and duties of the Committee. The Board shall have the authority to appoint an other committee or committees, such as a Landscape Committee, to have jurisdiction over certain matters that would otherwise be within the jurisdiction of the Architectural Committee. If the Board does not appoint such Committee, then the Board shall act as such Committee and all references herein to such Committee shall be deemed to refer to the Board.

Section 5.3 Requirement for Architectural Approval. No construction, installation, alteration, or remodeling of any building, wall, deck, fence, swimming pool, tree, hedge or other plants that may grow to more than three feet in height, landscape structure, skylight, air conditioning equipment, solar heating equipment, water softening equipment, spa, antenna, utility lines, or any exterior permanent or temporary structure or equipment of any kind, shall be commenced or erected, nor shall any exterior

painting, exterior addition or alteration to, or change of any nature be made to a Lot or in or to the exterior of any Residence or structure ("Improvements") upon a Lot until the plans and specifications showing the nature, color, kind, shape, height, materials, and location of the same shall have been submitted to, ~~and approved in writing by the Board as to quality of workmanship and materials, harmony of external design and color, and location in relation to surrounding structures, setback lines, topography and finish grade elevation.~~ The term "Improvement" shall be deemed to include the destruction, material alteration or removal of any existing Improvement. The grade, level or drainage characteristics of the Lot or any portion thereof shall not be altered without the prior written consent of the Board.

Section 5.4 Submission of Plans; Requirement to Show Plans to All Affected Owners. Plans and specifications for proposed Improvements shall be submitted by an Owner to the Association by personal delivery or certified mail to the Association's property manager or in such other manner or to such other address as may be designated by the Board. A dated, written receipt for said plans shall be given to the submitting owner if requested. Plans shall not be deemed submitted unless accompanied by proof, in such form as the Board may direct, that the plans and specifications have been shown to: (i) adjacent Lot Owners; (ii) all Owners of Lots under a shared roof, and (iii) all Owners of Lots that would be able to view such Improvement from their Lot ("Affected Owners"). The requirement of showing the plans to the Affected Owners is to give such Owners the opportunity to present their comments or objections to the proposed Improvements. Affected Owner comments or objections to the proposed Improvements shall be considered by the Architectural Committee and the Board.

Section 5.5 Review of Submitted Plans. In accordance with the requirements of Civil Code section 1378, the Committee, after reviewing and evaluating the plans and specifications, considering the comments of other Owners and doing such investigation as may be required concerning the application and requesting and receiving further information from the applicant Owner as required, shall make a determination, which determination shall be made by the Committee in good faith and may not be unreasonable, arbitrary or capricious. A decision on the proposal shall be consistent with the provisions of the Governing Documents and law. A decision on the proposal shall be in writing. The written decision shall be one of the following: (i) approval, (ii) approval with modifications or conditions, or (iii) denial. If a proposal is approved with conditions or denied, the written decision shall contain an explanation of why the proposal has been denied or approved with conditions and a description of the process to appeal the decision to the Board. The decision shall be given to the applicant, to the Board and to any Owner requesting notice of the decision.

Section 5.6 Final Decision to Be Made By the Board. The final decision to approve or deny the shall be in the sole discretion of the Board. Except as otherwise required by law, the Board shall have the power to Delegate to the Committee, in writing, the authority to approve or deny a specific application and/or to approve or deny routine matters or a specific type of request. An approval may contain conditions or requirements for modification of particular aspects of the Owner's plans and specifications. Approvals and denials by the Board shall be final as of the date written notice thereof is mailed or personally delivered to the applicant.

Section 5.7 Failure to Timely Act.

5.7.1 As to applications which the Board is to approve or deny as provided herein, if the Committee (a) fails to make a recommendation to the Board within 30 days of submission of all required documents by an Owner or (b) if the Board: (i) fails to approve, (ii) approve subject to specified conditions, or (iii) disapprove the plans within 30 days of receipt of the Committee recommendation, the request shall be deemed to have been approved upon notice being given by the Owner to the Board that the request was not processed within the time limits specified herein.

5.7.2 As to applications for which the Board has delegated the power to approve or disapprove to the Committee, if the Committee (a) fails to approve, (b) approve subject to specified conditions, or (c) disapprove the plans within 30 days of receipt, the request shall be deemed to have been approved upon notice being given by the Owner to the Board that the request was not processed within the time limits specified herein.

Section 5.8 Appeal of Committee Decision. If the Board has delegated to the Committee the authority to make a decision on a particular application or type of application, the approval or denial by the Committee shall be final eleven (11) calendar days after notice of the decision is given to the requesting Owner and any Owner who has requested in writing a notice of the decision, unless an appeal is made to the Board. Within ten (10) days of notice of a decision by the Committee approving or disapproving plans, any Owner may appeal such decision to the Board. If an appeal to the Board is made, the approval by the Committee shall be suspended pending the Board's decision of the appeal. Appeals shall be in writing. The decision by the Board shall be made within forty-five days of receipt of the appeal and shall be final. If the Board fails to rule on the appeal within 45 days' of receipt of the appeal, the appeal shall be deemed denied and the decision of the Committee upheld.

Section 5.9 Architectural and Landscape Guidelines. The Board may from time to time adopt, amend and repeal rules and regulations to be known as "Architectural Guidelines." Said guidelines shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Properties. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail. Compliance with provisions of the Guidelines does not excuse submission and approval of plans and specifications hereunder unless specifically so provided in the Guidelines.

Section 5.10 Variances. No work of Improvement that is contrary, in whole or in part, to the provisions of this Declaration or the Architectural Guidelines may be approved except as provided herein. The Board shall be entitled to allow reasonable variances in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided that the following conditions are met: (a) The Board must conduct a hearing on the proposed variance after giving at least 10 days' prior written notice to all Owners. Any Owner may submit to the Board written comments or objections with respect to the variance within a time period specified by the Board or if no time period is specified, within ten days of the date of the Notice. (b) No decision shall be made with respect to the proposed variance until the comment period has expired. In order to grant a variance, the Board must make a good faith determination that: (i) the requested variance does not constitute a material deviation from the overall

plan and scheme of development within the Properties or from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that it is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Residence, Common Area or Owner within the Properties. The variance shall not have the effect of converting common area to the exclusive use of an individual (except to a minor or inconsequential degree that does not materially interfere with the rights of other owners). Notwithstanding the foregoing, no such hearing shall be required to grant a variance to accommodate a disability under provisions of federal and California Fair Housing Acts. Variances to allow owners and residents with disabilities to fully access and utilize areas and facilities within the Properties shall be liberally allowed.

Section 5.11 Estoppel Certificate. Within 30 days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee as fixed by the Board, the Board shall execute a document (estoppel certificate), signed by any two officers or one officer and a designated agent of the Association, certifying (with respect to any Residence owned by the applicant Owner) that as of the date thereof, either (i) all Improvements made and other work completed by said Owner with respect to the Residence comply with this Declaration; or (ii) that such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the bases of such noncompliance. Said request shall identify all Improvements made or work performed of which the requesting owner is aware. Any purchaser from the Owner, or anyone deriving any interest in said Residence through the Owner, shall be entitled to rely on said certificate with respect to the matters therein set forth.

Section 5.12 Limitation on Liability. Neither the Association, the Board, any director, the Architectural Committee, nor any member or representative thereof, shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance arising out of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work of Improvement, whether or not pursuant to approved plans, drawings or specifications.

Section 5.13 Compliance With Governmental Regulations. Review and approval by the Board or any designated representative of the Board of any proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install, or modify the Improvement. The obtaining of governmental approvals or permits does not relieve an Owner from obtaining Association approval pursuant to this article 5. A copy of final plans approved by the City of Oceanside and a copy of the final inspection report by the City shall be submitted to the Board.

ARTICLE 6

USE RESTRICTIONS

Section 6.1 Single Family Residence. Each Lot shall be used as a single family residence and for such other uses incidental to single family residential use as may be permitted herein or by law.

Section 6.2 Limitation on Number of Residents. The number of permanent residents living in a dwelling upon a Lot shall not exceed one person for each 400 square feet of enclosed living space, or portion thereof, as the dwelling was originally constructed, excluding garages, carports and enclosed porches. Such restricted residency requirement is necessary for the following reasons, among others: the high density of the project; the closeness of the homes, the small size of the homes and lots, the limited parking available in the development, and the senior citizen character of the project. Neither this provision, nor any other provision of this Declaration, shall be deemed to limit occupancy on the basis of race, color, religion, sex, disability, or national origin. This section 6.2 shall not be deemed to limit guests in reasonable numbers. "Guests" are defined as persons who maintain a separate permanent residence outside of Oceana East Unit No. 1, who are staying in a dwelling of an Owner for a limited period of time, not to exceed sixty consecutive days. Notwithstanding the foregoing, the Board may upon written request of an Owner and by following the variance procedure set forth in section 5.9 above, in order to prevent unnecessary hardship, allow one additional permanent resident to reside upon any Lot.

Section 6.3 Senior Citizen Occupancy - Residence Age Requirements. At least one person occupying each Living Unit shall be fifty-five (55) years of age or older ("Qualifying Residents"). All other persons occupying the unit must be "Qualified Permanent Residents".

6.3.1 "Qualified Permanent Resident" means a person who meets both of the following requirements:

- (A) Was residing with the Qualifying Resident prior to the death, hospitalization, or other prolonged absence of, or the dissolution of marriage with, the Qualifying Resident".
- (B) Was 45 years of age or older, or was a spouse, cohabitant (meaning persons who live together as husband and wife or who are domestic partners within the meaning of Section 297 of the California Family Code), or person providing primary physical or economic support to the Qualifying Resident.

6.3.2 Disabled Persons. "Qualified Permanent Resident" also means a disabled person or person with a disabling illness or injury, who is a child or grandchild of a Qualifying Resident or Qualified Permanent Resident, who needs to live with the Qualifying Resident or Qualified Permanent Resident because of the disabling condition, illness or injury. Provisions regarding what constitutes a "disabling injury or illness" and when the association may prohibit or terminate such occupancy shall be set forth from time to time in California Civil Code section 51.3(b)(3) or comparable succeeding statute.

6.3.3 Entitlement of Qualified Permanent Resident to Remain in Unit. Except as otherwise provided by law or this Declaration, upon the death of a Qualifying Resident or upon the dissolution of a Qualifying Resident's marriage or hospitalization or other prolonged absence of a Qualifying Resident, a Qualified Permanent Resident shall be entitled to remain in the Living Unit.

6.3.4 Permitted Health Care Resident. In addition to Qualified Permanent Residents, a person may also reside with a Qualifying Resident if such person has been hired to provide live-in, long term, or hospice health care to a Qualifying Resident, or is a family member of the qualifying resident providing such care and is providing care of a substantial nature which assists the Qualifying Resident with necessary daily activities or medical treatment, or both ("Permitted Health Care Resident"). Such person shall be entitled to reside in the dwelling with the Qualifying Resident only for such periods in the absence of the Qualifying Resident as specified in California Civil Code section 51.3(b)(7).

6.3.5 Guests. Any person not meeting the foregoing occupancy requirements may temporarily reside in a Living Unit as a guest of a Qualifying Resident or Qualified Permanent Resident for no more than sixty (60) days (whether consecutive or non-consecutive) in any calendar year.

6.3.6 Exception to Meet Federal 80% requirement. Notwithstanding the foregoing provisions allowing a Living Unit to be occupied without Qualifying Resident, the Association shall be entitled to preclude such occupancy of a Living Unit if, as a result of such occupancy, less than 80% of all living units within the Properties would be occupied by at least one person age 55 or older.

6.3.7 Verification of Resident Ages. Upon request by the Board, each occupant of a Living Unit shall execute an affidavit or declaration, in such form as required by the Board, attesting to their qualifications to reside in the Living Unit, and shall further provide such other documentation as the Board may require verifying the ages of all residents. Further, upon request by the Board, each resident of a Living Unit shall produce such documentation as may be required by the Association to establish that the Oceana East Unit No. 1 qualifies as a "senior citizen housing development" or "housing for older persons" under applicable provisions of California and Federal law.

6.3.8 Revisions of Senior Housing Laws. It is the intent of this provision to comply with the requirements for qualification as a Senior Citizen Housing Development under the California Unruh Civil Rights Act [California Civil Code section 51 et seq.] and as Housing For Older Persons under the federal Fair Housing Amendments Act of 1988 (P.L. 100-430) (referred to herein as the "Acts"). To the extent any provision of those laws, now or in the future, is inconsistent with the provisions herein, the provisions of the Acts which would permit Oceana East Unit No. 1 development to qualify or maintain its qualification as a residential housing development for seniors shall be deemed to be applicable and, notwithstanding any other provision of this document, the Board of Directors shall be empowered to amend this Declaration, without a vote of the Owners, to comply with requirements of the Acts.

Section 6.4 No Business or Commercial Activity. No Lot, Living Unit or any part of the Properties shall be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storage, vending or other such nonresidential purposes. The provisions of this section shall not preclude: (a) professional and administrative occupations without external evidence thereof, for so long as such occupations are conducted in conformance with all applicable governmental ordinances and are merely incidental to the use of the Living Unit as a residential home; (b) the leasing or renting of a

Living Unit for periods of thirty (30) days or more for residential purposes and to persons who meet the age residency requirements set forth in sections 6.2 and 6.3 above; (c) the use of a Lot for the conducting of Association business; or (d) the holding of "garage sales" is prohibited except for any such sales sponsored or authorized by the Association on a community-wide basis. "Estate Sales" are permitted with the prior written approval of the Board. No consignments may be brought in for sale within the Properties at any time.

Section 6.5 New Building Only. No building of any kind shall be moved from any other place onto any Lot, nor from one Lot to another Lot, without the prior written permission of the Board.

Section 6.6 Balconies and Decks. No balcony or deck on any Lot shall be higher above the ground than the highest Living floor level, except with the written approval of the Board.

Section 6.7 No Second-Hand Materials, Painting Required. No second-hand materials shall be used in the construction of any building or Improvement on any Lot without the prior written approval of the Board. All buildings and fences on any Lot which are of frame construction shall be painted or stained upon completion with the paint or stain coverage (including the number of coats) as provided in the approval of the plans therefor by the Board. The work of constructing and erecting any Improvement shall be prosecuted diligently from the commencement thereof, and the same shall be completed within a reasonable time in accordance with the requirements herein contained.

Section 6.8 Landscape Maintenance Upon Lots. All fruit trees and plants planted on a Lot by an Owner shall be maintained by the Lot Owner. All other trees shall be maintained and trimmed by the Association. No tree or other vegetation upon a Lot shall exceed the height of the house on the Lot; provided, however, that where trees do not obstruct the view from any other of the Lots in the Properties, which determination shall be within the sole judgment of the Board, they shall not be required to be so trimmed. Before planting any trees, the proposed location of such trees shall be approved in writing by the Association pursuant to article 5. No vine or plant shall be allowed to grow on or be attached to the exterior surface of the residence or to grow onto the roof of the residence. The Board shall have sole discretion, responsibility and control with respect to trees and vegetation upon the Common Area. Owners shall be responsible for any additional costs incurred by the association in carrying out its maintenance and repair obligations under this declaration caused by Owner installed landscaping, whether or not such landscaping has been approved pursuant to article 5.

Section 6.9 Exterior Installations. No Owner or resident shall place or maintain any temporary or permanent objects, including, but not limited to, basketball standards, masts, towers, poles, flagpoles, television or radio antennas, television satellite reception dishes or other similar external fixtures or objects on or about the exterior of any building or upon any Lot or adjacent street within the Properties unless Architectural approval is first obtained. Notwithstanding the foregoing:

6.9.1 Small (less than one meter in diameter) satellite reception dishes and other over-the-air communications devices, will be allowed in accordance with Federal Communications Commissions (FCC) rules, but such installations require prior submission to and approval under the provisions of article 5 of this Declaration.

6.9.2 A removable flagpole, less than six feet (6') in length may be attached to a bracket installed on the exterior of the Living Unit for the display of flags authorized under section 6.12

below. The location of such flagpole shall be as specified by Rules and Regulations adopted by the Board or as approved by the Board under the provisions of article 5 of this Declaration.

Section 6.10 Clotheslines. No exterior clotheslines or similar apparatus shall be permitted unless screened from all views exterior to the Lot by a fence, hedge or shrubbery, which screening and the adequacy thereof shall be subject to approval under the provisions of article 5 of this Declaration.

Section 6.11 No Tents or Shacks. No tent, shack, trailer, garage, carport or outbuilding shall at any time be used on any Lot as a residence, either temporarily or permanently, nor shall any residence of a temporary character be constructed, placed or erected on any Lot.

Section 6.12 Signs, Flags and Displays.

6.12.1 Commercial Signs. No commercial sign, poster, billboard, banner or flag of any kind shall be displayed on any Lot or on any building or structure upon a Lot or posted within or upon any portion of the Common Area, except Owners may display on their Lots or Residence, the following:

(i) **Signs Required by Legal Proceedings.** Signs required by legal proceedings (e.g. foreclosure notices, notices to pay rent or quit, official polling place signs, et cetera) shall be permitted only for the period required by law.

(ii) **For Sale Signs.** A single "For Rent," "For Lease" or "For Sale" sign of reasonable dimensions. The Board shall be entitled to regulate the temporary erection and maintenance of Owner's, agent's or broker's directional signs along roadways or on any Common Areas within the Properties.

(iii) **Alarm Signs.** A small sign identifying that the house is protected by an alarm system and a sign warning of dogs kept in the yard or other dangers upon a Lot, of a permitted size, wording, style, and material may be posted upon the Lot as specified by Rules and Regulations adopted by the Board.

6.12.2 Other Signs. No other sign, poster, billboard, banners or flag of any kind shall be displayed on any Lot or on any building or structure upon a Lot or posted within or upon any portion of the Common Area, except Owners may display on their Lots or Living Unit, the following noncommercial signs that are not more than nine square feet in size and noncommercial flags that are not more than fifteen square feet in size:

(i) **One American Flag** shall be permitted to be displayed or flown from a temporary pole, not to exceed six feet (6') in length, attached to a bracket affixed to the residence, or otherwise in accordance with accepted guidelines regarding the display of the American Flag and such Rules as may be adopted by the Board.

(ii) **Holiday Displays.** The Board may adopt reasonable non-discriminatory regulations regarding the erection and removal of holiday lighting and displays, display

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of political signs prior to elections and for special events, such as garage sales. In no event may the Board authorize such signs or displays to be upon a Lot for periods exceeding 30 consecutive days.

(iii) **Signs Permitted By Law.** Other noncommercial signs, flags and banners as are expressly permitted under the provisions of California Civil Code section 1353.6, as that section may from time to time be amended.

Section 6.13 **No Wells.** No well for the production of, or from which there is produced, water, oil or gas shall be operated upon any Lot, nor shall any machinery, appliance or structure be placed, operated or maintained thereon for use in connection with any trading, manufacturing or repairing business. No slant drilling shall be permitted on any Lot above a plane 500 feet below the surface of the land.

Section 6.14 **Animal Restrictions.**

6.14.1 No animals of any kind shall be allowed within any Living Unit, upon any Lot or within the Properties, except as follows:

(i) Caged birds (other than fowl and pigeons), in reasonable numbers as determined by the Board, kept at all times within a Living Unit;

(ii) Fish and small (under 12" in length) Reptilia in aquariums within a Living Unit;

(iii) Small caged animals (guinea pigs, hamsters, rabbits, et cetera), in reasonable numbers as determined by the Board, kept at all times within a Living Unit;

(iv) Domestic dogs and cats: a total of not more than two such pets shall be permitted (with the exception of kittens and puppies under 12 weeks old). Upon written application to the Board by an Owner, the Board may allow greater numbers of such animals upon notice to and consideration of comments from Affected Owners.

6.14.2 No venomous, wild, exotic or livestock animals are permitted. The definition of such animals shall be the same as in the Animal Protection Institute Model Local Ordinance, except as follows: (i) where local governmental ordinance is more restrictive, the provisions of such ordinance shall apply and (ii) Reptilia over one foot (12") in length shall be considered an exotic animal. No animal shall be kept, bred or maintained upon for commercial or breeding purposes.

6.14.3 No cages or pens shall be permitted outside of the Residence without the written approval of the Board.

6.14.4 The Board shall have the right to establish and enforce Additional Rules and Regulations for the reasonable control and keeping of household pets in, upon and around the Properties to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Property by other Owners and residents. The Board shall, after Notice and Hearing, have the ability to determine that a pet is a nuisance and order its removal from the Properties.

6.14.5 Animals within the Properties must be either kept within a Living Unit, or on a leash being held by a person capable of controlling the animal. The Patio/Carport shall not be used as a kennel. No animal shall at any time be staked or left unattended upon a Lot or in the Common Area.

6.14.6 To the extent permitted by law, each Owner shall be absolutely liable to each and all remaining Owners, their families, guests, tenants and invites, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Properties by an Owner or by members of his family, his tenants or his guests.

6.14.7 It shall be the absolute duty and responsibility of each Owner to clean up after such Owner's animals, both upon the Lot and upon the Common Area.

6.14.8 No person shall feed wildlife within the Properties, including, but not limited to, birds (other than hummingbirds), squirrels and feral cats .

Section 6.15 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate anywhere within any Lot, and no odor shall be permitted to arise from any Lot so as to render the Properties, or any portion thereof, unsanitary, unsightly, offensive or detrimental from any street or to any other Lot in the Properties or vicinity thereof or to their occupants. No noise or other nuisance shall be permitted to exist upon any portion of a Lot in the Properties so as to be offensive or detrimental to any other Lot in the Properties or to their occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, or other items which may unreasonably disturb other Owners or their tenants shall be located, used or placed on any portion of the Properties.

Section 6.16 Drainage. No Owner of a Lot shall in any way interfere with or change the established drainage pattern over his Lot from adjoining or other Lots; provided, however, each Owner will make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Lot. For the purpose hereof, "established drainage" is defined as the drainage which existed at the time the overall final grading of a Lot was completed or later grading changes which are shown on plans approved by the Board. Any change in grading or drainage on any Lot shall first be approved by the Board and by the City of Oceanside. Each Lot Owner shall permit free access by Owners of adjacent or adjoining Lots to slopes or drainageways located on his Lot when such access is necessary for maintenance.

Section 6.17 No Subdivision of Lots. No Lot shall be resubdivided.

Section 6.18 Equipment and Structure Repair. No automobile or other equipment may be dismantled, repaired or serviced on any Lot or on the Common Area. No structure on any Lot shall be permitted to fall into disrepair and all structures shall at all times be kept in good condition and repair, and adequately painted or otherwise finished.

Section 6.19 No Hazardous Activities. No activities shall be conducted, nor shall any structures or improvements be constructed upon the Properties which are or might be unsafe or hazardous to any person or Lot. No illegal activity shall be conducted upon any Lot.

Section 6.20 Trash Disposal. Refuse, garbage and trash shall be kept at all times in such covered, sanitary containers inside the Living Unit or in areas upon the Lot such that the containers are not exposed to view from any street or neighboring Lot and such that no odor may be detected at any location off the Lot. After 3 p.m. of the day preceding the trash collection day (as determined by the trash collection agency), each Owner may place trash outside in a location designated by the Board for trash pickup. All such trash shall be in Board approved containers or sealed plastic bags.

Section 6.21 Parking, Garage, Carport and Vehicle Restrictions. The following parking, garage, carport and vehicle restrictions shall apply within the Properties:

6.21.1 Only the following vehicles ("authorized vehicles") shall be permitted to be parked by any Owner or resident within the Properties: standard, currently registered and licensed passenger vehicles, including sport utility vehicles, vans, and pick-up type trucks which are of a length and height that they can be parked within the garage of the Residence with the garage door closed, motorcycles, scooters and like two wheeled motor vehicles. Motorcycles must have mufflers such that the noise emitted from such vehicle is not appreciably louder than other permitted vehicles. No "revving" of motorcycle engines is permitted within the Properties. Boats, trailers, campers, recreational vehicles, over-size vehicles and commercial vehicles are not "authorized vehicles" and shall only be permitted within the Properties as provided below.

6.21.2 For the purposes of this Declaration, a commercial vehicle is (i) any motor vehicle regularly used in a trade or business, other than an authorized vehicle not bearing business identification signs (other than upon a vehicle license plate or license plate frame), or (ii) any vehicle equipped for specialized business use (such as having commercial type racks and frames), or (iii) any vehicle bearing commercial license plates, except pick-up trucks, sport utility vehicles and like vehicles which are used for personal transportation that do not bear any business identification signs, advertising signs, logos (not including license plates, license plate frames or vehicle manufacturer names and logos) or equipment and which vehicle is used primarily for personal use.

6.21.3 No garage or carport shall be used in any manner which would prevent the parking of authorized vehicles therein, up to the maximum designed capacity of such garage or carport, or the number of vehicles operated by residents of the Living Unit, whichever is less. The garages and carports are to be used for the parking of authorized vehicles, and shall not be converted to living quarters, storage, work shops or used for the storage of boats, trailers, campers or recreation vehicles if such use will preclude the parking of an Owner's or occupant's authorized vehicles upon the Lot. All driveways, carports and garages shall be maintained by the owner thereof in a neat and orderly condition and garage doors shall be maintained in a closed condition except as necessary to permit entry and exit of authorized vehicles, to clean or work in the garage and as otherwise permitted herein and by Rules adopted by the Board. Garage doors may be left slightly ajar (less than 12 inches) to allow air circulation.

6.21.4 Except for temporary loading and unloading, authorized vehicles shall be parked in the garage of the residence to the extent space is available therein. If the garage is being utilized for the parking of the designed capacity by authorized vehicles, then parking of authorized vehicles in other parking spaces as designated by the Board shall be permitted.

6.21.5 No vehicle of any type may be stored on the exterior portion of any Lot. A vehicle shall be considered stored if covered by tarp, cloth or like covering and is left in the driveway of a residence for more than 48 hours. The Board may adopt additional guidelines and rules for the determination as to what constitutes "storage" of a vehicle and regarding the length of time that vehicles may be continuously parked within the Properties other than in garages. No boat, personal water craft, camper, recreational vehicle, trailer, commercial vehicle or other motor vehicle which is not an "authorized vehicle" shall be stored or parked other than in a garage. No boat, personal water craft, camper, recreational vehicle, trailer, commercial vehicle or other motor vehicle which is not an "authorized vehicle" shall be stored or parked in the garage of the residence if such storage would prevent the parking within the garage of authorized vehicles utilized by the residents of the Lot.

6.21.6 No motor vehicle shall be constructed, reconstructed or repaired within the Properties and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Properties, except in the garage and then only if such storage does not prevent the parking within the garage of authorized vehicles utilized by the residents of the Lot; provided however, that the provisions of this section shall not apply to emergency vehicle repairs.

6.21.7 Non-authorized vehicles are not to be parked within the Properties, except for periods not to exceed 12 hours for the purpose of loading and unloading. Campers, trailers and recreational vehicles may be parked for periods not to exceed 24 hours for the purpose of loading and unloading.

6.21.8 The Board shall have the authority to adopt further reasonable rules and restrictions of uniform application regarding parking and vehicles, including, without limitation, bicycles, skateboards, scooters, skates and other motorized or non-motorized wheeled devices within the Properties as may be deemed prudent. The Board shall also have the authority, upon written petition from an Owner and for good cause, to grant exemptions from any provision of this article 6, section 19. The decision to grant such exemptions shall be made in the sole discretion of the Board.

6.21.9 The Association and its authorized agents shall have the right to enforce all parking and vehicle restrictions set forth in this section, and to remove or cause the removal of vehicles, trailers, or other equipment parked in violation of this Declaration or Association Rules in accordance with the provisions of Vehicle Code §22658, or other applicable laws, codes, and statutes. To the extent required by law, the Association shall be authorized to post within the Common Areas all signage required by law to authorize the towing of vehicles parked in violation of these restrictions. Any vehicle of any Owner or resident not parked in conformance with this Declaration and/or the Rules is not authorized to park in the project. The provisions of this Declaration relating to Notice and Hearing shall not apply to the towing of vehicles parked in violation of the provisions of this article 6, section 19 or to parking rules duly adopted by the Board.

ARTICLE 7

INSURANCE AND CONDEMNATION

Section 7.1 Insurance. The Association shall obtain and maintain the following insurance:

7.1.1 Fire and Casualty Insurance. The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, for the full insurable value of all the buildings containing Improvements within the Property, including upon the Lots, and on all Common Facilities. The Association shall also insure against such risks all personal property owned by the Association, but not the personal property of the Owners, with coverage in the maximum insurable fair market value of such personal property. The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be redetermined on an annual basis. The policies maintained by the Association pursuant to this section shall contain such reasonable endorsements as may be required by institutional first lenders. The policies maintained by the Association pursuant to this section shall contain, unless the Board specifically determines otherwise after consultation with a licensed insurance agent or broker and so notifies the Owners, an agreed amount endorsement or its equivalent, an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or the equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a clause to permit cash settlements for full insurable value in case of partial destruction. The policies required hereunder shall provide amounts or coverage as shall be determined by the Board and shall name as insured the Association, all Owners and all Mortgagees as their respective interests may appear. The policies may contain a loss payable endorsement in favor of the trustee described below.

7.1.2 General Liability Insurance. A comprehensive general liability policy insuring the Association, its agents, the Owners and their respective family members against any liability incident to the ownership or use of the Common Area or any other Association owned or maintained real or personal property. The amount of general liability insurance which the Association shall carry shall be as determined by the Board in consultation with a licensed insurance professional, provided that notwithstanding the foregoing, at all times such coverage shall be not less than \$3,000,000 in indemnity against the claims of one (1) or more persons in one (1) accident or event, and not less than \$200,000.00 for damage to property, or as set forth in California Civil Code sections 1365.7 and 1365.9, whichever is greater;

7.1.3 Workers' compensation insurance. Workers' compensation insurance to the extent required by law;

7.1.4 Fidelity bonds. Fidelity bonds or insurance covering officers, directors, and employees that have access to any Association funds in an amount of not less than 100 percent of each year's estimated annual operating expenses and reserves and shall contain an endorsement for any person who may serve without compensation;

7.1.5 Officers and Directors Liability Insurance. Officers and Directors liability insurance (errors and omissions) in coverage amounts as determined by the Board; and

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

7.1.7 Coverage Not Available. In the event any insurance policy, or any endorsement thereof, required by this section 7.1 is for any reason not available, or not available at a reasonable cost, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Board shall notify the Owners of any material adverse changes in the Association's insurance coverage.

7.1.8 Copies of Policies To Be Available to Owners. Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) shall be retained by the Association and shall be available for inspection by Owners at any reasonable time. All such insurance policies shall (i) provide that they shall not be cancellable by the insurer without first giving at least ten (10) days' prior notice in writing to the Association, and (ii) contain a waiver of subrogation by the insurer(s) against the Association, Board and Owners.

7.1.9 FNMA / GNMA Required Insurance. Anything contained herein to the contrary notwithstanding, the Association shall maintain such insurance coverage as may be required by the Federal National Mortgage Association ("FNMA") or the General National Mortgage Association ("GNMA") so long as FNMA or GNMA holds a mortgage on or owns any Lot.

7.1.10 Annual Distribution of Insurance Information. A summary of the Association's property, general liability, earthquake (if any) and flood insurance (if any) policies shall be distributed annually to all Members not less than 30 nor more than 90 days preceding the beginning of the Association's fiscal year. The notice shall contain the following information and such other information as may be required by California Civil Code section 1365(e) (i) the name of the insurer; (ii) the type of insurance; (iii) the policy limits and (iv) the amount of deductibles, if any.

7.1.11 Individual Fire and Casualty Insurance Limited. Except as provided in this section, no Owner can separately insure the Residence and other Improvements on his or her Lot or any part of it against loss by fire or other casualty covered by the Association's blanket insurance carried under this article. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance, and the Owner will be liable to the Association to the extent of any diminution. **AN OWNER CAN AND SHOULD INSURE HIS OR HER PERSONAL PROPERTY AGAINST LOSS.** In addition, any Improvements made by an Owner within his or her Residence may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's Improvements." All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, and any institutional first Mortgagee of such Lot.

SEE 1ST AMENDMENT TO CCA's 4/13/06

Section 7.2 Condemnation. In the event the Common Area or any portion thereof shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE 8

MAINTENANCE RESPONSIBILITIES

Section 8.1 Association Maintenance.

8.1.1 Maintenance of Common Area. Except for incidental ornamental plantings permitted to be installed and maintained by Owners adjacent to such Owner's Lot in accordance with Rules adopted by the Board ("Owner Plantings"), the Association shall maintain and provide for the maintenance of all the Common Area and all improvements thereon in good repair and appearance. The Association shall provide landscaping and gardening services necessary to properly maintain the Common Area and shall periodically replace when necessary the trees, plants, grass and other vegetation located upon the Common Area.

8.1.2 Association Maintenance on Lots. Association maintenance upon the Lots shall be limited to the following:

(i) Painting of the exterior trim, wooden doors and door frames of the residence located upon the Lot, the fences between residences and gates leading to the front entrance of the residence. In connection with such painting, the Association shall do such patching and preparation that, in the sole determination of the Board, is ordinary and usual. ~~However, any other repair or replacement of the underlying surface which is required shall be done either by and/or at the expense of the Owner.~~ If such repair or replacement is required, the Association shall notify the Owner and give the Owner a reasonable time to make such repair or replacement. If the Owner fails to make the repair or replacement within such reasonable time, or if the owner agrees, the Association may undertake the repair or replacement and bill the Owner for the cost;

(ii) Maintenance and repair of lighting fixtures mounted on the front of residences that are connected to Association electrical meters;

(iii) Replacement of light bulbs in any light on or near the front of the Lot which is not promptly replaced by an Owner;

(iv) With respect to fences, the Association shall pay the actual cost (but not exceeding the amount of \$1,000.00) of replacement of the fence between Lots with a slump-stone block wall of a construction and design approved under the provisions of article 5. Any cost of installation of such a wall in excess of that amount shall be paid by the Owners of the Lots separated by the wall as such Owners may agree.

8.1.3 The Association shall have the right to enter onto any Lot or residence as may be necessary for the construction, maintenance or emergency repair of the Common Area or, if necessary, for the benefit of the Owners in common. Except in an emergency, such entry shall require at least 48 hours notice to the resident of the Lot. Any damage caused to a Lot by entry of the Association shall be repaired by the Association at its expense.

Section 8.2 Owner Maintenance. Except for maintenance to be provided by the Association pursuant to section 8.1 above, each Owner shall keep and maintain in good repair and appearance all portions of his Lot and improvements thereon and any Owner Plantings upon the Common Area. The Owner of each Lot shall water, weed, maintain and care for the landscaping located on his Lot and Owner Plantings so that the same presents a neat and attractive appearance. No Owner shall interfere with or damage the Common Area nor interfere with or impede the Association in connection with the maintenance thereof as herein provided.

Section 8.3 Association Right to Repair Neglected Lots. In addition to maintenance of the Common Area, in the event an Owner of any Lot should fail to maintain his or her Lot and improvements situated thereon or Owner Plantings in a manner satisfactory to the Board, the Association, after the Owner has been afforded his or her Notice and Hearing Rights, shall have the right through its agents and employees, to repair, maintain and restore the Lot and exterior of the Living Unit and any other improvements erected thereon and Owner Plantings. However, entry shall be made only after not less than forty eight (48) hours notice has been given to the Owner. Such entry shall be made with as little inconvenience to the Owner as possible and any damage caused thereby shall be repaired by the Association. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Owner and Lot is subject.

ARTICLE 9

PARTY WALLS

Section 9.1 General Rules of Law to Apply. Each wall which is built or placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this article 9, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 9.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. Each such Owner is hereby granted an easement for the purpose of maintenance and repair of the adjoining wall or roof.

Section 9.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter makes use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

Section 9.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 9.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 9.6 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE 10

RIGHTS OF LENDERS

Section 10.1 Any unit owner may encumber his unit by deed of trust or mortgage. The beneficiary of the deed of trust or the mortgagee is referred to in this paragraph as a lender".

Section 10.2 A breach of any of the provisions of this Declaration of Covenants, Conditions and Restrictions shall not affect or impair the lien or charge of any bona fide deed of trust or mortgage made in good faith and for value encumbering any Living Unit.

Section 10.3 A lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration of Covenants, Conditions and Restrictions which is non curable or of a type which is not practical or feasible to cure.

Section 10.4 It is intended that any loan to facilitate the resale of any dwelling unit after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other lenders.

Section 10.5 All liens created by this Declaration of Covenants, Conditions and Restrictions, including, but not limited to any regular or special assessments for the payment of money, shall be subordinate to the lien created by any such bona fide first deed of trust or mortgage given to any lender and subordinate to any bona fide mortgage or deed recorded prior to the association's lien. It is specifically understood, however, that a lender is liable for all such assessments during the actual period of time the lender holds title to a unit. This liability for assessments on the part of the lender is on a pro-rata basis with the pro-rata period commencing on the date the lender acquires title and ending upon a resale or other transfer by the lender, whereupon the liability for new future assessments will attach to the transferee.

Section 10.6 No amendment to this Declaration of Covenants, Conditions and Restrictions shall affect any lender to the extent it defeats the lender's then priority position with respect to its lien or which would convert the lender's loan to an illegal statute under such governmental regulations then applicable to the lender involved, unless the approval in writing of any such lender is obtained.

Section 10.7 Because of its financial interest in the project, a lender may appear at meetings of the voting owners and of the Board of Directors to present objection if violations of this Declaration of Covenants, Conditions and Restrictions have not been enforced.

Section 10.8 A lender is authorized to furnish information to the Board of Directors concerning the status of any loan encumbering a unit.

Section 10.9 Unless the Mortgagees of first Mortgages encumbering ~~sixty-seven percent (67%)~~ or more of the Lots which are subject to a Mortgage have given their prior written approval, the Association shall not be entitled to:

10.9.1 By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes shall not be deemed a transfer within the meaning of this subsection.

10.9.2 Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

10.9.3 By act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of residences, or the maintenance of Common Areas.

10.9.4 Fail to maintain fire and extended coverage insurance on the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

10.9.5 Use hazard insurance proceeds for losses to any portion of the Common Area for other than the repair, replacement or reconstruction of such Common Area.

10.9.6 Any restoration or repair of the Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with this Declaration and original plans and specifications unless other action is approved by eligible holders of Mortgages on Lots which have at least fifty-one percent (51%) of the votes of Lots subject to eligible Mortgage holders. "Eligible Mortgage holder" as used in this Article, means a holder of a first Mortgage on a Lot who has requested notice from the Association of those matters described in section 10.9.7 below.

10.9.7 Upon written request to the Association identifying the name and address of the holder and the Lot number or address, any eligible Mortgage holder will be entitled to timely written notice of:

(i) Any condemnation loss or any casualty loss which affects a material portion of the project or any Lot on which there is a first Mortgage held by such eligible Mortgage holder.

(ii) Any delinquency in the payment of assessments or charges owed by an Owner subject to a first Mortgage held by such eligible holder which remains uncured for a period of sixty (60) days.

(iii) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(iv) Any proposed action which would require the consent of a specified percentage of eligible Mortgage holders as specified above.

10.9.8 Conflicts. In the event of any conflict between any of the provisions of this article and any of the other provisions of this Declaration; the provisions of this article shall control.

ARTICLE 11

BREACH AND DEFAULT

Section 11.1 Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, tenant, occupant or user of any Lot or any portion of the Properties to comply with any provision of this Declaration, the Bylaws or the Rules and Regulations of the Association may be enjoined by appropriate legal proceedings instituted by any Owner or the Association.

Section 11.2 Nuisance. Without limiting the generality of the foregoing section 11.1, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 11.3 Costs and Attorneys' Fees. In any action, including arbitration, brought because of any alleged breach or default of any Owner or other party hereto under this Declaration or any other Governing document, the court or arbitrator, as the case may be, may award to any party in any such action such attorneys' fees and other costs as the court or arbitrator deems just and reasonable.

Section 11.4 Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 11.5 Failure Not a Waiver. The failure of any Owner or the Association to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 11.6 Rights and Remedies of the Association.

11.6.1 Rights Generally. In the event of a breach or violation of this Declaration, the Bylaws or the Rules by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each such person to obey such rules, covenants, conditions or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties; the pursuit of legal action, or the suspension of the Owner's voting rights as a Member of the Association; provided that the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this section 11.6. Monetary penalties may be imposed by the Association: (i) for failure of a Member to comply with provisions of this Declaration, the Bylaws and the Rules, (ii) as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to the Common Area or Common Maintenance Area allegedly caused by a Member, or (iii) in bringing the Member and his or her Lot into compliance with this Declaration, the Bylaws and the Rules, shall be characterized and treated as a Special Individual Assessment. The decision of whether it is appropriate or necessary for the Association to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as may exist by virtue of the California Civil Code section 1354 or otherwise by law.

11.6.2 Schedule of Fines. The Board shall implement and distribute annually to the Owners a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment, but no lien may be filed against the Owner's Lot by reason thereof unless permitted by law.

11.6.3 Definition of "Violation". A violation of this Declaration, the Bylaws or Rules shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

11.6.4 Limitations of Disciplinary Rights, Loss of Rights: Forfeitures. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his or her Lot due to the failure by the Owner (or his or her family members, tenants, guests or invitees) to comply with any provision of this Declaration, the Bylaws or Rules except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction, a decision arising out of arbitration or a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association or the imposition of monetary penalties for failure to pay Assessments or otherwise comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of subparagraph below.

11.6.5 Notice and Hearing Rights. No fine, monetary penalty, Special Individual Assessment (other than in connection with the collection of regular or special assessments or the towing of improperly parked vehicles) or temporary suspension of rights shall be imposed unless the Owner alleged to be in violation is given prior notice of the proposed penalty or temporary suspension and is afforded a hearing before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s). The notice shall, at a minimum, set forth the date, time and place for the hearing, a brief description of the action or inaction constituting the alleged violation of this Declaration, the Bylaws or Rules and a reference to the specific provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice, provided that if notice is given by mail it shall be sent by first-class or certified mail sent to the last address of the Member shown on the records of the Association and by first class mail to such other address or addresses known to the Association as may be calculated to give the Owner actual notice.

(i) Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

(ii) Hearing. Notice of the date, time and location of the hearing shall be given at least ten (10) days prior to the hearing date. At the request of the alleged offender, the hearing shall be held in executive session. At the hearing the alleged offender shall have the opportunity to address the Board, or appropriate committee established by the Board, in person or through an attorney or other representative. In lieu of or in addition to a personal appearance, the alleged violator may submit written materials which shall be considered by the Board. Within fifteen (15) days following the hearing the alleged violator shall be notified in writing of the decision of the Board. No fine, monetary penalty, Special Individual Assessment (other than in connection with the collection of regular or special assessments or towing of an improperly parked vehicle) or temporary suspension of rights shall be effective until five (5) days after such written notice of the decision after hearing has been given.

(iii) Immediate Disciplinary Action. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (i) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (ii) a traffic or fire hazard; (iii) a threat of material damage to, or destruction of, the Common Area or Common Maintenance Area; or (iv) a violation of this Declaration, the Bylaws or Rules that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or parking violations), the Board of Directors or its duly authorized agents may undertake immediate corrective or disciplinary action and conduct a hearing as soon thereafter as reasonably possible.

The provisions of this section 11.6.5 are intended to satisfy the requirements of Civil Code section 1363(h). To the extent such code section may be amended from time to time, and notwithstanding other provisions of this Declaration, the Board shall be entitled to amend this subsection, without a vote of the Members, to comply with the requirements of that Code section or other provisions of law dealing with discipline within common interest developments.

11.6.6 Alternative Dispute Resolution. The Association and Owners shall comply with the provisions of sections 1363.810 - 1363.830 and sections 1369.530- 1369.590 of the California Civil Code regarding alternative dispute resolution ("ADR"), to the extent compliance is required by those sections, before resorting to a court of law for relief with respect to any alleged violation of this Declaration, the Bylaws or the Rules and Regulations.

ARTICLE 12

GENERAL PROVISIONS

Section 12.1 Enforcement. The Association, and any Owner (except as otherwise provided herein) shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 12.2 Severability. Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 12.3 Suspension or Right of Partition. Except as expressly provided in this section 12.4 an Owner shall have no right to partition or divide his or her ownership of the Common Area. Partition of the Common Area can be had on a showing that the conditions to such partition as stated in California Civil Code section 1359 have been met. Nothing in this Declaration shall prevent partition of a co-tenancy in a Lot by sale. Proceeds of property resulting from a partition of the Common Area shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Lot bears to the fair market value of all Owners' Lots determined by appraisal, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Area.

Section 12.4 Amendments.

12.4.1 Amendments in General. Except as may otherwise be stated in this Declaration, this Declaration may be amended or revoked in any respect by the vote of at least two-thirds (2/3rds) of the voting power of the Members in an election by written ballot conducted in accordance with Corporations Code section 7513 or at a duly noticed meeting of the Members called for that purpose. With respect to any vote hereunder, the Association shall be entitled to accept the vote of any Owner of Record of a Lot as the vote of all Owners of Record of such Lot unless the Association receives more than one vote from said co-Owners, in which case the vote of a majority of the co-owners shall bind all.

12.4.2 Effective Date of Amendment. An amendment shall be effective upon the recordation of such amendment in the Office of the Recorder of San Diego County accompanied by a certificate, signed and acknowledged by the president and secretary of the Association, setting forth that the amendment has been approved by the requisite vote of the Owners.

12.4.3 Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

Section 12.5 Term and Extension of Declaration. Each and all of these covenants, conditions and restrictions shall run with and bind the land for a term of thirty (30) years from the date this Amended and Restated Declaration is recorded, after which date they shall automatically be extended for successive periods of ten (10) years, unless the Owners have executed and recorded at any time within six (6) months prior to the end of said thirty (30) year period, or within six (6) months prior to the end of any such ten (10) year extended period, in the manner required for a conveyance of real property.

Section 12.6 Easements.

12.6.1 Utility Easements. Easements for the installation and maintenance of utilities and drainage facilities are reserved to the Association and all Owners with respect to the running of any and all utilities beneath the slab of each and every dwelling and/or through the attic of each and every dwelling. Within these easements, no structure, planting, or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in easements. The easement area of each Lot and all improvements in and upon it shall be maintained continuously by the Owner of the Lot, except those improvements for which a public authority or utility company is responsible.

12.6.2 Encroachment Easements.

(i) In the event any improvement to a Lot encroaches upon the Common Area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion thereof, an easement for the encroachment and for maintenance of the same shall exist so long as the encroachment exists; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed and then rebuilt, or repaired, the minor encroachments over adjoining Common Area and Common Maintenance Area shall be permitted and there shall be easements for maintenance of such encroachments so long as they shall exist.

(ii) Each Owner of a Lot is granted an easement over adjoining Lots for the purpose of accommodating encroachments due to design, construction, engineering errors, errors in construction, settlement or shifting of the building, roof overhangs, architectural or other appendants and drainage of water from roofs. There shall be easements for the maintenance of said encroachments so long as they shall exist; provided, however, that no such easement be created in favor of an Owner if the encroachment occurred due to the willful misconduct of the Owner. In the event a structure on any Lot is partially or totally destroyed and then rebuilt or repaired, the minor encroachments over adjoining Lots shall be permitted and there shall be easements for maintenance of such encroachments so long as they shall exist.

Section 12.7 Headings. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

Section 12.8 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity, illegality or unenforceability of any provision hereof shall not affect or invalidate any other provisions hereof, and all other provisions shall remain in full force and effect.

Section 12.9 Restrictions Construed Together. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Properties as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

Section 12.10 Number: Gender. The singular shall include the plural and plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall include the masculine, feminine or neuter, as the context requires.

Section 12.11 No Public Rights. Nothing contained in this Declaration shall be deemed to be a gift or a dedication of all or any portion of the Properties to the general public or for any public use or purpose whatsoever.

Section 12.12 Notices:

12.12.1 Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

(i) If to any Owner: To the street address of his or her Lot or to such other address as he or she may from time to time designate in writing to the Association.

(ii) If to the Association: Oceana East Unit No. 1 Owners Association at the principal office of the Association (or to such other address as the Association may from time to time designate in writing to the Owners).

12.12.2 Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-Owners of any Lot, to any general partner of a partnership which is the Owner of Record of the Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of the Lot, shall be deemed delivered to all such co-owners, to such partnership, or to such corporation, as the case may be.

12.12.3 Delivery. All notices, demands and documents to be served under any provision of this Declaration may be served by personal delivery; by first-class mail, with postage prepaid addressed to a member at the address last shown on the books of the Association or otherwise provided by the member; by other delivery services requiring a signed receipt (such as Federal Express); or by any other method of delivery as provided in California Civil Code section 1350.7 or as agreed to in writing by the member, and shall be deemed delivered, in the case of mailed notice, four days after deposit in the United States mail in San Diego County, California and otherwise upon receipt.

*** END ***

EXHIBIT "A"

CERTIFICATION OF BOARD PRESIDENT AS TO APPROVAL OF RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS

1. I, Linda Ann Zimmerman, declare and state as follows:

2. I certify that I am the President of the Board of Directors of Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation (hereafter "Association").

3. This document is executed by me for the purpose of certifying the foregoing Amended and Restated Declaration of the Covenants, Conditions and Restrictions of Oceana East Unit No. 1 Owners Association (hereby "Declaration") as required by Section 1335 of the California Civil Code.

4. I hereby certify that, according to the books and records of the Association, there are one hundred, twenty-six (126) votes which were entitled to be cast on the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions, one for each of the one hundred, twenty-six (126) Owners and Members of the Association. And, as such, at least ninety-five (95) votes or written consents must be cast to approve this new Amended and Restated Declaration of Covenants, Conditions and Restrictions.

5. I further certify that one hundred, eight (108) votes were cast, representing eighty-five percent (85%) of the total voting power of the Association and tabulated on March 1, 2005. The Amended and Restated Declaration of Covenants, Conditions and Restrictions were approved by ninety-eight (98) votes (78%), which exceeds the majority vote necessary for approval of this Amended and Restated Declaration.

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 June 13, 2005 at Oceanside, California.

Oceana East Unit No. 1 Owners Association

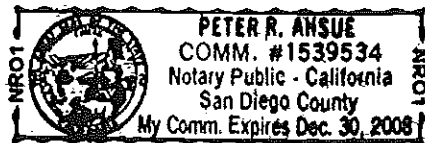
By: Linda Ann Zimmerman
Linda Ann Zimmerman, President
Board of Directors

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)

On June 13, 2005, before me PETER R. ANSUE a Notary Public in and for said State, personally appeared Linda Ann Zimmerman, known 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

WITNESS my hand and official seal

Peter R. Ansue
Notary Public in and for said State





ORIGINAL DOCUMENT FILED
June 20, 2005
File #2005-0515356

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APR 13, 2006 9:52 AM

Recording requested by and
when recorded return to:
Oceana East Unit No. 1
Owners Association
P.O. Box 4531
Oceanside, CA 92052-4531

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 29.00
PAGES: 5



FIRST AMENDMENT TO THE AMENDED AND RESTATED

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF OCEANA EAST UNIT No. 1 OWNERS ASSOCIATION

This document is recorded for the purpose of amending the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Oceana East Unit No. 1 Owners Association (hereafter to be called the "declaration"), which was recorded on June 20, 2005 as File number #2005-0515356 of the Official Records of San Diego County, California against the property (hereafter called "property") legally described as

Lots 1 to 126, inclusive, of OCEANA EAST UNIT No. 1 OWNERS ASSOCIATION, in the City of Oceanside, County of San Diego, State of California, according to the map thereof No. 74-115331, filed June 20, 2005, in the Office of the County Recorder of San Diego County, California.

This amendment is adopted by the members (hereafter "Members") of Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation (hereafter "Association"), under the provisions of Article XII, Section 12.4 of the declaration.

As required by Section 1335 of the California Civil Code, this amendment has been certified by the President of the Association (EXHIBIT "A") and will become effective upon the recording in the Office of the County Recorder of San Diego County, California.

NOW THEREFORE, the following Article of the Declaration is hereby amended as indicated:

Section 7.1.12 is added to Article 7, Section 7.1 and will read:

7.1.12 "Notwithstanding any other provision herein, each Owner of a Residence shall be responsible for the maintenance, repair, and replacement, and for insuring, of all elements of and improvements within, his or her Residence, or exclusively servicing such residence, and all damage to or arising from such elements, including, without limiting the generality of the foregoing:

- (i) The interior of the residence, including all interior surfaces and coverings (carpeting, tile, paneling, paint, etc.);
- (ii) The contents of the Unit, including all furnishings, fur-

- niture and appliances, whether built-in or freestanding;
- (iii) The entry door and hardware thereof and the glass doors and windows enclosing the Unit, including, but not limited to, the metal frames and tracks of the glass doors and windows;
 - (iv) The plumbing, drain, electrical, heating and other utility systems servicing the Residence and any damage therefrom, located in, under or within the perimeter walls, floor and roof of the Residence including telephone and television cable equipment and connections, all appliances, pipes and other utility installations and equipment located within or without the Residence, so long as those systems, or a portion of the system, is used exclusively by such Owner's Residence and not in common."

This completes the text of the amendment. This amendment shall take effect immediately upon being recorded.

Executed on April 4, 2006 at Oceanside, California.

Oceana East Unit No. 1 Owners Association

By: Norma Jean Nares
 Norma Jean Nares, President, Board of Directors

STATE OF CALIFORNIA)
)
 COUNTY OF SAN DIEGO)

On April 4, 2006, before me _____ a Notary Public in and for said State, personally appeared Norma Jean Nares, known 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

Witness my hand and official seal _____
 Notary Public in and for said State

~~SEE ATTACHED~~
~~ACKNOWLEDGMENT~~
~~JURAT~~

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

State of California }
County of San Diego } ss


On 04 APRIL 2006 before me, Peter R. Ahsue, Notary Public,

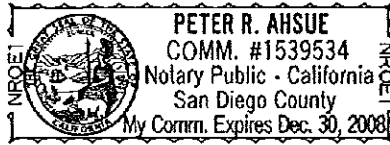
Personally appeared, NORMA J. NARES AND NO OTHERS

PRINTED NAMES OF SIGNERS

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.


SIGNATURE



NOTARY PUBLIC SEAL

EXHIBIT "A"

CERTIFICATION OF BOARD PRESIDENT AS TO APPROVAL OF AMENDMENT

I, Norma Jean Nares, declare and state as follows:

1. I certify that I am the President of the Board of Directors of Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation (hereafter "Association").
2. This document is executed by me for the purpose of certifying the foregoing amendment to the declaration of Covenants, Conditions and Restrictions of Oceana East Unit 1 Owners Association (hereby "Declaration"), as required by Section 1335 of the California Civil Code.
3. According to Article XII, Section 12.4 of the declaration, the Declaration may be amended by the vote or assent by written ballot of not less than a 2/3 majority of the Owners.
4. I hereby certify that, according to the books and records of the Association, there are 126 votes which were entitled to be cast on the foregoing amendment, one for each of the one hundred, twenty-six (126) Owners and Members of the Association. As such, at least eighty-four (84) votes or written consents must be cast to approve the amendment.
5. I further certify that ninety-five (95) votes were cast, representing seventy-five percent (75%) of the total voting power of the Association and tabulated on March 30, 2006. The amendment was approved by eighty-four (84) votes (67%), which exceeds the majority vote necessary for approval of the amendment.

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 April 4, 2006 at Oceanside, California.

Oceana East Unit No. 1 Owners Association

By: Norma Jean Nares
Norma Jean Nares, President, Board of Directors

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

On April 4, 2006, before me _____ a Notary Public in and for said State, personally appeared Norma Jean Nares, known 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

Witness my hand and official seal

SEE ATTACHED
ACKNOWLEDGMENT
JURAT

Notary Public in and for said State

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**

State of California }
County of San Diego } ss


On 04 APRIL 2006 before me, Peter R. Ahsue, Notary Public,

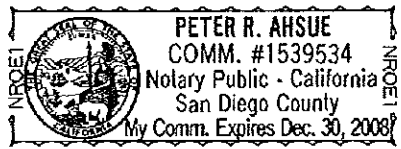
Personally appeared, NORMA J. NARES AND NO OTHERS

PRINTED NAME S OF SIGNERS

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.


SIGNATURE



OFFICIAL PUBLIC SEAL



OCT 17, 2007 2:04 PM

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

PAGES: 3



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30
10

ORIGINAL DOCUMENT FILED
 June 20, 2005
 File # 2005-0515356

Recording requested by and
 when recorded return to:
 Oceana East Unit No. 1
 Owners Association
 P.O. Box 4531
 Oceanside, CA 92052-4531

SECOND AMENDMENT TO THE AMENDED AND RESTATED
 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
 OF OCEANA EAST UNIT No. 1 OWNERS ASSOCIATION

This document is recorded for the purpose of amending the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Oceana East Unit No. 1 Owners Association (hereafter to be called the "declaration"), which was recorded on June 20, 2005 as file Number #2005-0515356 of the Official Records of San Diego County, California against the property (hereafter called "property") legally described as:

Lots 1 to 127, inclusive, of OCEANA EAST UNIT No. 1 OWNERS ASSOCIATION, in the City of Oceanside, County of San Diego, State of California, according to the map thereof No. 74-115331, filed June 20, 2005, in , in the Office of the County Recorder of San Diego County, California.

This amendment is adopted by the members {hereafter "Members"} of the Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation {hereafter "Association"}, under the provisions of Article XII, Section 12.4 of the Declaration.

As required by Section 1335 of the California Civil Code, this amendment has been certified by the President of the Association (EXHIBIT "A"), and will become effective upon the recording in the Office of the County Recorder of San Diego County, California.

NOW THEREFORE, the following Article of the declaration is hereby amended to read as indicated below:

6.12.2 Displays of Noncommercial Signs and Posters.

(i) These governing documents, including the operating rules, do not prohibit posting or displaying of noncommercial signs, posters, flags or banners on or in an owner's separate interest, except as required for the protection of public health or safety, or if the posting or display would violate a local, state or federal law.

(ii) For purposes of this section, a noncommercial sign, poster, flag or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard,

window, door, balcony, or outside wall of the separate interest, but may not be made of lights, roofing, siding, paving materials, flora, balloons, or any other similar building, landscaping or decorative component, or include the painting of architectural surfaces.

(iii) The association may prohibit noncommercial signs and posters that are more than 9 square feet in size and noncommercial flags or banners that are more than 15 square feet in size.

(iv) One American Flag shall be permitted to be displayed or flown from a temporary pole not to exceed six feet (6') in length, attached to a bracket affixed to the residence, or otherwise in accordance with accepted guidelines regarding the display of the American Flag and such Rules as may be adopted by the Board.

(v) Holiday Displays. The Board of Directors may adopt reasonable and non-discriminatory regulations regarding the erection and removal of holiday lighting and displays. Political signs, or signs for special events, such as garage sales, will require special authorization from the Board, and in no event will such signs be permitted to be displayed for more than 30 days.

(vi) Signs Permitted By Law. Other noncommercial signs, flags, or banners as are expressly permitted under the provisions of California Civil Code Section 1353.6, as that section may from time to time be amended.

This completes the text of the amendment. This amendment shall take effect immediately upon being recorded.

Executed on October 16, 2007 at Oceanside, California.

Oceana East Unit No. 1 Owners Association

By: Mary Gabriel
Mary Gabriel, President, Board of Directors

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO)

On October 16, 2007, before me S. MORRIS a Notary Public ^{PROVEO} in and for said State, personally appeared Mary Gabriel, known 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

Witness my hand and official seal

S. Morris
Notary Public in and for said State

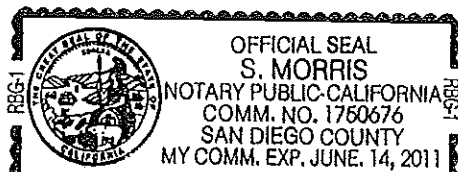


EXHIBIT "A"

CERTIFICATION OF BOARD PRESIDENT AS TO APPROVAL OF AMENDMENT

I, Mary Gabriel, declare and state as follows:

1. I certify that I am the President of the Board of Directors of Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation (hereafter "Association").
2. This document is executed by me for the purpose of certifying the foregoing amendment to the Declaration of Covenants, Conditions and Restrictions of the Oceana East Unit No. 1 Owners Association (hereby "Declaration"), as required by Section 1335 of the California Civil Code.
3. According to Article 12, Section 12.4 of the Declaration, the Declaration may be amended by the vote or assent by written ballot of not less than a 2/3 majority of the Owners. However, because this amendment is to change Article 6, Section 6.12.2 so that it complies with the recently amended 1353.6 of the California Civil Code, it was deemed not necessary to be ratified by a 2/3 majority of the Owners. It was, however, approved by a majority of the Owners by a vote of 65 for and 2 against.

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 October 16, 2007 at Oceanside, California.

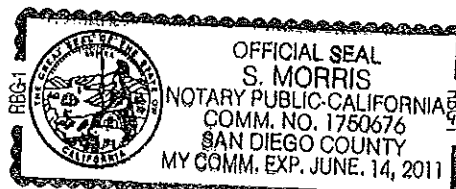
Oceana East Unit No. 1 Owners Association
 By: Mary Gabriel
 Mary Gabriel, President, Board of Directors

STATE OF CALIFORNIA)
)
 COUNTY OF SAN DIEGO)

On OCTOBER 16, 2007, 2007, before me S. MORRIS a Notary Public ^{known to me} in and for said State, personally appeared Mary Gabriel, ^{known to me} 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

Witness my hand and official seal

S. Morris
 Notary Public in and for said State



~~CONFIDENTIAL~~

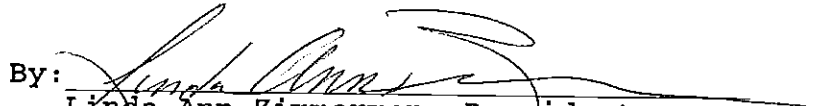
CERTIFICATION OF BOARD PRESIDENT AS TO APPROVAL OF RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS

1. I, Linda Ann Zimmerman, declare and state as follows:
2. I certify that I am the President of the Board of Directors of Oceana East Unit No. 1 Owners Association, a California non-profit mutual benefit corporation (hereafter "Association").
3. This document is executed by me for the purpose of certifying the foregoing Amended and Restated Declaration of the Covenants, Conditions and Restrictions of Oceana East Unit No. 1 Owners Association (hereby "Declaration") as required by Section 1335 of the California Civil Code.
4. I hereby certify that, according to the books and records of the Association, there are one hundred, twenty-six (126) votes which were entitled to be cast on the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions, one for each of the one hundred, twenty-six (126) Owners and Members of the Association. And, as such, at least ninety-five (95) votes or written consents must be cast to approve this new Amended and Restated Declaration of Covenants, Conditions and Restrictions.
5. I further certify that one hundred, eight (108) votes were cast, representing eighty-five percent (85%) of the total voting power of the Association and tabulated on March 1, 2005. The Amended and Restated Declaration of Covenants, Conditions and Restrictions were approved by ninety-eight (98) votes (78%), which exceeds the majority vote necessary for approval of this Amended and Restated Declaration.

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 June 13, 2005 at Oceanside, California.


Oceana East Unit No. 1 Owners Association

By: 
 Linda Ann Zimmerman, President
 Board of Directors

STATE OF CALIFORNIA)
)
 COUNTY OF SAN DIEGO)

On June 13, 2005, before me PETER R. ANSUE a Notary Public in and for said State, personally appeared Linda Ann Zimmerman, known 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 she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity on behalf of which the person acted, executed the within instrument.

WITNESS my hand and official seal


 Notary Public in and for said State

