

**SUPPLEMENTAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AS TO PARCEL B,
PARCEL MAP NO. 1262 (PARCEL MAP NO. 1262 BEING A
DIVISION OF LOTS 7, 8, 9 AND 10 OF CORONADO
SHORES MAP NO. 6641**

This SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, made this 9th day of September 1976, by CORONADO DEVELOPMENT CO., hereinafter referred to as "DECLARANT", is made pursuant to the provisions of the basic AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT AND RESERVATION OF EASEMENTS, dated June 10, 1971, recorded in the Office of the County Recorder of San Diego County on June 11, 1971, as File 123403 (hereinafter referred to as the "Basic Amended Restated Covenants") for Coronado Shores Map No. 6641 recorded in the Office of the County Recorder of San Diego County on May 1, 1970, as File 75985.

WITNESSETH:

1. RECITALS, INTENT AND PURPOSE

1.1 Recitals.

(a) DECLARANT, a California corporation, is the owner in fee of Parcel B, Parcel Map No. 1262, recorded January 31, 1973, in the Book of Parcel Maps at page 262, as File No. 73-027797 in the Office of the County Recorder of San Diego County (hereinafter referred to as "Parcel B")-Parcel Map No. 1262 rearranged the lot lines of Lots 7, 8, 9 and 10 of Coronado Shores, Map No. 6641 recorded May 1, 1970, as File No. 75985 in the Office of the County Recorder of San Diego County, resulting in the division of said Lots 7,8,9 and 10 of Coronado Shores, Map No. 6641, into Parcels A, B, C and D, Parcel Map No. 1262.

(b) DECLARANT will improve Parcel B by constructing thereon a 135 unit multi-family structure known as CORONADO SHORES CONDOMINIUM NO. 8, said structure to be constructed in accordance with the condominium plans, prepared by El Dorado Engineers, recorded on July 12, 1976, in the Office of the

County Recorder of San Diego County, State of California, at File/Page No. 76-217288 (hereinafter referred to as the "Condominium Plan").

(c) It is the desire and intention of DECLARANT to convey the condominium estates in Parcel B by means of a deed similar in form to the one attached hereto as Exhibit "A" and by this reference made a part hereof, and to impose thereon mutually beneficial restrictions under a general plan or scheme of improvement for the benefit of all condominium estates created.

(d) DECLARANT hereby establishes by this Declaration a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the living units in said multi-family structure, and the co-ownership by the individual and separate Owners thereof, as tenants-in-common, of all of the remaining portions of Parcel B whether within or without said multi-family structure, said remaining portions of Parcel B being hereinafter defined and referred to as the Common Areas.

(e) DECLARANT hereby declares that Parcel B is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, occupied, and improved subject to the following limitations, restrictions, covenants, conditions, and easements, all of which are declared and agreed to be in furtherance of the plan for this subdivision, improvement and sale of condominium estates within Parcel B, and is established and agreed upon for the purpose of enhancing and perfecting the value and attractiveness of Parcel B and every part thereof. All of the remedies, covenants, restrictions, conditions, and easements shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in Parcel B or any part thereof, and shall be for the benefit of each owner of any portion of Parcel B or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the Owner thereof.

1.2 Intent and Purpose

(a) The Recitals set forth above are hereby expressly incorporated and made a part of these covenants, conditions, and restrictions.

(b) DECLARANT hereby makes this Declaration as to covenants, restrictions, limitations, conditions, and uses to which Parcel B and improvements thereon, consisting of a 135 unit multi-family structure and appurtenances, may be put, hereby specifying that this Declaration shall constitute covenants to run with the

land and shall be binding on DECLARANT, its successors and assigns, and all Owners of all or any part of Parcel B, together with their grantees, successors, heirs, executors, administrators, devisees, or assigns.

(c) DECLARANT, in order to establish a plan of condominium ownership for Parcel B, hereby covenants and agrees that it hereby divides said real property into the following separate freehold estates:

(1) 135 separately designated and legally described freehold estates hereinafter defined and referred to as "Units",

(2) A freehold estate consisting of the remaining portion of the real property hereinafter defined and referred to as the "Common Areas".

2. DEFINITIONS

In addition to definitions appearing elsewhere in this Declaration, as used herein or elsewhere in any documents affecting Parcel B unless otherwise provided or unless the context requires otherwise, the following terms shall be defined as in this Article provided:

2.1 Project. The "Project" refers to and means the entire Parcel B, Parcel Map No. 1262, divided into Condominiums, including all structures thereon, and the Common Areas and Units within Parcel B.

2.2 Condominium. "Condominium" shall mean and refer to a condominium as defined in Section 783 of the California Civil Code and shall be an estate in real property consisting of (a) a separate fee interest in the space within a Unit, and (b) an undivided interest as tenant-in-common in the Common Areas. Additionally, each Owner of a Condominium shall receive a membership in CORONADO SHORES CONDOMINIUM ASSOCIATION NO. 8.

2.3 Unit. "Unit" shall mean and refer to the elements of a Condominium which are not owned in common with other owners of other Condominiums. The boundaries of a Unit shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors of each Unit, where they exist, and otherwise to the vertical or horizontal planes at the limits if the dimensions shown on the Condominium Plan. The Unit shall include both the portions of the building so described and the air space so encompassed. In interpreting deeds and plans, the existing physical boundaries of a Unit, or of a unit reconstructed in substantial accordance with the original plans,

shall be conclusively presumed to be its boundaries, rather than the metes and bounds, or other description, expressed in the deed or plan regardless of settling or later movement of building and regardless of minor variance between boundaries shown on the plan or in the deed and those of a building.

2.4 Owner. An "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a Condominium which is a part of the Project, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.5 Common Areas. "Common Areas" shall mean and refer to the entire Project, excepting those portions thereof which lie within the boundaries of any Unit, as hereinabove defined.

2.6 Restricted Common Areas and Facilities. "Restricted Common Areas and Facilities" shall mean a portion of the Common Areas set aside and allocated for the restricted use of respective Units as is or may hereinafter be designated in the Condominium Plan. To complete each Condominium at the time of conveyance each respective document of conveyance shall, in addition to describing the respective unit, describe the designated assigned covered parking space or spaces, together with any balcony adjacent to the Unit to be used exclusively in conjunction with the respective Unit, and together with any sun deck adjacent to a balcony adjacent to a Unit to be used exclusively in conjunction with the use of the respective Unit as Restricted Common Areas and Facilities.

2.7 Association. "Association" shall mean and refer to CORONADO SHORES CONDOMINIUM ASSOCIATION NO. 8, a non-profit corporation, its successors and assigns.

2.8 Common Assessment. A "Common Assessment" shall mean and refer to that portion of the cost of maintaining, improving, repairing, and managing the Project, and all other "Common Expenses" as provided herein which are charged to the Owner of each respective Condominium.

2.9 Special Assessment. A "Special Assessment" shall mean and refer to a charge against a particular Owner and his Condominium equal to the cost incurred by the Association for corrective action performed pursuant to provisions of this Declaration and of the By-Laws of the Association, plus interest thereon at the maximum rate allowed by law in the State of California from the date of demand for

payment.

2.10 Capital Assessment. "Capital Assessment" shall mean and refer to an extraordinary assessment duly made and levied by the Association against an Owner and his Condominium in any fiscal year, and applicable to that fiscal year only, for the purpose of defraying, in whole or in part, the cost of any new construction, or unanticipated repair or replacement, of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto.

2.11 Mortgage. "Mortgage" shall mean the conveyance if any Condominium or other portion of the Project to secure the performance of an obligation, which conveyance shall be released or reconveyed upon the due performance of said obligation, and shall include a deed of trust.

2.12 Mortgagee and Mortgagor. "Mortgagee" shall mean a person or entity to whom a Mortgage is made and shall include the beneficiary of a deed of trust; "Mortgagor" shall mean a person or entity who mortgages his or its property to another, or who conveys his or its property to another by a deed of trust.

2.13 Declarant. "DECLARANT" shall mean and refer to CORONADO DEVELOPMENT CO., a California corporation, its successors and assigns.

2.14 Common Expenses. "Common Expenses" shall be divided into the following categories:

(a) Building Assessment. Costs and expenses of, or reasonable reserves for future costs and expenses of, the normal maintenance, management, operation, anticipated repair and replacement of the multi-family structure in which the Units are located (excluding any recreation facilities that may be located within the structure and available for use by all Owners at Coronado Shores), together with the appurtenances that are for the principal use of the Owners in said structure only, shall be designed "Building Assessment".

(b) Grounds and Recreation Assessment. The costs and expenses of, or reasonable reserves for, future costs and expenses of the maintenance, management, operation, repair and replacement of the landscaped areas, walkways, driveways, parking areas, swimming pools, various recreational facilities (whether located within or without the multi-family structures located on Lots or Parcels within the Coronado Shores Project as shown on Map No. 6641 and Parcel Map No. 1262, as defined in Article 6 hereof) including buildings and tennis courts, lakes,

lagoons, fish ponds and other recreational artistic landscaping facilities and devices as may be located on the Project, or on said Lots or Parcels, or partly on Parcel B and partly on other of said Lots or Parcels (or so much of said landscaping and recreational costs and expenses as shall be allocable to the Project as provided in Article 6 hereof shall be designated "Grounds and Recreation Assessment".

(c) Insurance Assessment. The premiums on all insurance purchased by the Association pursuant to the provisions of Article 9 hereof, together with any expenses incurred by the Association in employing the services of an independent insurance analyst, consultant, or broker as may be authorized by the provisions of said Article 9, shall be designated "Insurance Assessment".

(d) Seawall and Private Roadway Assessment. Upon the completion of the construction of said 135-unit multi-family structure known as CORONADO SHORES CONDOMINIUM NO. 8, and other permanent structures, if any, which are associated with the Condominium Plan, and as of the date of the close of escrow on the first sale of a Condominium in the Project, the Owners (including DECLARANT) of Parcel B or portions thereof shall commence to share the costs and expenses of maintaining and repairing the seawall and the private undedicated roadway as provided in Article 3 of the Basic Amended Restated Covenants. The share of said costs and expenses allocable to the Owner or Owners of Parcel B under the provisions of Article 3 of the Basic Amended Restated Covenants shall be designated "Seawall and Private Roadway Assessment" and shall forthwith become a part of the Common Expenses of the Project and thus may be levied and collected by the Association in the same manner as other Common Expenses subject to the Common Assessment.

(e) Other Assessments. In addition to the four categories of expenses set forth in (a), (b), (c) and (d) above, costs and expenses, or reasonable reserves for costs and expenses to be incurred, by the Association in the following activities shall be included as Common Expenses: (1) Maintenance, management, operation, repair and replacement of the Common Areas as to which, pursuant to the provisions of this Declaration, it is the responsibility of the Association to maintain, repair and replace, including the cost of unpaid Special Assessments and Capital Assessments. (2) Management and administration of the Association, including without limitation, compensation paid by the Association to managers, accountants, attorneys or other

employees and agents.(3) Any other item or items designated by or in accordance with the other provisions of this Declaration to be Common Expenses, and any other expenses reasonably incurred by the Association.

2.15 Private Streets (and Sidewalks). Those streets (including sidewalks) designated as "Private Streets" on the Condominium Plan are streets not dedicated to the public but shall be used for all purposes as though they were streets so dedicated. The use of said Streets shall remain in effect so long as this Declaration shall remain in effect and thereafter so long as such means of ingress and egress are reasonably necessary or proper for the convenient use of the Owners within the Project. Nothing herein contained shall be deemed to modify or restrict the rights of DECLARANT to dedicate any and all of said Private Streets, which rights are retained to DECLARANT in the deed of conveyance of each Condominium.

2.16 Member. "Member" shall mean and refer to every person or entity who holds membership in the Association.

3. THE PROJECT AND ASSOCIATION MEMBERSHIP.

3.1 Covenants. DECLARANT, its successors and assigns, by this Declaration, and all future Owners of the Units, by their acceptance of their deeds, covenant and agree as follows:

(a) That the Units shall be occupied and used by the respective Owners only as a private dwelling for the Owner his family, tenants and social guests and for no other purpose.

(b) That the Owner of each respective Unit shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective Unit, nor shall said Owner by deemed to own pipes, wires, conduits or other public utility lines running through said respective unit, which are utilized for, or serve more than one Unit, except as tenant-in-common with the other Owners. An Owner, however, shall be deemed to own the walls and partitions which are contained in the Owner's respective Unit, and also shall be deemed to own the interior decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper, etc.

(c) That the administration of the Project shall be in accordance with the provisions of this Declaration, the Articles of Incorporation of the Association, a

copy of which is attached hereto as Exhibit "B" and made a part hereof, and the By-Laws of the Association, a copy of which is attached hereto as Exhibit "C" and made a part hereof.

3.2 Membership. Every person or entity who is an Owner of a Condominium which is subject by covenants of record to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Condominium owned. Membership shall be appurtenant to and may not be separated from the ownership of any Condominium which is subject to assessment by the Association. Ownership of such Condominium shall be the sole qualification for membership.

3.3 Transfer. The membership held by an Owner of a Condominium shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Condominium, and then only to the purchaser or the Mortgagee of such Condominium. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in his name to the purchaser of such Condominium, the Association shall have the right to record the transfer upon the books of the Association and shall issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

4. VOTING RIGHTS.

4.1 Voting Classes. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the DECLARANT and shall be entitled to one (1) vote for each Condominium in which they hold the interest required for membership. When more than one (1) person holds such interest or interests in any Condominium, all such persons shall constitute one (1) Member, and the one (1) vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Condominium.

Class B. DECLARANT shall be a Class B Member and shall be

entitled to three (3) votes for each Condominium owned. The Class B membership shall cease and be converted to Class A membership on the earlier happening of either of the following events:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(2) On a date three (3) years from the date of the issuance of the Final Subdivision Public Report by the California commissioner of Real Estate.

4.2 Voting Rights. The voting rights provided in this Article 4 shall be subject to the restrictions and limitation; provided hereinafter and in the Articles of Incorporation and By-Laws of the Association.

4.3 Original Board of Directors. Notwithstanding anything in this Declaration to the contrary, the original Board of Directors of the Association shall be five (5) in number and they shall serve as Directors until successors are elected at an annual or special meeting of the Members *if* the Association as called pursuant to the provisions of the By-Laws, but in no event later than six (6) months after the close of the first escrow to close for the sale of a Unit. Notwithstanding the foregoing, until the close of escrow for the first conveyance of a Condominium, the members of the Board shall serve at the pleasure of DECLARANT and may be removed from office at any time by DECLARANT and during said period DECLARANT shall have authority, in its sole discretion, to fill any vacancies created or existing on said Board.

5. COMMON AREAS.

5.1 Percentage of Undivided Interest in Common Areas. The undivided interest in the Common Areas hereby established and which shall be conveyed with each respective Unit is based on the following formula: A numerical value shall be established for each Unit and the total number of all numerical values shall be determined and the proportionate undivided interest in the Common Areas of each respective Unit shall be determined by the ratio that the individual Unit's numerical value bears to the total numerical value of all Units. In determining numerical value the following formula shall apply:

- | | |
|------------------------|-----------|
| (a) One-bedroom Unit | 1.0/204.0 |
| (b) Two-bedroom Unit | 1.5/204.0 |
| (c) Three-bedroom Unit | 1.7/204.0 |

(d) Two-bedroom and Den Unit 1.7/204.0

The respective undivided interests in the Common Areas hereby established are to be conveyed with the respective Units as indicated above, cannot be changed, and DECLARANT, its successors and assigns, and grantees, covenant and agree that the undivided interests in the Common Areas, and the fee titles to the respective Units conveyed therewith, shall not be separated or separately conveyed, and each said undivided interest shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit; provided, however, that this restriction against severability shall not extend beyond the period in which the right to partition may be suspended under Section 752b of the California Code of Civil Procedure. *Notwithstanding the foregoing, the Board may grant easements over the Common Area to utility or other companies as well as owners within the Association for reasonable purposes so long as the Board determines, in its sole and exclusive authority, that the proposed easements do not materially affect the rights of the remaining owners within the Association.*

5.2 Members' Easements of Enjoyment. Every Member shall have a right and non-exclusive easement of enjoyment in and to the Common Areas, and such easement shall be appurtenant to and shall pass title to every assessed Condominium, subject to the following provisions:

(a) The right of the Association to limit or exclude the number of guests of Members.

(b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Areas and the recreational facilities thereon.

(c) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas, except that only the Landscaping and Recreational Committee, as provided in Article 7 hereof, may charge admission or other fees for use of the landscaping and recreational facilities and areas included within the single common operation scheme as provided in Article 6 hereof.

(d) The right of the Association to suspend the voting rights and right to use the recreational facilities on the Common Areas by a Member for any period

during which any assessment against his Condominium remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of the rules and regulations of the Association, provided that any suspension of such voting rights or right to use said recreational facilities, except for failure to pay assessments, shall be made only by the Board of Directors of the Association after notice and hearing given and held in accordance with the By-Laws of the Association.

(e) The right of the Association to grant easements over the Common Area to utility or other companies as well as owners within the Association.

5.3 Members' Easements of Ingress, Egress and Support. Every Member shall have a right and non-exclusive easement for ingress, egress and support through the Common Areas, and such easement shall be appurtenant to and shall pass with title to every assessed Condominium *subject to the rights and limitations set forth herein.*

5.4 Delegation of Use. Any Member may delegate in accordance with the By-Laws his right of enjoyment to the Common Areas to the members of his family who reside with him in his Condominium, and to his tenants or contract purchasers who reside in his Condominium.

5.5 Waiver of Use. No Member may exempt himself from liability for assessments duly levied by the Association, nor release the Condominium owned by him from the liens and charges thereof, by waiver of the use and enjoyment of the Common Areas and the facilities thereon or by abandonment of his Condominium.

5.6 Additional Provisions Relating to Common Areas and Units. DECLARANT, its successors, and assigns, and all future Owners of the Condominiums, by their acceptance of their respective deeds, covenant and agree as follows:

(a) That the Common Areas shall remain undivided and no Owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project; provided, however, this suspension of the right of partition shall in no event last beyond the period during which the right of partition may be suspended under Section 752b of the California Code of Civil Procedure.

(b) That if any portion of the Common Areas encroaches upon the

Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event a multi-family structure is partially or totally destroyed, and then rebuilt, the Owners of Units agree that minor encroachments of parts of the Common Areas due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist.

(c) That the Common Areas are and shall always be subject to easements for minor encroachments thereon of the Unit and that a non-exclusive easement for ingress, egress and support through the unrestricted Common Areas is appurtenant to each Unit and the Common Areas are subject to such easements

(d) That the Association shall have the responsibility to manage and maintain all of the Common Areas, including without limitation the exteriors of all buildings, and other improvements, if any, on the Project, landscaping and the private driveways, except that with respect to the landscaping and recreational facilities and areas on the Project included within the single common operation scheme, as provided in Article 6 hereof, maintenance thereof shall be the sole responsibility of the Landscaping and Recreational Committee as provided in Article 7 hereof. All such maintenance shall be of a high quality so as to keep the entire Project in a first class condition and in a good state of repair; provided, however, that each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit.

(e) That the Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm for materials and/or services for the Common Areas or the Association shall not exceed a period of one (1) year unless approved by a majority of the Members of the Association.

(f) That the Association's agents and employees shall have the right, after reasonable notice to the Owner, to enter into any Unit or upon any portion of the Common Areas at reasonable hours in connection with performing the maintenance and construction for which the Association is responsible.

(g) *That the Common Area is subject to easements granted by the*

Board to utility or other companies as well as owners as described herein. Such easements shall be adopted by resolution of the Board and specifically described in a formal, written document which is to be recorded against the property in question to provide notice to all Owners and potential purchasers.

6. LANDSCAPING AND RECREATIONAL FACILITIES OF CORONADO SHORES DEVELOPMENT; RECIPROCAL EASEMENTS.

Coronado Shores, Map No. 6641 consists of Lots 1 through 10, inclusive. Parcel Map No. 1262 rearranged the lot lines of Lots 7, 8, 9 and 10 of Coronado Shores, Map No. 6641, resulting in a division of said Lots 7, 8, 9 and 10 of Coronado Shores, Map No. 6641, into Parcels A, B, C and D, Parcel Map No. 1262. DECLARANT contemplates that as said Lots or Parcels at Coronado Shores are developed, they will be improved with landscaping and recreational facilities and areas. Provided that the provisions of this Article 6 are satisfied, it is intended that all Lots and Parcels at Coronado Shores will be operated, once developed and improved, as a single, common operation insofar as the landscaping and recreational facilities are concerned; and as of the close of escrow on the conveyance of a living unit on a Lot or Parcel, Owners of the living units (including DECLARANT) located on said Lot or Parcel shall share the costs of all landscaping and recreational facilities located on any other Lot or Parcel theretofore or thereafter included in said single, common operation scheme. All Owners of living units located on any Lot or Parcel within Coronado Shores theretofore or thereafter included in said single, common operation scheme shall automatically have reciprocal, non-exclusive rights and privileges of using the recreational and landscaping facilities covered by said common maintenance scheme. In furtherance of this intention, DECLARANT has included in the Supplemental Declaration of Covenants, Conditions and Restrictions of Lots 3, 2, 5, 6 and 1 of Coronado Shores Map No. 6641 and Parcels D and A of Parcel Map No. 1262, respectively, provisions which in all material respects are similar to the intents and purposes of this Article 6 and of Article 7 hereof.

6.1 Common Operation. Pursuant to the intention expressed above, DECLARANT, by document dated June 21, 1971, and recorded on June 22, 1971, in the Office of the County Recorder of San Diego County as File No. 132600, with

respect to Lot 2, Coronado Shores Map No. 6641; by document dated April 14, 1972 and recorded on April 17, 1972 in the Office of the County Recorder of San Diego County as File No. 94032 with respect to Lot 5, Coronado Shores Map No. 6641; by document dated December 6, 1972, and recorded on December 11, 1972 in the Office of the County Recorder of San Diego County as File No. 329917, with respect to Lot 6, Coronado Shores Map No. 6641; by document dated June 18, 1973, and recorded on June 21, 1973 in the Office of the County Recorder of San Diego County as File No. 170936, with respect to Parcel D, Parcel Map No. 1262; by document dated December 18, 1974 and recorded on December 19, 1974, in the Office of the County Recorder of San Diego County as File No. 329296, with respect to Lot 1, Coronado Shores Map No. 6641; by document dated September 10, 1975, and recorded on September 12, 1975. In the Office of the County Recorder of San Diego County as File No. 75-247594, with respect to Parcel A, Parcel Map No. 1262; and by document dated July 1, 1976. and recorded on July 2, 1976 in the Office of 76-209700 the County Recorder of San Diego County as File No. with respect to Parcel B, Parcel Map No. 1262; has determined and designated that each of said respective Lots and Parcels shall each be included with Lot 3, Coronado Shores Map No. 6641 and any other Lots within Coronado Shores, Map No. 6641 or Parcels within Parcel Map No. 1262 that DECLARANT shall hereafter determine and designate by recordation of a similar document in a single, common operation of landscaping and recreational facilities, such that the costs and expenses of maintenance, management, operation, repair and replacement of landscaping and recreational facilities will be allocated to each of said Lots and Parcels so operated on the basis that the numerical value (as determined pursuant to a formula similar in concept to that contained in subparagraph (e) of Paragraph 8.2 hereof of the living units, including Condominiums in each of said Lots and Parcels bears to said numerical value of the whole of all of said living units rather than having the Owner or Owners of each Lot or Parcel pay only with reference to the facilities located within his or their respective Lot or Parcel. Notwithstanding anything to the contrary contained herein, DECLARANT reserves the right and privilege to determine and designate which of Parcel C, Parcel Map No. 1262 and Lot 4, Coronado Shores Map No. 6641 shall be included, once developed and improved, in the common operation for the purpose of this Paragraph 6.1. This right and privilege reserved in DECLARANT shall cease

and terminate in its entirety on December 31, 1979.

6.2 Designation of Lot Included. In the event DECLARANT, within the above time limitation, in its sole discretion, shall determine that either or both of said Lot 4 and Parcel C shall be included in the single, common operation contemplated by Paragraph 6.1 hereof, DECLARANT shall at the time of each such determination record a Notice of Intention to operate as a single, common operation in the Office of the Recorder for San Diego County designating either or both of said Lot and Parcel being included, and shall send a copy of said recorded Notice to the Association. Thereafter such included Lot or Parcel will be operated as a single common operation, along with Lots 3, 2, 5, 6 and 1 and Parcels D, A and B and either of said Lot or Parcel as shall have been included.

To further the purposes of this Article 6, DECLARANT also agrees that, if it has not already done so, as soon as reasonably practicable after it shall have determined to include either or both of said Parcel C and Lot 4 in a single, common operation, DECLARANT shall file in the Office of the County Recorder of San Diego County with respect to each of said Lot and Parcel included, a supplemental declaration of covenants, conditions and restrictions which contains provisions in all material respects substantially similar to those contained in this Article 6 and in Article 7 hereof.

6.3 Designation of Lots Not Included. DECLARANT shall have the right from time to time, in its sole discretion, to determine that either or both of said Parcel C and Lot 4 shall not be included in the single, common operation contemplated by Paragraph 6.1 hereof. At the time of such determination, DECLARANT shall record a Notice of Intention not to operate as a single, common operation in the Office of the County Recorder for San Diego County designating either or both of said Lot and Parcel it has determined shall not be included and shall send a copy of said recorded Notice to the Association.

6.4 Lots Not Included. Either or both of said Lot and Parcel as DECLARANT shall fail to designate in the manner provided in Paragraph 6.2 hereof as being included in the single, common operation contemplated in Paragraph 6.1 hereof, may be developed and improved independently of any obligation to enter into a single, common operation as contemplated in said Paragraph 6.1.

6.5 Reciprocal Easements. By virtue of DECLARANT'S inclusion of Parcel B in

the single, common operation scheme set forth herein, the Owner of a Unit located on Parcel B shall have a non-exclusive easement for the benefit of, and appurtenant to, his Unit to use the recreational and landscaping facilities situated on other Lots or Parcels within Coronado Shores Map No. 6641 and Parcel Map No. 1262 which have been or, within the time limitation specified herein, are subsequently included in the common operation scheme, and the Owner of a living unit located on such other Lots or Parcels within Coronado Shores Map No. 6641 and Parcel Map No. 1262 which have been or, within the time limitation specified herein, are subsequently included in the common operation scheme shall have a reciprocal, nonexclusive easement for the benefit of, and appurtenant to, his living unit to use the recreational and landscaping facilities situated on Parcel B. Said reciprocal, nonexclusive easements of use shall include reciprocal, nonexclusive rights of ingress and egress to and from the recreational and landscaping facilities and shall be subject to the same limitations, rules, regulations and admission o other fees imposed upon the Owners of living units located on the Lots and Parcels on which the recreational and landscaping facilities are located. Any owner or lessee of a living unit located on a Lot or Parcel within Coronado Shores Map No. 6641 and Parcel Map No. 1262 which shall be included within the common operation scheme described herein and who, therefore, shall enjoy the non-exclusive easement of use described herein, may delegate his right of enjoyment to members of his family who reside with him in his living unit, and to his tenants or contract purchasers who reside in his living unit.

7. LANDSCAPING AND RECREATIONAL COMMITTEE.

7.1 Membership. DECLARANT created a Landscaping and Recreational Committee for the purposes of administering the single, common operation of landscaping and recreation; facilities as contemplated by Article 6 hereof when it determined and designated that Lot 2, Coronado Shores Map No. 6641, was included with Lot 3 in said single, common operation scheme. The Landscaping and Recreational Committee shall be constituted as follows: The Owners of the Project shall name one person, who shall be a member of the Board of Directors of CORONADO SHORES CONDOMINIUM ASSOCIATION NO. 8, to represent the Association on the Committee; and the members of the condominium associations of Lots 3, 2, 5, 6 and 1 and Parcels D and A which are included in said single, common

operation shall also name one person each who shall be a member of the board of directors of their respective association, to represent their association on the Committee. When and as DECLARANT shall determine and designate from time to time other of said Lot or Parcel to be included in said single, common operation, the members of the condominium association of each of said Lot or Parcel shall name one person who shall be a member of the board of directors of the respective associations to represent each of the respective associations. In each case, the person so named shall be deemed a qualified member of the Landscaping and Recreational Committee when the members of the condominium association naming him shall have filed an acknowledged Notice of the naming of such Committee member in the Office of the Recorder of San Diego County. A Landscaping and Recreational Committee member shall hold Committee membership for so long as he shall be living, competent and perform his duties as a Landscaping and Recreational Committee member, and shall remain a member of the board of directors of the property owners' association he represents, and so long as the members of the condominium association who named him have not filed a superseding acknowledged nomination of another person in the Office of the Recorder of San Diego County. In the event of a vacancy occurring upon the Committee, said vacancy shall be filled by the Lot or Parcel for which the membership is vacant within thirty (30) days of the occurrence of the vacancy. If the members of the condominium association of said Lot or Parcel fail to fill such vacancy within said period, the remaining members of the Committee may fill such vacancy by majority vote and by filing an acknowledged Notice of the naming of the person chosen by such vote in the Office of the County Recorder of San Diego County, and the person so named to fill such vacancy shall serve for one year from the date of the recordation of the document as above provided, and thereafter until the members of the condominium association of the Lot or Parcel affected shall name a successor in the manner above provided.

7.2 Duties. The Landscaping and Recreational Committee shall have the duty and authority on behalf of, and as agent for, the various property owners' association represented thereon

(i) to cause all necessary work to be done and performed to maintain, manage, operate, repair and replace landscaping and recreational facilities on the

Lots or Parcels within Coronado Shores that DECLARANT shall determine and designate to be included in a single, common operation of landscaping and recreational facilities in accordance with the concept outlined in Paragraph 6.1 hereof;

(ii) supervise and approve the costs and expenses of such maintenance, management, operation, repair and replacement; and

(iii) allocate to each Lot or Parcel which is so operated its share of said costs and expenses on the basis provided for in said Paragraph 6.1. In performing this function, the Landscaping and Recreational Committee shall have the power to enter into contracts on behalf of said property owners' associations and do all acts and perform all things on behalf of said property owners' associations as are necessary to carry out the single, common operation contemplated by Paragraph 6.1 hereof.

7.3 No Power to Assess. The Landscaping and Recreational Committee shall have no power to levy assessments upon the owners of the individual Lots or Parcels. It is intended solely that the Committee perform the duties outlined in Paragraph 7.2 hereof and that the various property owners' associations to which a share of the costs and expenses of maintenance, management, operation and replacement of landscaping and recreational facilities operated as a single, common operation are allocated shall regard said share of said costs and expenses as Common Expenses or its equivalent, and shall assess each individual owner in each Lot or Parcel his proportionate share of said costs and expenses allocated to the Lot or Parcel as part of a Common Assessment or its equivalent.

7.4 Meetings. The meetings of the Landscaping and Recreational Committee shall be held upon notice from the Chairman, who shall be elected at the first organization meeting thereof which shall be called by DECLARANT. The presence in person or by proxy of at least 50% of the Committee membership shall constitute a quorum for the transaction of business at all meetings. If any meeting cannot be held because a quorum is not present, the Landscaping and Recreational Committee members present may adjourn the meeting to a time not less than 48 hours, nor more than thirty (30) days from the time the original meeting was called, at which second meeting the quorum shall be 25% of the Landscaping and Recreational Committee members. All actions of the Landscaping and Recreational Committee shall require

only a simple majority of the votes of the Committee membership present at any meeting at which a required quorum is present. All meetings shall be held within the City limits of Coronado and shall be held on a day other than a Saturday, Sunday or legal holiday and shall be held, if during the day, between 1:30 and 5:00 P.M., and if at night, between 7-.30 and 9:30 P.M.

8. ASSESSMENTS.

8.1 Purpose of Assessments. The assessments levied by the Association as hereinafter provided shall be used exclusively for the purpose of promoting the health, safety, welfare and recreation of the Members of the Association and, in particular, for the improvement and maintenance in a first class condition and in a good state of repairs of the Project, services and facilities devoted to this purpose, and related to the use and enjoyment of the Common Areas and, to the extent provided for herein, of the Units in the Project.

8.2 Common Assessments.

(a) Common Assessments for Common Expenses shall be made by the Board of Directors of the Association for each calendar year not less than thirty (30) days prior, nor more than thirty (30) days subsequent, to the beginning of each such calendar year and at such other and additional times as in the judgment of the Board of Directors additional Common Assessments for Common Expenses are required. The Board of Directors shall commence making Common Assessments as of the date of the close of escrow of the first sale of a Condominium in the Project.

(b) The total of each such annual Common Assessment shall be in the amount of the estimated Common Expenses for the year, including a reasonable allowance for contingencies and reserves.

(c) If the annual Common Assessment is not made a required, a payment in the amount required by the last prior annual Common Assessment shall be due upon each assessment payment date until changed by a new assessment.

(d) The annual Common Assessment payable by each Owner shall be payable in twelve (12) equal monthly installments on the first day of each calendar month, or at such other date or times and in such other installments as the Association may determine. Delinquent installments shall bear interest at the rate of 10% per annum or at the maximum rate allowable on debts in the State of California,

whichever is lower.

(e) Each Owner, including DECLARANT as to each unsold Condominium, shall pay his proportionate share of the total Common Assessments commencing on the date of the close of escrow of the first sale of a Condominium in the Project, on the basis of the ratio pertaining to the particular Unit as it relates to the total of all Units determined in accordance with the following formula: A numerical value shall be established for each Unit and the total number of all numerical values shall be determined and the proportionate share of the total Common Assessment to be borne by each respective Unit shall be determined by the ratio that the individual Unit numerical value bears to the total numerical value of all Units. In determining numerical value the following formula shall apply:

(a) One-bedroom Unit - one covered parking space

(b) Two-bedroom Unit - one covered parking space

(c) Three-bedroom Unit - one covered parking space and one tandem covered parking space.

(d) Two-bedroom and Den Suite Unit - one covered parking space and one tandem covered parking space

(f) Each Unit that shall have more than one covered parking space may be subject to an annual charge for each such additional parking space in an amount determined by the Association, but in no event shall such charge for each additional covered parking space exceed \$25.00 per annum.

8.3 Special Assessments. Special Assessments against particular Owners and their respective Condominiums shall be made by the Board of Directors of the Association for the repair of damage or loss caused by the act or neglect of an Owner causing damage or loss to the Common Areas or to the property of other Owners, upon the date when the cost has been incurred by the Association for the corrective work or corrective action and written demand for payment thereof has been sent by mail to the particular Owner. The amount of the Special Assessment shall be due and payable by the Owner to the Association on the said date of demand, and shall bear interest from the date of demand at the rate of 10% per annum or at the maximum rate allowable on debts in the State of California, whichever is lower.

8.4 Capital Assessment. In addition to the Common Assessment, the Association may levy during any fiscal year a Capital Assessment, applicable to that

fiscal year only, for the purpose of defraying, in whole or in part, the cost of any new construction, or unanticipated repair or replacement, of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided, however, that each such Capital Assessment in excess of \$1,000.00 (as well as the manner of payment of each such Capital Assessment in excess of \$1,000.00) must first be approved by a majority of the Members (excluding DECLARANT) entitled to vote who are present at a special or regular meeting of the Association called and noticed for such purpose in accordance with the By-Laws, but in no event less than ten (10) days nor more than thirty (30) days in advance of the meeting, at which a quorum is present. The total estimated Capital Assessment shall be divided among, assessed and charged to and against the individual Owners and their Condominiums (including DECLARANT with respect to any retained or unsold Condominium) in the same manner as provided in Paragraph 8.2(e). A Capital Assessment shall be made by written notification from the Association to each Owner of a Condominium at least thirty (30) days in advance of the first payment due under such Capital Assessment, and shall be payable in the manner specified in such notice. Delinquent payments shall bear interest at the rate of ten percent (10%) per annum.

8.5 Taxes and Governmental Assessments. The assessment of each Condominium for taxes and special assessments by governmental bodies which are or would become a lien on the Project or any part thereof, when such taxes and special assessments are not separately taxed or assessed to a Condominium, shall be paid by the Association as another item of the Common Expenses. The Association shall assess each Owner on the basis and as part of the Common Assessment.

8.6 Commingling of Assessments. Except where otherwise expressly provided herein, all sums collected by the Association from assessments may be commingled in a single fund, and without the necessity of a specific accounting for each element of Common Expense for which assessment has been made.

8.7 Collection of Assessments. All Common Assessments, Special Assessments and Capital Assessments shall be a debt of the Owner at the time the assessment is made. The amount of any such assessment plus interest and costs (including attorneys' fees) (in accordance with Sections 1355 and 1356 of the California Civil Code) shall be and become a lien upon the Condominium assessed

when the Association causes to be recorded with the County Recorder of San Diego County a Notice of Assessment which shall state the amount of such assessment, including interest and estimated attorneys' fees (in accordance with Sections 1355 and 1356 of the California Civil Code), a description of the Condominium against which the same has been assessed, and the name of the Owner thereof and when the Association deposits in the United States mail, certified or registered, postage prepaid, to the Owner of the Condominium a copy of such Notice. Such Notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such Notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

The lien so provided shall constitute a lien on such Condominium prior to all other liens recorded subsequent to the recordation of said Notice of Assessment except only (i) tax liens on the Condominium in favor of any assessing agency and special districts, and (ii) all sums unpaid on the first Mortgage of record.

Unless sooner satisfied and released, or the enforcement thereof initiated, the lien so provided shall expire and be of no further force or effect one (1) year from the date of recordation of said Notice of Assessment; provided, however, that said one (1) year period may be extended by the Association for not to exceed one (1) addition year by recording a written extension thereof.

The lien so provided may be enforced by sale by the Association, its attorney, or other person authorized to make the sale after failure of the Owner to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c of the California Civil Code applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association shall have the power to bid in the Condominium at foreclosure sale and to hold, lease, mortgage and convey the same. In any such foreclosure, the Owner of the Unit being foreclosed shall be required to pay a reasonable rental for the Unit, if so provided in the By-Laws, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same.

8.8 Subordination of Assessment Liens. If any Condominium subject to a

lien created by any provision in this Declaration shall be subject to the lien of a first Mortgage of record: (i) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such Mortgage; and (ii) the foreclosure of the lien of such Mortgage or the acceptance of a deed in lieu of the foreclosure by the Mortgagee shall not operate to affect or impair the lien hereof, except that the lien hereof for such assessments as shall have come due up to the time of foreclosure or the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser and purchasers there from or deed-in-lieu grantee and purchasers there from taking title free of the lien hereof for all assessments that have come due up to the time of the foreclosure or deed given in lieu of foreclosure, but subject to the lien hereof for assessments that shall come due subsequent to the foreclosure or deed given in lieu of foreclosure. All assessments as shall have come due up to foreclosure or the acceptance of a deed in lieu of foreclosure and not paid shall be deemed to be Common Expenses collectible from all of the Units, including the Unit acquired on a foreclosure sale or as the result of the acceptance of the deed in lieu of foreclosure, in the manner provided herein.

8.9 Assessment Roll. The assessments against all Owners shall be set forth upon a roll of the Units which shall be available in the office of the Association for inspection at all reasonable times by Owners or their duly authorized representatives. Such roll shall indicate for each Unit the name and address of the Owner or Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate made by the manager or the Board of Directors of the Association as to the status of an Owner's assessment account shall limit the liability of any person for whom made other than the Owner. The Association shall issue such certificates to such persons as an Owner may request in writing.

8.10 Liability for Assessments. The Owner of a Unit shall be personally liable for any and all Common Assessment Special Assessments or Capital Assessments made by the Board of Directors of the Association in accordance with the provisions hereof. In a voluntary conveyance of a Condominium, the grantee of the Condominium shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's

right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or the Board of Directors of the Association, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, nor shall the Condominium conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth. Notwithstanding the foregoing, a purchaser of a Condominium at any judicial or trustee sale shall be liable only for assessments that come due after such sale and for that portion of assessments already due prorated to the period after the date of such sale.

Amendments to this Article 8 shall only be effective upon written consent of the Owners and their first Mortgagees, if any, of 75% of the Units, whether such amendment is attempted by way of modification of the Association's Articles of Incorporation or By-Laws.

9. INSURANCE.

The insurance, other than title insurance, which shall be carried upon the Project shall be governed by the following provisions:

9.1 Authority to Purchase. All insurance provided for in this Article 9 (except where otherwise specifically provided) or otherwise deemed prudent by the Association shall be purchased by the Association and the premiums thereon shall be a Common Expense to be paid by Common Assessments. To assist in the purchase and administration of such policies of insurance as may be required hereunder or deemed prudent by the Association in the conduct of its business, the Association may employ the services of an independent insurance analyst, consultant, or broker, the expense of which shall be Common Expenses.

9.2 Property Insurance. Each Unit, but not including the personal property and furnishings contained within nor any improvements added by an Owner, shall be insured so as to provide for and assure full replacement thereof in the event of damage or destruction from the perils specified below. In addition, the Common Areas and all improvements thereon and all personal property included within the Common Areas, except such personal property as may be owned separately by one or more of the Owners, shall be insured so as to provide for and assure full replacement

thereof in the event of damage or destruction from said perils.

All such policies shall be issued in the name of the Association and may contain a loss payable endorsement in favor of the Association which shall be subordinate in position only to a loss payable endorsement in favor of an institutional lender holding a first mortgage lien against a Condominium.

Such policies shall provide that losses thereunder shall be adjusted with and payable to the Association for the exclusive account of the Association. Such coverage as is required under this subsection shall afford protection against:

- (a) Loss or damage by fire and other hazards covered by the standard extended coverage and vandalism and malicious mischief endorsements;
- (b) Such other additional perils of "All Risk" forms as may from time to time become available, expressly excluding landslide, subsidence and earthquake;
- (c) Additional perils shall be at the option of the Association.

The Association may comply with the above requirements by the purchase of blanket coverage and may elect such deductible, franchise, or franchise deductible provisions which in the opinion of the Association are consistent with good business practice.

Insurance proceeds shall not be commingled with other Association funds and shall be used forthwith exclusively for the restoration of the damaged or destroyed Units and the damaged or destroyed portions of the Common Areas and the improvements and/or personal property thereon.

9.3 Public Liability and Property Damage. The Association shall purchase broad form Comprehensive Liability coverage in such amounts and in such forms deemed appropriate by it. This coverage shall be issued in the name of the Association and shall include Owners in their capacity as Members of the Association as additional insureds and evidence thereof shall be furnished to each additional insured. Coverage under this policy shall include, but not be limited to, legal liability of the Association for bodily and personal injuries, property damages, operations of automobiles on behalf of the Association and operations of the Association in connection with the operation, maintenance or use of the Common Areas.

9.4 Workmen's Compensation and Employers' Liability.
The Association shall purchase Workmen's Compensation and Employers' Liability

Insurances in such form as to meet the requirements of law for injuries to Association employees.

9.5 Crime. The Association shall purchase coverage against dishonesty of employees, destruction or disappearance of money or securities and against forgery in amounts and in such forms as shall be required by the Association.

9.6 Mechanical Insurance. The Association may purchase coverage insuring against the explosion of steam boilers or pressure vessels and breakdown of machinery in such amounts and in such forms as are deemed appropriate by the Association..

9.7 Owner Insurance. Each Owner, and not the Association, shall have the responsibility of obtaining and keeping in full force and effect, at his sole expense, (i) standard fire and extended risk insurance on the personal property and furnishings contained in his Unit or located on the Common Areas, and on any improvements added to his Unit by an Owner thereof; (ii) broad form Comprehensive Liability coverage for his Unit; and (iii) such other insurance as he may elect to purchase in addition to the insurance coverage purchased by the Association; provided, however, that in no event is the insurance coverage purchased by the Association to be brought into contribution with insurance purchased by Owners.

9.8 Waiver of Subrogation. Insofar as, and to the extent that, it shall be possible to obtain insurance coverage from responsible companies with such a clause, the Association shall, in the case of the insurance coverage it purchases on the Project, and each Owner shall, in the case of the insurance coverage he elects to carry on his Unit, obtain insurance coverage which provides that their respective insurance companies shall have no right of subrogation against, as the case may be, the Association and its employees. Owners and members of their respective households, and tenants of Owners and members of their respective households.

10. RADIO AND TELEVISION EQUIPMENT.

10.1 Owner Installation. In order to afford proper an uniform radio and television service and reception and to preserve the beauty and appearance of the Project and all improvements thereon, each Owner covenants and agrees not to install or maintain any radio or television antenna or equipment that is visible outside of each respective Unit and no balcony shall be used for any such purpose or instal-

lation by an Owner.

10.2 DECLARANT Installation. Notwithstanding anything to the contrary herein, DECLARANT, its agents, successors or assigns shall have the sole and exclusive right to install and maintain radio and television aerials, antennas, cables, equipment and all other facilities and appurtenances and to make a reasonable charge therefor. An easement is hereby given and granted to and reserved by DECLARANT for such uses and purposes, all as hereinbefore and hereinafter stated.

DECLARANT may install equipment in, on or upon the building structure to be built within the Project and, from time to time, may place one or more aerials or antennas on each building. DECLARANT may also install, from time to time, and maintain cables and conduits across Lot and Parcel lines to afford service from one antenna to any or all Lots or Parcels within Coronado Shores. DECLARANT may also install and maintain cables, conduits and/or connections from within any or all Lots or Parcels to exterior sources for the purpose of providing aerial and antenna service for radio and television reception, all in DECLARANT'S sole and absolute discretion.

11. USE OF THE PROJECT BY DECLARANT.

11.1 Model Complex and Sales Operation. Notwithstanding anything herein to the contrary, DECLARANT, its agents, successors or assigns may operate and maintain upon the Project a model complex, together with parking areas and/or real estate sales and development business, and may place, erect and maintain upon the Project such customary sale* and advertising signs, offices and parking areas a* are usual and reasonable for such real estate sales and development operations until all 135 Units on the Project have been sold and conveyed to grantees, and until all units constructed on any or all of the remaining lots or Parcels within Coronado Shores have been sold and conveyed to grantees, or until December 31, 1982, whichever shall first occur.

11.2 Right to Enter. Notwithstanding anything herein the contrary, DECLARANT, by its agents, employees, contractor subcontractors, and other authorized personnel reserves unto itself the right to enter in and upon the Project, and to perform work, and all related activities and other acts required thereon, in order (i) to complete construction of the Project and construction upon adjacent

properties of DECLARANT, (ii) to perform work required by governmental agencies having jurisdiction over the Project or other adjacent properties of DECLARANT, (iii) during construction, to erect and maintain and store upon the Project, shacks, storage buildings, temporary toilets, storage yards and areas, materials, tools and machines, fabrication areas, and other temporary installations for the requirements and convenience of construction, and (iv) without limiting in any way the foregoing, to commence and complete, and to carry out all activities related to the construction of additional recreational facilities on the Common Areas if DECLARANT should elect at any time prior to termination of DECLARANT'S right to maintain a model complex upon the Project, as provided in Section 11.1 hereof, to install any such additional recreational facilities. It is expressly provided that no Owner shall in any manner interfere with any of the foregoing activities of DECLARANT. No action may be maintained by any Owner for damage or inconvenience resulting from the exercise of the foregoing rights of DECLARANT.

11.3 Use of Common Areas. Notwithstanding anything contained herein to the contrary, as a part of the overall program of development of the Project together with the contemplated development of adjacent properties and to encourage the marketing thereof, DECLARANT shall have the right of use of the Common Areas including any community buildings, without charge, during the sales and construction period upon the Project and adjacent properties to aid in its marketing activities until December 31, 1982.

12. GENERAL PROVISIONS.

12.1 Limited Reservation of Right to Vary Condominium Plan and Power of Attorney to DECLARANT. Notwithstanding any provisions in this Declaration to the contrary, for a period of 3 years from the date of the recordation of the sale of the first Condominium, or until one year subsequent to the sale and recordation of the final Condominium to be sold in the Project, whichever occurs earlier, DECLARANT reserves unto itself the exclusive right to amend the Condominium Plans of the Project, by varying (i) the size, shape or location of the unsold Units, and the diagrammatic floor plans, locations and/or dimensions of unsold Units, built or to be built; (ii) the Restricted Common Areas and Facilities boundary lines of unsold Condominiums; and/or (iii) the Common Areas boundary lines; and the Unit so

varied shall be constructed entirely within such newly described boundary lines. Each Condominium grantee, by joining in the execution of his individual Condominium Grant Deed (all of which such Grant Deeds shall contain a provision specifically incorporating this Paragraph of this Article by reference), shall thereby constitute and irrevocably appoint DECLARANT as Attorney-in-Fact and Agent for said Condominium grantee, its successors and assigns for the purpose of executing and acknowledging on behalf of the Owner of such Condominium any and all amendments to the Condominium Plan deemed necessary by DECLARANT to conform same to variances determined or approved by DECLARANT, as provided for in this Paragraph, which in any event shall be determined within said three (3) year period.

The Limited Reservation and Power of Attorney described in this Article is reserved and accepted by DECLARANT in order to insure uninterrupted progress in the construction and development of Parcel B until completion of the Project, for the benefit of DECLARANT and of all Owners in Parcel B and in order that there be convenient methods of compliance with California Civil Code Section 1351, for the convenience of the Owners of Condominiums in Parcel B. . By reason of the foregoing, the provisions of this Article are and shall be deemed powers "coupled with an interest" and intended to "run with the land", and shall be binding upon future Owners, their heirs, assigns and successors in interest. Each Owner, for himself, his successors or assigns, hereby covenants, warrants and agrees that in any document of conveyance that he executes and delivers for the purpose of transferring the ownership of his Condominium or any interest therein to a successor, he will require that such successor acknowledge that he is bound by and must comply with all of the requirements of this Paragraph, including, but not limited to the appointment of DECLARANT as such successor's legal Attorney-in-Fact for the purposes of this Paragraph, but a failure of any Owner to so provide in any such document of conveyance shall not derogate from DECLARANT'S right hereunder or the Power of Attorney it holds by virtue of the provisions hereof.

12.2 Interpretation.

(a) The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project. Failure to enforce any provision hereof shall not constitute a waiver

of the right to enforce said provision or any other provision hereof.

(b) Any Owner, not at the time in default hereunder, or any Member of the Association, who shall be deemed to be acting on behalf of any of the Owners, shall be entitled to bring an action for damages against any defaulting Owner, and, in addition, may enjoin any violation of this Declaration, or a rule or regulation duly adopted by the Association hereunder, or to prosecute any other appropriate legal or equitable action that may be necessary under the existing facts. Any judgment rendered in any such action or proceeding shall include a sum for attorneys' fees in such amount as the court may adjudge reasonable, in favor of the prevailing party.

(c) It is expressly agreed that a breach of any of the provisions, covenants, restrictions, or limitations, or the recordation of any lien or assessment hereunder or the pursuit of any remedy hereunder shall not defeat or render invalid the lien of any Mortgage made by an Owner in good faith and for value upon the interest, right or title of a portion or percentage of interest of any Owner in a Condominium, but all such liens and assessments are hereby declared to be subject and subordinate to each such Mortgage. However, each and all of said provisions, conditions, covenants and restrictions except assessment liens theretofore recorded shall be binding upon and effective against any Owner whose title to a Condominium is thereafter acquired through foreclosure or trustee sale or continues under such Mortgage.

12.3 Balconies, etc. The balconies, sun decks, and parking spaces which are portions of the Restricted Common Areas and Facilities to which an Owner acquires an exclusive appurtenant easement in the case of a balcony and sun deck, and the right to use and occupy in the case of the parking space or spaces, shall be and be deemed to be a portion of the Condominium acquired by the Owner, and as such cannot be transferred, conveyed or severed from the condominium with which such use and right were acquired by such Owner, and a subsequent conveyance of the Unit will convey such uses and rights.

12.4 Destruction. In the event the Project subject this Declaration is totally or substantially damaged or destroyed, the repair, reconstruction, or disposition of the Project shall be as provided by an agreement approved by 75% of the votes of both classes of Members in the Association.

12.5 Storage Areas All storage areas that are located within the Project,

exclusive of the Units, will be under the exclusive control and jurisdiction of the Association. Said areas will be within and a part of the Restricted Common Areas and Facilities. Each Owner will be entitled to reasonable portion of the storage areas for his exclusive use; provided, however, that the size and location of the particular area to be used by an Owner shall be determined by the Association and such determination shall be final and binding upon the Owner.

12.6 Windows. The windows located in the exterior walls of each Unit in the Project will be made of clear glass which is not tinted or shaded. In the interest of preserving the aesthetic qualities of the unit multi-family structure known as CORONADO SHORES CONDOMINIUM NO. 8, DECLARANT, its successors and assigns, by this Declaration and all future Owners of the Units, by their acceptance of their deeds, covenant and agree that no Owner or group of Owners shall have the right to replace clear glass windows with other than clear glass windows, or to tint, shade, or otherwise color the original existing clear glass windows without the express written approval of the Association and further that any and all drapes or other window coverings shall be of a light color and in accord with such rules and regulations as may be adopted by the Association from time to time. *Any structural or other modifications which an Owner desires to make to his or her windows must be submitted for prior, written approval from the Board of Directors.*

12.7 Outside Parking. Part of the Common Area making up the grounds surrounding the structures on the Project will consist of outside parking spaces. DECLARANT, its successors and assigns, by this Declaration and all future Owners by acceptance of their deeds, covenant and agree that said outside parking spaces shall be used solely by automobiles and shall in no event be used for the parking of trucks, campers, vans, motor homes, or other types of recreational vehicles.

12.8 Agreements and Determinations Binding. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the By-Laws shall be deemed to be binding on all Owners of Condominiums, their successors and assigns.

12.9 DECLARANT Subject to this Declaration. So long as DECLARANT, its successors or assigns owns one or more of the Units established and described herein, DECLARANT, its successors and assigns shall be subject to the provisions of this Declaration and of Exhibits A, B and C; and DECLARATION covenants to take

no action which would adversely affect the rights of the Association with respect to assurances against latent defects in the Project or other rights assigned to the Association by reason of the establishment of the Project.

12.10 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

13. CONDEMNATION.

13.1 Common Areas. In the event of a taking in condemnation, or by eminent domain, of part or all of the Common Areas, the award made for such taking shall be payable to the Association, which shall represent the Owners named in any condemnation proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement and/or improvement of the remaining Common Areas. Any funds not so utilized shall be applied in payment of Common Expenses otherwise assessable to the Members of the Association

13.2 Unit. In the event of a taking in condemnation, or by eminent domain, of all or a part of a Unit, the award made for such taking shall be payable to the Owner of the Unit.

14. DURATION OF DECLARATION

14.1 Expiration. This Declaration shall continue until September 1, 2022 at which time it shall automatically be extended for successive periods of ten (10) years unless there is duly recorded in the Office of the County Recorder of San Diego County, State of California, by the Owners of 75% of the Units, an instrument or instruments terminating this Declaration; provided, however, that this Declaration may be terminated as a part of any partition proceedings held pursuant to Section 752b of the California Code of Civil Procedure.

14.2 Revocation. Except as otherwise in this Declaration specifically provided, this Declaration shall not be revoked, nor any of the provisions herein amended, unless the Owners of 75% of the Units agree to such revocation or amendment by an instrument or instruments duly recorded in the Office of the County Recorder of San Diego County, State of California; provided, however, that

the Owners shall have no right to amend this Declaration to alter, restrict, affect or eliminate rights reserved unto DECLARANT without DECLARANT'S consent.

IN WITNESS WHEREOF, DECLARANT, CORONADO DEVELOPMENT CO., a California corporation, has executed this instrument on the day and year first above written.

NOTICE NOT A PART OF THE CC&RS:

This document has been prepared as a convenience for use by owners and others but it is NOT the original document and may contain typographical and other errors.

Anyone needing to be certain of the exact language of the documents should obtain a copy of them from the Official Records of San Diego County, California.