

GREEN VALLEY HIGHLANDS

PROTECTIVE COVENANT

GREEN VALLEY HIGHLANDS ASSOCIATION

November 19, 1968

(GREEN VALLEY HIGHLANDS UNITS 1, 2)

Lots 1 through 63 of GREEN VALLEY HIGHLANDS UNIT NO. 1 in the County of San Diego, State of California, according to Map thereof No. 6228 filed in the Office of the County Recorder of San Diego County November 20, 1968,

and

Lots 64 through 81 of GREEN VALLEY HIGHLANDS UNIT NO. 2 in the County of San Diego, State of California, according to Map thereof No. 6596 Filed in the Office of the County Recorder of San Diego County February 25, 1970,

INCORPORATING:

AMENDMENT 1 FEBRUARY 28, 1976
AMENDMENT 2 MAY 23, 1978
AMENDMENT 3 FEBRUARY 24, 1986
AMENDMENT 4 MAY 1987
AMENDMENT 5 FEBRUARY 1989

AMENDMENT 6 FEBRUARY 26, 1993
AMENDMENT 7 FEBRUARY 15, 1996

ARTICLES AFFECTED:

ART C, SEC 17(A); ART D., SEC 6
ART D, SEC 10(A) & (C); ART J, SEC 2
ART B, SEC 1; ART D, SEC 2
ART D, SEC 3; ART E, SEC 1(A)
ART C, SEC 12
ART C, SEC 12; ART D, SEC 5
ART D, SEC 6; ART D, SEC 11
ART C, SEC 6; ART C, SEC 7
ART D, SEC 3(C); ART G, SEC 1
ART G, SEC 3; ART G, SEC 5;
ART H, SEC 3; ART H, SEC 4
ART A, SEC 3; ART J, SEC 1
ART C, SEC 12; ART F

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GREEN VALLEY HIGHLANDS
PROTECTIVE COVENANT
(UNITS 1 AND 2)

PACIFIC IRON & STEEL CO. is the "Declarant". It has established these protective covenants for GREEN VALLEY HIGHLANDS. It is also creating a nonprofit California corporation named "GREEN VALLEY HIGHLANDS ASSOCIATION" to administer these covenants. The Association operates through its Board of Directors ("the Board") which is elected by the landowners.

A. SUBJECT LAND

1. Description

Exhibit "A" attached hereto is hereby incorporated herein. It embraces a development known as GREEN VALLEY HIGHLANDS and is the subject property. It is anticipated that other property (divided by Subdivision maps, Record of Survey maps or otherwise) will also be made subject to all or portions of these protective covenants (by amending these protective covenants) and additional protective covenants administered by the Association.

2. Definition of Parcel or Lot

The term "Parcel" or "Lot" in these protective covenants refers to a lot or parcel shown on any map of record when property becomes subject hereto and shown on any Subdivision map at any time filed pursuant to law and in conformance with these restrictions.

"Lot splits" and other divisions of land filed after land becomes subject hereto and not qualifying as subdivisions do not create new lots or parcels for purposes of these protective covenants (see paragraph D.10.(b)).

3. Additional Protective Covenants Administered by the Association.

In addition to enforcing the provisions of this Protective Covenant as to the real property described in Exhibits A and B of this Protective Covenant, the Association shall also administer the separate and existing protective covenants for that real property commonly known as GREEN VALLEY HIGHLANDS UNIT No. 3.

The separate and existing protective covenants for Unit No. 3 as well as a legal description of the property affected thereby are attached hereto as Exhibits B and C and are incorporated by reference herein.

B. PLANS AND SPECIFICATIONS

1. General

No building, fence, wall, ancillary building, swimming pool, or solar energy installation shall be erected or altered on any parcel until plans and specifications drawn to scale, legible, neat, and clear as to intent showing such data and information as the Board may require have been presented to and approved by the Board (or by such individual or individuals, corporation or association as the Board may appoint as its representative) as to materials, external design, color, and harmony with the better existing structures on land subject hereto.

2. Specific

Building plans and specifications must be prepared and signed by an "Architect" or "Building Designer" (as defined in Chapter 3 of Division III of the Business and Professions Code of the State of California (§§ 5500 et seq.)) and shall include, but not be limited to, the following:

(a) They must show a plot plan, grading plans, roof plans, all elevations, details of construction, outside color samples, fence and wall details, paved driveways and parking areas and drainage plan for water falling on or flowing onto the parcel.

(b) They must show compliance with screening requirements fully detailed.

(c) They must show a leach line plan approved by the Department of Public Health of San Diego County.

Plans and specifications of work other than buildings shall show all relevant data required by the Board.

3. Fees

Presentation of plans and specifications to the Board shall be accompanied by a fee of Thirty Dollars (\$30.00) for a plan including one or more buildings and Five Dollars (\$5.00) for any other plan.

4. Protection for Owner

Approval or disapproval of plans and specifications shall be in writing. In the event the Board or its representative fails to approve or disapprove or give notice of insufficiency of plans and specifications within thirty (30) days after plans and specifications have been received by it, approval will be conclusively presumed.

C. BUILDING

1. Front Setback

No building or any portion thereof shall be erected or maintained between a street and any setback line shown on a recorded map or established in a deed by Declarant. If no such front setback line is indicated by map or deed, none exists.

2. Side Setback

No building or any portion thereof shall be erected or maintained less than ten (10) feet from each side line of any parcel except that in the case of a corner parcel the setback from the side line along the street shall be governed by paragraph 1 above.

3. Single Family Dwellings Only

Except as provided in paragraph 6 below, no more than one dwelling house may be constructed or maintained on any parcel and a dwelling house shall be designed for occupancy and be occupied by not more than one family.

4. Number of Stories

(a) Each dwelling house shall be not more than one story in height except that (1) houses constructed on hillsides may have living area below the main floor, and (2) the Board may specifically approve exceptions to this requirement without a hearing.

(b) All facades must have architectural treatment. Special attention and treatment must be given to all facades more than one story in height, whether by taller than normal foundation, retaining wall, stilts, or otherwise.

5. Occupancy before Completion

No building, any part of which is designed for dwelling purposes, shall be occupied in any manner prior to its completion according to the approved plans, including final finish, painting and cleanup.

6. Quarters for Others

Servants', employees', or guests' quarters may be constructed and maintained, but no paying guest or tenant quarters may be constructed or maintained. Any such quarters shall be contiguous with and under the same roof as the living quarters of the main dwelling house.

7. Ancillary Buildings

Ancillary Buildings may be erected and maintained for the use of the persons in possession of the main dwelling, provided that no ancillary building may be used as guest or servants' or employees' quarters; that plans and specifications shall be approved in advance by the Board; and that each ancillary building shall conform generally in architectural design and exterior materials and finish to the dwelling to which it is appurtenant. No ancillary building may be built between the main building and any street. All roofs must be of the same material and color as the roof of the main building.

8. Used Buildings

No building constructed elsewhere shall be moved on or onto or reconstructed on subject property.

9. Minimum Floor Area

No main dwelling house shall be constructed having a finished floor area (exclusive of all attached porches, patios, basements, garages) of less than 1,800 square feet.

10. Construction Shacks

During the period of any construction, no trailer, mobile home, tent, shack, garage, or other structure of a temporary character shall be moved, erected, or maintained upon subject property except as specifically permitted in writing by the Board.

11. Roofs

No structure constructed on any parcel may have a roof covered or coated with white material. No air-conditioning, heating, or other pipes, ducts, structures or equipment, may be constructed, kept or maintained on any roof so as to be visible. The roofs of houses shall be designed so that they do not unreasonably block the view of adjoining houses. (A roof that does not rise more than four feet in twelve feet horizontally is acceptable.)

12. Antennas

One exposed television antenna of the conventional UHF/VHF type extending a maximum of ten (10) feet above the high point of the house may be erected and maintained on each lot. Satellite dish antennas not exceeding 24 inches in diameter are permitted, but the Board must approve the location of the dish on the lot. No other exposed antenna of any type may be installed and maintained on any lot.

13. Garages

(a) Each main dwelling house must have an appurtenant three (3) car garage with three (3) stalls abreast having a floor area of at least 700 square feet within the lines of support of the roof.

(b) All garages shall be enclosed and have doors on all openings for the entrance of vehicles. Doors for at least two (2) of the stalls shall be equipped with automatic opening devices operable from the vehicles regularly garaged therein.

14. Driveways

All improved building sites must have an adequate driveway paved with a two-inch asphaltic mix or other approved paving material.

15. Treehouses

No treehouses are permitted when visible from any parcel or from any street.

16. Utility Lines

All telephone, electric and other lines on all parcels shall be below ground level.

17. Screened Area and Fences

(a) There shall be on each parcel an area of not less than 200 square feet for clothes drying, refuse collection and storage of incinerators or propane or other tanks and equipment.

(b) On all fences the more decorative side must be the side visible from adjoining property or a street. That is, by way of example, on a board fence with posts and rails, the boards must be on the side of the posts and rails facing adjacent property or a street.

D. USE AND MAINTENANCE

1. Appearance

Every building and structure whether enumerated in this Declaration or not shall at all times be maintained in good repair and appearance.

2. Residential Only

No parcel shall be used other than for single family residential purposes or agricultural or horticultural purposes.

3. Signs

Except as hereinafter provided, no sign or other advertising device of any character shall be erected or maintained upon any parcel.

(a) On any one parcel one sign, not larger than nine inches by twelve inches, advertising the parcel for sale or rent may be erected and maintained. No "sold" signs are permitted and the "For Sale" signs must be removed when an escrow is opened.

(b) On any one parcel one sign, not larger than 200 square inches, indicating only the name of the occupant may be erected and maintained.

(c) On any one lot one sign, not larger than 100 square inches, indicating the existence of a home security system may be erected and maintained.

(d) The Board shall have the right to enter and to remove any sign or other advertising device erected or maintained in violation of the Declaration without notice or hearing.

4. Animals

No poultry, fowl, horses, donkeys, sheep, goats, rodents, cattle, or swine of any kind shall be bred or kept on a parcel of subject property. No more than two dogs may be kept on a parcel of subject property.

5. Nuisance

No noxious or offensive activity shall be carried on upon any parcel nor shall anything be done on any parcel which is or may become an annoyance or nuisance to the neighborhood. This includes, but is not limited to, sound from any source such as a device or instrument for the producing or reproducing of sound, or from any animal, which sound by its magnitude, persistence or frequent recurrence shall cause annoyance or discomfort to neighbors of normal sensitivity.

6. Trash

No parcel shall be used as a dumping or storage ground for trash (rubbish, trash, garbage, junk, or other waste or salvage material). The Board is vested with the power to remove trash from any parcel thirty (30) days following notification of the owner(s) by certified mail.

Trash and trash containers must be kept in the screened storage area or garage except during the day of pickup and, as a general rule, except after noon on the day before the day of pickup. Containers must be returned to the storage area or garage on the day of trash collection before midnight.

7. Excavating

Dumping of dirt or topsoil on any parcel shall be permitted only if such dirt or topsoil is spread to a new usable grade on said parcel within ten days. Removing dirt or topsoil from any parcel shall be permitted only if the amount is nominal and the parcel is smoothed within ten days.

8. Clearing

The Board is vested with the power to require parcel clearing to standards established by it. It may clear parcels not meeting those standards without hearing.

9. Storage

Nothing may be stored or maintained on any parcel unless:

(a) It is within the screened area and is not visible therein from any parcel or street; or

(b) It is completely screened from view from any parcel or street in a manner satisfactory to the Board.

The foregoing applies to, but is not limited to, vehicles (other than operable passenger cars), trucks, automobiles under repair, trailers, mobile homes, campsters, buggies, boats, or other conveyances or appliances for transportation and machinery or equipment of any kind.

10. Division of Parcels

(a) No parcel may be divided or subdivided without the consent in writing of the Board by a four-fifths vote.

(b) No parcel may be divided in any manner except that parcels of not less than one-half acres may be created by compliance with the California Subdivision Map Act (Division 4, Part 2, Chapter 2 of the Business & Professions Code (Section 11,500 et seq.)).

11. Landscaping

(a) All portions of occupied lots visible from the street must be landscaped and maintained to present a good appearance in keeping with the neighborhood. For a newly constructed home such landscaping must be installed no less than ninety (90) days following occupancy. On all unlandscaped areas of each lot, control of weeds, brush and other growth must be adequate to avoid creation of a fire hazard. Dead trees and other plants must be removed within sixty (60) days. Ground cover or bushes adjacent to city curbs must be trimmed to not extend over the curb.

(b) At such time as any tree or other plant is either planted or grows such that it blocks the view from a window, terrace, or deck of a home on a second lot, and if such plant either did not exist or did not block said view from the second lot at the time the second lot was purchased by the current owner, at the current owner's request the view-blocking plant must be cut back to the extent required to either unblock the view or restore the plant to the size it was when the second lot was purchased by the current owner(s), whichever requires less cutting. If the two parties cannot agree, at the request of the complaining owner, the Architectural Committee will determine the amount of trimming, if any, required to correctly implement the intent of this Covenant.

E. ASSESSMENTS

1. General Assessments

The Declarant has funded the Association with an initial contribution of money. When, in the opinion of the Board, after a noticed hearing and by a four-fifths vote, the Association may need added money for the administration of the protective covenants administered by it or for accomplishing the purposes of the Association, the Board may levy assessments.

(a) The Board, after notice and hearing, shall have authority to fix and establish general assessments to provide money for the administration and enforcement of these protective covenants and for accomplishing the purposes of the Association. General Assessments shall be equally divided among the parcels.

(b) Notice of the hearing on any general assessment shall set forth the total amount the Board proposes to raise by general assessment and the time and place when a hearing will be held.

(c) At the hearing or any adjournment thereof, the Board may levy an assessment not greater than 1% of the assessed value of the land without improvements by a favorable vote of not less than four-fifths of its members. Larger assessments shall require approval of 67% of the membership vote present at a membership meeting.

2. Special Assessments

(a) The Board, after notice and hearing, has the power to levy special assessments to enforce these protective covenants. These shall be on specific parcels to recover the costs relating to parcels in violation. The following are included in (but are not the only) potential special assessments:

(1) The cost of clearing lots not cleared by the owner to standards established by the Board;

(2) The cost of removing trash, antennas or other unpermitted items from any parcel;

(3) The cost of bringing litigation, including reasonable attorneys' fees, to enforce the restrictions if the Association prevailed in the litigation.

(b) If a notice of violation or nonconformance, or if a demand for performance, was previously given to the owner of the parcel and he failed to comply, no notice or hearing is required for a special assessment.

3. Enforcement

(a) The Board shall have the authority to determine when assessments shall be due and payable and the penalties for such assessment if the same become delinquent, provided, however, that the penalty shall not exceed an amount equal to ten per cent (10%) of the assessment each year. A delinquent assessment shall also bear interest at the legal rate.

(b) The right to collect and enforce the collection of such assessments is hereby granted to the Board. There is hereby imposed on all the property described in Exhibit "A" hereto and other property made subject to protective covenants administered by the Association a lien securing the payments of all general assessments and any applicable special assessments. The said lien shall attach as hereinafter provided. The owners of the said property or of any portion thereof hereby grant to the corporation, its successors or assigns, the right and authority to bring all actions for the collection of such assessments and the enforcement of such liens. The said owners covenant and agree for themselves, their heirs, executors, administrators, successors and assigns, that such assessments together with penalties, interest and costs of collection including reasonable attorneys' fees are and shall be liens against (and covenants running with) the land and shall be continuous until fully paid.

(c) The lien of said assessments shall be subordinate to the lien of a valid and bona fide first mortgage or first deed of trust executed in good faith and for value on the property subject to such lien. The lien shall not be subordinate to a junior mortgage or deed of trust.

(d) The Board shall establish the date when assessments are due. In the event any assessment shall be unpaid when due, the same shall be delinquent, and shall remain delinquent until the amount of such payment, together with all costs, including attorneys' fees, penalties, and interest as herein provided, shall be fully paid. At any time after any assessment has become delinquent, the Board may file for record in the office of the Recorder of San Diego County a notice of delinquency which notice shall state all amounts which have become delinquent including costs, attorneys' fees, penalties, and interest and a description of the property on which the assessment is delinquent, and the name of the record or reputed record owner of such property. Immediately upon recording of any notice of delinquency, the amounts delinquent together with costs, attorneys' fees, penalties, and interest shall be and become a lien upon the property described in said notice, which lien shall also secure all other assessments which shall become due and payable with respect to said property following such recording, and all costs connected therewith, including attorneys' fees, penalties and interest thereon. Said lien shall continue until all amounts secured thereby are fully paid or otherwise satisfied. In the event that the delinquent assessment together with all costs, attorneys' fees, penalties, and interest are fully paid or otherwise satisfied, the Board shall record a further notice stating the satisfaction and release of such lien.

(e) The lien established as herein provided may be enforced in the same manner as the foreclosure of a mortgage of real property under the laws of the State of California, or may be enforced by sale pursuant to said laws and to that end a power of sale is hereby conferred upon the Board or the corporation or upon such entity the Board may designate.

(f) Action to foreclose a lien for any assessment, or the exercise of the power of sale therefor by the Board shall be commenced only after twenty (20) days' written notice (as provided in H.1.) of the amount due and after resolution of the Board fixing the amount due and unpaid and directing that action be instituted or sales proceedings commenced.

F. VIOLATIONS

1. Adjudication Procedures

(a) Informal Procedure

The Board or its agents may informally investigate any suspected violation of these covenants in whatever manner the Board or its agents deem appropriate. If the Board or its agents determine that a violation exists, the owner shall be notified and given a reasonable time in which to rectify the violation.

(b) Formal Procedure

If the informal procedure does not result in compliance, the Board shall hold a violation hearing. Not less than fifteen days' notice of the date, time and place of the hearing shall be given by certified mail, to the suspected owner in violation. The notice shall state the nature of the suspected violation and refer to the specific covenants that apply. The other owners who are most directly and materially affected by the suspected violation shall be notified of the hearing orally or by mail.

The hearing shall be before a quorum of the Board. The president or the senior director present shall preside. The hearing shall be public and no owner or owner's representative shall be denied attendance. A director who has a direct or personal interest in the proceeding beyond that of any other owner must recuse himself or herself, otherwise a challenge for cause may be made and the decision as to disqualification shall be made by the remaining directors.

The hearing shall be conducted in a full and fair manner. Each owner or owner's representative shall have the right to state his or her position, present evidence and present arguments--either in writing or in person. The hearing need not follow the rules of evidence or legal procedure.

The decision shall be by a majority of the directors present. The decisions shall be rendered at the conclusion of the hearing or within five days thereafter. If requested by the suspected owner in violation, the decision shall be made in executive session, which the suspected owner in violation is entitled to attend. If the Board finds that a violation exists, the owner in violation shall be given written notice of the finding of violation,

delivered by certified mail. The written notice shall state the specific nature of the violation, the action required to rectify the violation, and a reasonable time (not less than ten days) for the owner to comply.

(c) Expedited Procedure

If the nature of the suspected violation is such that delay in addressing it would be undesirable, the Board may, by resolution stating the specific facts that warrant expedited procedures, proceed as follows:

The Board may, without restriction, set a time for hearing. The suspected owner in violation shall be orally notified of the date, time, place, and subject matter of the hearing. The other owners most directly and materially affected by the suspected violation also shall be orally notified of the hearing.

The hearing shall be conducted and the decision rendered in the same manner as under the formal procedure, except that the decision shall be rendered at the conclusion of the hearing. If the Board finds that a violation exists, the owner in violation shall be given oral notice of finding of violation. The oral notice shall state the specific nature of the violation, the action required to rectify the violation, and the time for compliance. The Board may determine the time for compliance without restriction. A confirming, written notice of finding of violation shall be sent by certified mail.

The owner in violation has the right to a rehearing, which shall be under the formal procedure. This right must be exercised in writing within ten days after the oral notice of finding of violation. Any remedy invoked by the Board as a result of the expedited procedure shall continue to apply from the date of the oral notice of finding of violation unless, on rehearing, the finding of violation is reversed.

2. Recording Notice of Finding of Violation

If the owner in violation fails to comply with the notice of finding of violation, the Board may record in the office of the county recorder a notice of finding of violation of restriction with regard to the owner's property. Within five days after a demand for reimbursement, the owner in violation shall reimburse the Association for the cost of recording, which constitutes a special assessment enforceable under paragraph E.3.

3. Suspension of Rights

If the owner in violation fails to comply with the notice of finding of violation, the Board may suspend the owner's rights as a member of the Association, including the right to vote and the right to hold office, until compliance is achieved.

4. Monetary Penalty

If the owner in violation fails to comply with the notice of finding of violation, the Board may assess a monetary penalty not exceeding \$25.00 per day for each day beginning with the first day after expiration of the time period for compliance and continuing until compliance is achieved. If the violation is periodic rather than continuous in nature, the Board may assess a monetary penalty not exceeding \$250.00 per occurrence. A monetary penalty is due and payable immediately and constitutes a special assessment enforceable under paragraph E.3.

5. Limited Right of Entry

If the owner in violation fails to comply with the notice of finding of violation, the Board or its agents have the right to enter the lot and take the action required to rectify the violation. The Board must furnish the owner or the owner's lessee with at least 48 hours' notice of intention to enter the lot, specifying the purpose and scheduled time of entry. In no event does this right of entry permit the Board or its agents to enter the residence on the lot without the prior permission of the owner or the owner's lessee. There is hereby created an easement in favor of the Association to enter the lot of an owner in violation under the circumstances and in the manner described in this paragraph, and the Board or its agents shall not be guilty of any manner of trespass. Within five days after a demand for reimbursement, the owner in violation shall reimburse the Association for the expenses incurred in entering the lot and taking the action required to rectify the violation. These expenses constitute a special assessment enforceable under paragraph E.3.

6. Other Remedies

The Board or any owner may employ any other remedy for violation of these covenants that is available at law or in equity, including but not limited to temporary restraining order, preliminary injunction, permanent injunction, and declaratory relief.

7. Cumulative Remedies

The remedies for violation of these covenants are cumulative. The exercise of any one remedy does not preclude or affect the exercise, at the same or at different times, of any other remedy. The choice of remedies against one owner in violation does not preclude or affect the choice of remedies against a different owner in violation.

8. Attorneys' Fees and Costs

In any action arising out of these covenants, the court shall award reasonable attorneys' fees and costs to the prevailing party. If the Association prevails, the award of attorneys' fees and costs is due and payable immediately and constitutes a special assessment enforceable under paragraph E.3.

9. Failure to Enforce Not a Waiver

The Board's failure to enforce these covenants does not constitute a waiver of the right to enforce these covenants thereafter.

10. Encumbrances

A violation of any of these covenants shall neither defeat nor render invalid the lien of any mortgage or deed of trust made for value which may then exist on said parcel, but said covenants shall be binding upon and effective against any owner where title of subject property is acquired by foreclosure, trustee's sale or otherwise. It may be conclusively presumed by the owner of any such encumbrance for value and by any title insurance company insuring the lien of such encumbrance that no violation exists under the terms of this Declaration upon the recordation of such encumbrance in the office of the County Recorder of San Diego County at any time before the recordation in said office of a notice of claim of such a violation.

G. AMENDMENTS, RULES AND REGULATIONS

1. Administration

The Board shall administer this Declaration of Protective Covenants to promote the beauty and safety of subject property and, subject to approval by vote of homeowners (per Paragraph 5 below), shall have the authority to amend, modify or terminate any or all of the provisions of this Declaration, as to all or any portion of the subject property by an instrument in writing duly recorded in the Office of the Recorder of San Diego County. The Board also has the authority to amend these Protective Covenants by adding land hereto, which added land may be subject to covenants differing from these with Board approval.

2. Standards

In exercising the powers above granted, the Board shall be guided by the following standards where applicable:

(a) Harmony with the general purpose and intent of this Declaration shall be maintained.

(b) No material detriment shall be imposed on property or improvements in the vicinity of the subject property.

(c) Where an exception is being considered, there shall exist exceptional or extraordinary circumstances or conditions applicable to the subject property which make exercise of such powers appropriate.

3. Hearing and Notice

Upon a vote of a majority of the Board to propose an amendment or amendments to this Declaration, notice of such proposed amendments shall be provided to the membership at least ten (10) days prior to a meeting at which the Board will hear comments from members.

4. Rules and Regulations

The Board, to additionally promote the beauty and safety of subject property, shall have the power to adopt, amend, modify, or terminate standards, rules and regulations not in conflict with this Declaration or other protective covenants administered by them. All such rules and regulations shall be of the same force and effect as if included herein.

5. Vote of Members

This Declaration shall only be amended when said amendments are approved by a vote of fifty-one percent (51%) of the members of the Association. Said vote may be taken by mail or at a meeting, as permitted by law. Voting at a meeting may be in person or by proxy. The vote shall be by means of a ballot which satisfies the requirements of California Corporations Code Section 7513, the essential provisions of which require that such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the corporation; ballot solicitations shall indicate the number of responses needed to meet the quorum requirement, and shall state the percentage of approvals necessary to pass the measure submitted.

6. Alcalde

The Board may designate a person who shall be its Administrator. He shall be known as the "Alcalde" and shall have power to check plans, initiate violation proceedings and do other ministerial functions for the Board. The Alcalde may appoint "Deputados" (who may perform such of his duties as he directs) subject to Board confirmation. The Alcalde and his Deputados shall serve at the pleasure of the Board.

H. NOTICES

In exercising the powers granted the Board, the Board shall give notice as follows:

1. As to Affected Parcels

Notice of the proposed action under paragraph F.1. or under paragraph G.1. shall be posted on each lot or parcel to which said action is proposed and on any and all additional parcels which adjoin or which are directly across a dedicated street from any of said parcels; or

In the alternative, such notice may be mailed to the owners of all such parcels at their address as shown on the last equalized assessment roll of San Diego County (or to such other owners as have notified the Board of a change in ownership of any such parcel and of the address of the new owner or owners). Owners may advise the Board of another address for notice to them by written instructions to the Board.

2. As to Assessment

Notice of proposed action under paragraph E shall be by mail to the owners of all parcels to be assessed at their address as shown on the last equalized assessment roll of San Diego County (or to such other owners as have notified the Board of a change in ownership of any such parcel and of the address of the new owner or owners).

3. Other Notice

Any other notice to be given by the Board shall be in such manner as the Board determines is reasonably designed to give notice to persons directly affected.

I. DURATION

This Declaration shall continue in force and effect, except as amended or modified by the Board pursuant to paragraph G.1., until January 1, 2010, or until terminated by majority vote of said Board, whichever is later.

J. ASSOCIATION

1. Membership

Membership in the Association shall be limited to owners of record of land subject to any protective covenants administered by the Association. This shall include any owners of record of land subject to the separate and existing protective covenants which govern the property contained in what is commonly known as Green Valley Highlands Unit 3 and which are administered by the Association.

One membership shall be issued for each lot or parcel in Green Valley Highlands as designated by Declarant corporation and such membership shall be appurtenant to such lot (upon the conveyance of a lot, the membership goes to the new owner), provided, however, only one membership shall be issued to any member. In the event any such lot is owned by two or more persons, the membership for such parcel shall be issued in the names of all and they shall designate to the corporation in writing at the time of issuance one of their number who shall have the power to vote said membership. If no person is designated, the corporation shall make such designation. If a membership is vested in persons who are not all of the same immediate family unit, only one such family unit shall be entitled to the rights and privileges of membership.

2. Voting

Each member shall have the right to vote at every meeting of the members. Each member shall be entitled to one vote for each lot or parcel in Green Valley Highlands owned, but in no event shall more than one vote be cast with respect to any lot or parcel.

K. SEVERABILITY

The determination by any Court that any of the provisions of this Declaration are unlawful or void shall not affect the validity of any of the other provisions herein.

L. DECLARATION

PACIFIC IRON & STEEL CO., a California corporation; JOHN L. NORWOOD and ETHELYN M. NORWOOD do hereby declare and establish the foregoing protective covenants, conditions, restrictions, reservations, and charges which are imposed as covenants running with the land, on the property described in Exhibit "A" hereto (herein referred to as the "subject property") for the direct benefit thereof and as a part of a general plan for the development, improvement, sale, and use of said property.

Dated _____

PACIFIC IRON & STEEL CO.
a California corporation

/s/ H. S. Smits, Pres.

/s/ Leo R. B. Henrikson, Asst. Sec.

/s/ John L. Norwood

JOHN L. NORWOOD

/s/ Ethelyn M. Norwood

ETHELYN M. NORWOOD

EXHIBIT "A"

PARCEL 1:

THAT PORTION OF RECORD OF SURVEY MAP NO. 3842, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, BEING A PORTION OF SECTION 36, TOWNSHIP 13 SOUTH, RANGE 2 WEST, SAN BERNADINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 99 OF GREEN VALLEY ESTATES UNIT NO. 9, ACCORDING TO MAP THEREOF NO. 4101, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID UNIT NO. 9, SOUTH 88°13'50" EAST, 419.11 FEET; THENCE SOUTH 1°46'40" WEST, 319.86 FEET, RECORD 320.20 FEET; THENCE SOUTH 72°26'23" EAST, 502.05 FEET, RECORD SOUTH 72°25' EAST, 501.90 FEET; THENCE NORTH 61°35'05" EAST, 353.82 FEET, RECORD NORTH 61°35' EAST, 353.80 FEET; THENCE SOUTH 28°24'15" EAST, 60.05 FEET, RECORD SOUTH 28°25' EAST, 60.00 FEET; THENCE NORTH 77°48'08" EAST, 204.62 FEET, RECORD NORTH 77°48'50" EAST, 204.64 FEET TO AN ANGLE POINT IN THE SOUTHERLY LINE OF GREEN VALLEY ESTATES UNIT NO. 5, ACCORDING TO MAP THEREOF NO. 3807, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; THENCE NORTH 13°51'35" EAST, 244.50 FEET, RECORD NORTH 13°54' EAST, 244.65 FEET; THENCE NORTH 74°18'26" EAST, 384.64 FEET, RECORD NORTH 74°21' EAST, 384.54 FEET; THENCE NORTH 71°14'24" EAST, 34.35 FEET, RECORD NORTH 78°53'08" EAST, 34.00 FEET; THENCE LEAVING THE BOUNDARY LINE OF SAID UNIT NO. 5 AND ALONG THE NORTHERLY LINE OF PARCEL 18 OF RECORD OF SURVEY MAP NO. 3842, SOUTH 71°46'06" EAST, 310.77 FEET TO AN ANGLE POINT; THENCE SOUTH 89°54'33" EAST, 460.05 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 18; THENCE SOUTH 14°26'40" WEST 81.90 FEET; THENCE NORTH 89°57'50" EAST, 124.90 FEET; RECORD EAST 125 FEET; THENCE SOUTH 57°13'02" EAST 270.02 FEET, RECORD SOUTH 57°10'50" EAST, 269.46 FEET TO THE EASTERLY LINE OF PARCEL 19; THENCE ALONG SAID LINE, SOUTH 16°43'34" WEST 32.53 FEET TO A TANGENT 800.31 FOOT RADIUS CURVE CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE 180.93 FEET; THENCE TANGENT TO SAID CURVE AND ALONG THE EASTERLY LINE OF PARCEL 16 AND THE SOUTHERLY PROLONGATION, SOUTH 3°46'23" WEST, 400.09 FEET; THENCE PARALLEL WITH THE SOUTH LINE OF PARCELS 16 AND 14, NORTH 89°04'47" WEST, 1655.39 FEET TO A TANGENT 20.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE SOUTHWESTERLY ALONG SAID CURVE 31.40 FEET THROUGH AN ANGLE OF 89°57'32"; THENCE TANGENT TO SAID CURVE, SOUTH 0°57'41" WEST, 276.93 FEET TO A TANGENT 228.00 FOOT RADIUS CURVE CONCAVE WESTERLY; THENCE SOUTHERLY ALONG SAID CURVE 110.42 FEET THROUGH AN ANGLE OF 27°44'58" TO A POINT OF REVERSED CURVATURE HAVING A RADIUS OF 172.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE 83.44 FEET THROUGH AN ANGLE OF 27°47'39"; THENCE TANGENT TO SAID CURVE, SOUTH 0°55' WEST, 953.54 FEET; THENCE NORTH 84°05' WEST, 292.80 FEET TO A TANGENT 228.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THENCE WESTERLY ALONG SAID CURVE, 43.83 FEET THROUGH AN ANGLE OF 11°00'56"; THENCE NORTH 73°04'04" WEST, 330.54 FEET TO A TANGENT 232.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHWESTERLY ALONG SAID CURVE 147.93 FEET THROUGH AN ANGLE OF 36°32'04" TO A POINT OF REVERSED CURVATURE HAVING A RADIUS OF 20.00 FEET; THENCE WESTERLY ALONG SAID CURVE 25.67 FEET THROUGH AN ANGLE OF 73°33'10"; THENCE TANGENT TO SAID CURVE, SOUTH 69°54'50" WEST, 58.32 FEET; THENCE NORTH 20°05'10" WEST, 50.00 FEET; THENCE NORTH 69°54'50" EAST, 53.01 FEET TO A TANGENT 20.00 FOOT RADIUS CURVE CONCAVE WESTERLY; THENCE NORTHEASTERLY AND NORTHERLY ALONG SAID CURVE 32.25 FEET THROUGH AN ANGLE OF 92°23'36"; THENCE TANGENT TO SAID CURVE NORTH 22°28'46" WEST, 123.24 FEET TO A TANGENT 175.00 FOOT CURVE CONCAVE SOUTHWESTERLY; THENCE NORTHWESTERLY ALONG SAID CURVE 149.62 FEET THROUGH AN ANGLE OF 48°59'14"; THENCE LEAVING SAID CURVE NORTH 18°32' EAST, 50.00 FEET; THENCE NORTH 27°49' WEST, 102.00 FEET; THENCE NORTH 46°25'54" EAST, 283.62 FEET; THENCE NORTH 38°43' EAST, 84.00 FEET; THENCE NORTH 15°48'40" EAST, 69.60 FEET; THENCE NORTH 9°13' EAST, 233.46 FEET; THENCE NORTH 75°00' WEST, 119.00 FEET; THENCE SOUTH 81°08'30" WEST, 118.88 FEET; THENCE NORTH 29°20' WEST, 415.30 FEET; THENCE NORTH 43°02' WEST, 134.60 FEET TO AN ANGLE POINT IN THE BOUNDARY LINE OF PARCEL 1 OF THE LAND DESCRIBED IN DEED TO JEROME HARRIS, ET UX, RECORDED MARCH 15, 1957 OF OFFICIAL RECORDS; THENCE ALONG THE BOUNDARY LINE OF SAID LAND, NORTH 28°04'31" WEST, 531.00 FEET AND NORTH 14°55'29" EAST, 179.00 FEET TO THE NORTH LINE OF PARCEL 59 OF RECORD OF SURVEY MAP NO. 3842; THENCE SOUTH 88°13'50" EAST ALONG SAID NORTH LINE 241.54 FEET TO THE POINT OF BEGINNING.

GENERAL DESCRIPTION OF
GREEN VALLEY HIGHLANDS ASSOCIATION
.....

PACIFIC IRON & STEEL CO., developer of GREEN VALLEY HIGHLANDS, has learned that most deed restrictions are ineffective because interest in their enforcement fades when a developer finishes. In order to preserve continuing interest in the protective covenant, PACIFIC IRON & STEEL CO. has formed a non-profit corporation, the members of which are property owners in GREEN VALLEY HIGHLANDS. The Board of Directors of this corporation, the GREEN VALLEY HIGHLANDS ASSOCIATION, are specifically responsible for enforcing the protective covenant.

The only purpose of the GREEN VALLEY HIGHLANDS ASSOCIATION is to ensure the protective covenant is always a living document.

The specifics of the By-laws and Articles of Incorporation follow.

**ARTICLES OF INCORPORATION
OF
GREEN VALLEY HIGHLANDS ASSOCIATION**
.....

I

The name of this corporation is GREEN VALLEY HIGHLANDS ASSOCIATION.

II

a. The specific and primary purposes for which this corporation is formed are the administration of the protective covenant of GREEN VALLEY HIGHLANDS.

b. Generally this corporation is organized and shall be operated exclusively for pleasure, recreation and other non-profitable purposes, for the benefit of the land in GREEN VALLEY HIGHLANDS, the residents thereon and the owners thereof. No part of the net earnings of the corporation shall inure to the benefit of any member.

c. The corporation shall not have the right to engage in any activities not relating directly or indirectly to either the primary or general purposes stated above.

d. In carrying out the forgoing purposes the corporation shall have and exercise all the powers conferred by the General Nonprofit Corporation Law of California upon nonprofit corporation, as such law is now in effect or may at any time hereafter be amended.

e. Notwithstanding any of the above statements of purposes and powers, this corporation shall not engage in activities which in themselves are not in furtherance of the purposes set forth above, and nothing contained in the foregoing statement of purposes shall be construed to authorize this corporation to carry on any activity for the profit of its members as such. Upon dissolution or winding up any assets of the corporation shall be distributed to a charity selected by the members or, if they fail to designate a charity, to a charity selected by the Superior Court of the State of California, County of San Diego.

III

This corporation is organized pursuant to the General Nonprofit Corporation Law of the State of California.

IV

The County in the State of California where the principal office for the transaction of the business of this corporation is to be located is San Diego County.

V

The number of directors of this corporation shall be five (5), and the names and addresses of the persons who are appointed to act as the first directors of this corporation are as follows:

NameAddress

Howard G. Smits	1441 San Marino Avenue, San Marino California 91108
Leo R. B. Henrikson	5839 Overlake Road, San Diego, California 92120
John L. Norwood	1441 San Marino Avenue, San Marino, California 91108
James C. Adkins	16969 St. Andrews Court, Poway, CA 92064
Anna E. Tucker	675 Murray Drive, El Cajon, California 92020

VI

The Board of Directors shall have the power to fix, establish, levy and collect the assessments upon any parcel within GREEN VALLEY HIGHLANDS according to law and in accordance with the provisions of the protective covenant of GREEN VALLEY HIGHLANDS.

VII

GREEN VALLEY HIGHLANDS shall initially encompass that land more particularly described in Exhibit "A" attached hereto and by reference made a part hereof. Land may be added to GREEN VALLEY HIGHLANDS by amending the protective covenant of GREEN VALLEY HIGHLANDS pursuant to the protective covenant.

VIII

The corporation shall be non-stock. No dividends or pecuniary profits shall be paid to its members. Membership shall be limited to owners (as defined in the by-laws) of land within GREEN VALLEY HIGHLANDS. The initial owners are:

HOWARD G. SMITS (also known as H. G. SMITS); GWEN LAURIE M. SMITS; JOHN L. NORWOOD, ETHELYN M. NORWOOD; PACIFIC IRON & STEEL CO., a California corporation; ORCHARD OF GREEN VALLEY, a California corporation, (formerly named The Orchard of Green Valley); ORCHARD OPERATING CO., a California corporation, (formerly named Pomerado Investment Co.,; TITLE INSURANCE AND TRUST COMPANY, a California corporation; HOWARD G. SMITS as Trustee for the benefit of KAREN SMITS, et al. pursuant to Declaration of Trust dated December 29, 1950; HOWARD G. SMITS as Trustee for the benefit of GRETCHEN SMITS, et al. pursuant to Declaration of Trust dated December 29, 1950; and HOWARD G. SMITS as Trustee for the benefit of LAURIE SMITS, et al. pursuant to Declaration of Trust dated December 29, 1950.

One membership shall be issued for each parcel in GREEN VALLEY HIGHLANDS and such membership shall be appurtenant to such parcel. Only one membership shall be issued to any member. Each member shall have the right to vote individually, by designated representative, or by proxy, at every meeting of the members. The number of votes which each member is entitled to cast shall be based on the assessed valuation of the land without improvements owned by such member within GREEN VALLEY HIGHLANDS. The assessed valuation shall be that which is established by the last equalized assessment roll of the County of San Diego, California, for such land. Each member shall have one vote for each One Hundred Dollars (\$100.00) of such assessed valuation or fraction thereof. Membership in this corporation shall otherwise be regulated by the by-laws.

IN WITNESS WHEREOF, the undersigned and above named incorporators and first directors of this corporation have executed these Articles of Incorporation on the 24th day of October, 1968.

/s/ HOWARD G. SMITS
HOWARD G. SMITS
/s/ LEO R. B. HENRIKSON
LEO R. B. HENRIKSON
/s/ JOHN L. NORWOOD
JOHN L. NORWOOD

/s/ JAMES C. ADKINS
JAMES C. ADKINS
/s/ ANNA E. TUCKER
ANNA E. TUCKER

BY-LAWS
FOR THE REGULATION, EXCEPT AS OTHERWISE
PROVIDED BY STATUTE OR ITS
ARTICLES OF INCORPORATION

OF
GREEN VALLEY HIGHLANDS ASSOCIATION

ARTICLE I
OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the corporation is hereby fixed and located at 1700 Home Tower, 707 Broadway, San Diego, San Diego, County of San Diego, State of California. The board of directors is hereby granted full power and authority to change said principal office from one location to another in said county or the County of Los Angeles.

Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the board of directors at any place or places where the corporation is qualified to do business.

ARTICLE II
MEETING OF MEMBERS

Section 1. PLACE OF MEETINGS. All annual meetings of members shall be held at the principal office of the corporation, and all other meetings of members shall be held either at the principal office or at any other place within the Counties of San Diego or Los Angeles in the State of California which may be designated either by the board of directors pursuant to authority hereinafter granted to said board or by written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the secretary of the corporation.

Section 2. ANNUAL MEETINGS. The annual meetings of members shall be held on the third Wednesday of March of each year, at 7:30 p.m. of said day; provided however, that should said day fall upon a legal holiday, then any such annual meeting of members shall be held at the same time and place on the next day thereafter ensuring which is not a legal holiday. At such meetings, directors shall be elected, reports of the affairs of the corporation shall be considered, and any other business may be transacted which is within the powers of the members.

Written notice of each annual meeting shall be given to each member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such member at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. If a member gives no address, notice shall be deemed to have been given if sent by mail or other means of written communication addressed to the address indicated on the last equalized assessment roll of the Assessor of San Diego County. All such notices shall be sent to each member entitled thereto not less than ten (10) days and not more than sixty (60) days before each annual meeting, and shall specify the place, the day and the hour of such meeting, and shall state such other matters, if any, as may be expressly required by statute.

Section 3. SPECIAL MEETINGS. Special meetings of the members, for any purpose or purposes whatsoever, may be called at any time by the president or by the board of directors, or by any one or more of the members holding not less than one-fifth of the voting power of the corporation. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted. A first meeting shall be held after 51% of the lots in the first subdivision have been sold or within one year of the sale of the first lot in Green Valley Highlands, whichever occurs first.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF. Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at such meeting.

When any members' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than an announcement at the meeting at which such adjournment is taken.

Section 5. VOTING. Voting may be by voice or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a member of any election and before the voting begins. Every member entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. On general matters a majority vote of a quorum shall prevail.

Section 6. QUORUM. The presence in person or by proxy of persons entitled to vote a majority of the voting power at any meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 7. NON-QUORUM. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be at least 25%.

Section 8. CONSENT OF ABSENTEES. The transactions of any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. ACTION WITHOUT MEETING. Any action which, under any provision of the California General Corporation Law, may be taken at a meeting of the members, except approval of an agreement for merger or consolidation of the corporation with other corporations, may be taken without a meeting if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the secretary of the corporation.

Section 10. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the corporation; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

ARTICLE III

DIRECTORS

Section 1. POWERS. Subject to limitation of the articles of incorporation, of the by-laws, and of the General Nonprofit Corporation Law of California as to action which shall be authorized or approved by the members, and subject to the duties of directors as prescribed by the by-laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the board of directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

First -- To administer the Protective Covenant of Green Valley Highlands.

Second -- To select and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the articles of incorporation or by-laws, fix their compensation, and require from them security for faithful service.

Third -- To conduct, manage and control the affairs of the corporation, and to make such rules and regulations therefor not inconsistent with law, the Protective Covenant of Green Valley Highlands, or with the articles of incorporation or the by-laws, as they may deem best.

Fourth -- To change the principal office of the corporation from one location to another within the same county as provided in ARTICLE I, Section 1, hereof; to fix and locate from time to time one or more subsidiary offices of the corporation within the State of California, as provided in ARTICLE I, Section 2, hereof; to designate any place within the State of California for the holding of any members' meeting or meetings except annual meetings, and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

Fifth -- To contract for and pay premiums for insurance of any kind (relating to risks of the corporation, including but not limited to fire, casualty and liability), and for indemnity and other bonds.

Sixth -- To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the board in the management of the affairs of the corporation, except the power to amend or repeal by-laws. The executive committee shall be composed of such persons as the board selects.

Section 2. NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors of the corporation shall be five (5) until changed by amendment of the articles of incorporation or by a by-law duly adopted by the members amending this Section 2.

Section 3. ELECTION AND TERM OF OFFICE. The directors shall be elected at each annual meeting of members, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 4. VACANCIES. Vacancies in the board of directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the members.

A vacancy or vacancies in the board of directors shall be deemed to exist in the case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the members fail at any annual or special meeting of members at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the board of directors accepts the resignation of a director tendered to take effect at a future time, the board or the members shall have power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. PLACE OF MEETING. Regular meetings of the board of directors shall be held at any place within the State which has been designated from time to time by resolution of the board or by written consent of all members of the board. In the absence of such designation regular meetings shall be held at the principal office of the corporation. Special meetings of the board may be held either at a place so designated or at the principal office.

Section 6. ORGANIZATION MEETING. Immediately following each annual meeting of members, the board of directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meeting is hereby dispensed with.

Section 7. OTHER REGULAR MEETINGS. Other regular meetings of the board of directors shall be held without call on the third Wednesday of each month at 7:30 p.m.; provided, however, shall said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the board of directors is hereby dispensed with.

Section 8. SPECIAL MEETINGS. Special meetings of the board of directors for any purpose or purposes shall be called at any time by the president or, if he is absent or unable to act, by a vice president or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to each director, or sent to each director by mail or by other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

Section 9. NOTICE OF ADJOURNMENT. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 10. WAIVER OF NOTICE. The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 11. QUORUM. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, unless a greater number be required by law or by the articles of incorporation.

Section 12. ADJOURNMENT. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the board.

Section 13. FEES AND COMPENSATION. Directors shall not receive any stated salary for their services as directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS. The board of directors may authorize the corporation to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer or employee of the corporation in an action brought by a third party against such person (whether or not the corporation is joined as a party defendant) to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer or employee, or by the corporation, or by both; provided, the board of directors determines in good faith that such director, officer or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the corporation or its members. Payments authorized hereunder include amounts paid and

expenses incurred in settling any such action or threatened action. The provisions of this section do not apply to any action instituted or maintained in the right of the corporation by a member.

Section 15. DIRECTORS ACTING WITHOUT A MEETING. Any action required or permitted to be taken by the board of directors may be taken without a meeting and with the same force and effect as a unanimous vote of directors, if all members of the board shall individually or collectively consent in writing to such action.

ARTICLE IV

OFFICERS

Section 1. OFFICERS. The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer. The corporation may also have, at the discretion of the board of directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this article. One person may not hold simultaneously the offices of president and secretary.

Section 2. ELECTION. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this article shall be chosen annually by the members, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC. The board of directors may appoint such other officers as the business of the corporation may require, each of which shall hold office for such period, have such authority and perform such duties as are provided in the by-laws or as the board of directors may from time to time determine. Lawyers and accountants may be employed where appropriate.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the board, or, except in the case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the board of directors or to the president, or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the by-laws for regular appointments to such office.

Section 6. CHAIRMAN OF THE BOARD. The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the board of directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the by-laws.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and in the absence of the chairman of the board, or if there be none, at all meetings of the board of directors. He shall be ex officio a member of all the standing committees, and shall have such other powers and duties as may be prescribed by the board of directors or the by-laws.

Section 8. VICE PRESIDENT. In the absence or disability of the president, the vice presidents in order of their rank as fixed by the board of directors, or if not ranked, the vice president designated by the board of directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers

and perform such other duties as from time to time may be prescribed for them respectively the board of directors or the by-laws.

Section 9. SECRETARY. The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the board of directors may order, of all meetings of directors and members, with the time and place of holding, whether regular or special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of members present or represented at members' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a membership register, or a duplicate membership register, showing the names of the members and their addresses, and the assessed value of the land owned by the member in Green Valley Highlands as shown on the last assessment role of the Assessor of San Diego County.

The secretary shall give, or cause to be given, notice of all the meetings of members and of the board of directors required by the by-laws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by the by-laws.

Section 10. TREASURER. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. The books of account shall at all reasonable times be open to inspection by any director.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or the by-laws.

ARTICLE V

MISCELLANEOUS

Section 1. INSPECTION OF CORPORATE RECORDS. The membership register or duplicate membership register, the books of account, and minutes of proceedings of the members and the board of directors and of executive committees of directors shall be open to inspection upon the written demand of any member, at any reasonable time, and for a purpose reasonably related to his interests as a member, and shall be exhibited at any time when required by the demand at any members' meeting of ten per cent (10%) of the members represented at the meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a members' meeting shall be made in writing upon the president, secretary, assistant secretary or general manager of the corporation.

Each director of this corporation shall have the right at any reasonable time to inspect all books, records, documents of every kind and the physical properties of the corporation.

Section 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of directors.

Section 3. ANNUAL AUDIT. There shall be an independent examination or audit of the account or accounts of the corporation. A copy of it shall be available (at the office of the corporation) to each lot owner in Green Valley Highlands within thirty (30) days of completion.

Section 4. CONTRACT, ETC., HOW EXECUTED. The board of directors, except as in the by-laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general

or confined to specific instances; and unless so authorized by the board of directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount.

Section 5. INSPECTION OF BY-LAWS. The corporation shall keep in its principal office for the transaction of business the original or a copy of the by-laws as amended or otherwise altered to date, certified by the secretary which shall be open to inspection by the members at all reasonable times during office hours.

ARTICLE VI

AMENDMENTS

Section 1. POWER OF MEMBERS. New by-laws may be adopted or these by-laws may be amended or repealed by the vote of members entitled to exercise 75% of the voting power of the corporation present at a membership meeting or by the written assent of members entitled to exercise 75% of the voting power of the corporation, except as otherwise provided by law or by the articles of incorporation.

Section 2. POWER OF DIRECTORS. Subject to the right of members as provided in Section 1 of this ARTICLE VI to adopt, amend or repeal by-laws, by-laws other than a by-law or amendment thereof changing the authorized number of directors may be adopted, amended or repealed by the board of directors.

DOC # 2005-0934127



OCT 27, 2005 3:02 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 19.00
PAGES: 5



2005-0934127

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

 **Margo Pagnini**
16036 Stoney Acres Rd
Poway, CA 92064-2138

16319

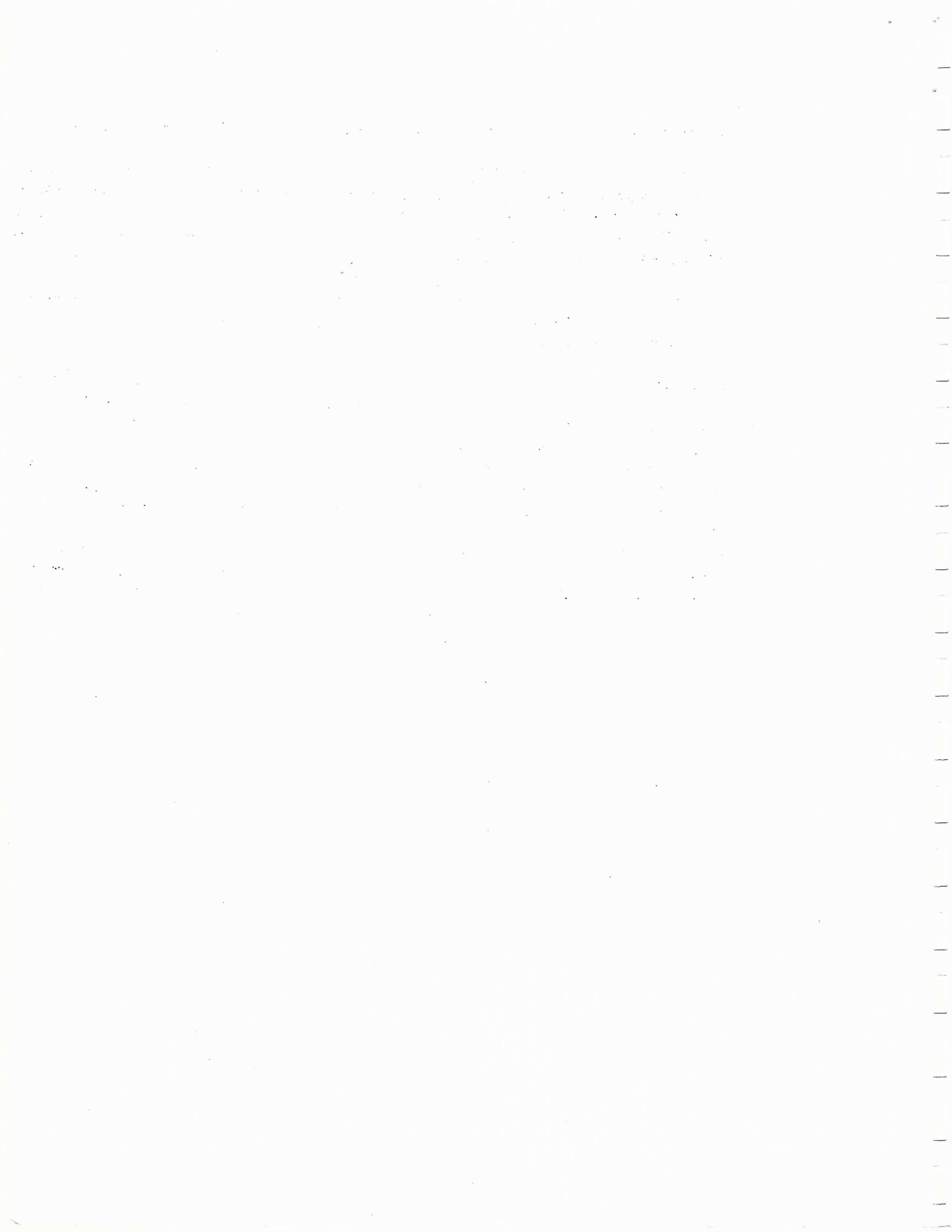
(Above Space for Recorder's Use)

**EIGHTH AMENDMENT
TO
PROTECTIVE COVENANT
GREEN VALLEY HIGHLANDS ASSOCIATION
GREEN VALLEY HIGHLANDS UNITS 1 AND 2**

DATED JULY 10, 2004

NOTICE
(Gov't. Code §12956.1)

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



**EIGHTH AMENDMENT
TO
PROTECTIVE COVENANT
GREEN VALLEY HIGHLANDS ASSOCIATION
GREEN VALLEY HIGHLANDS UNITS 1 AND 2**

THIS EIGHTH AMENDMENT TO PROTECTIVE COVENANT is made on the date set forth below by the GREEN VALLEY HIGHLANDS ASSOCIATION, a California nonprofit mutual benefit corporation, also referred to herein as "ASSOCIATION."

WITNESSETH

WHEREAS, the Association is the entity authorized to amend the Protective Covenant for the GREEN VALLEY HIGHLANDS UNITS 1 and 2; and

WHEREAS, the Protective Covenant for the GREEN VALLEY HIGHLANDS UNITS 1 and 2 was originally recorded on November 20, 1968 as Doc. No. 203793, and subsequently has been amended on as Doc. No. 203793; May 8, 1970 as Doc. No. 79928; March 1, 1976 as Doc. No. 76-060542; November 17, 1978 as Doc. No. 78-499063; March 11, 1986 as Doc. No. 86-094336; August 4, 1987 as Doc. No. 87-439452; March 10, 1989 as Doc. No. 89-124723; February 26, 1993 as Doc. No. 1993-0123670; February 15, 1996 as Doc. No. 1996-0076947

WHEREAS, the Protective Covenant for the GREEN VALLEY HIGHLANDS UNITS 1 and 2 and all subsequent amendments have been recorded against the property legally described in Exhibit A attached hereto:

WHEREAS, the Association has determined that it is in the best interests of the Association to accept the two changes detailed below; and

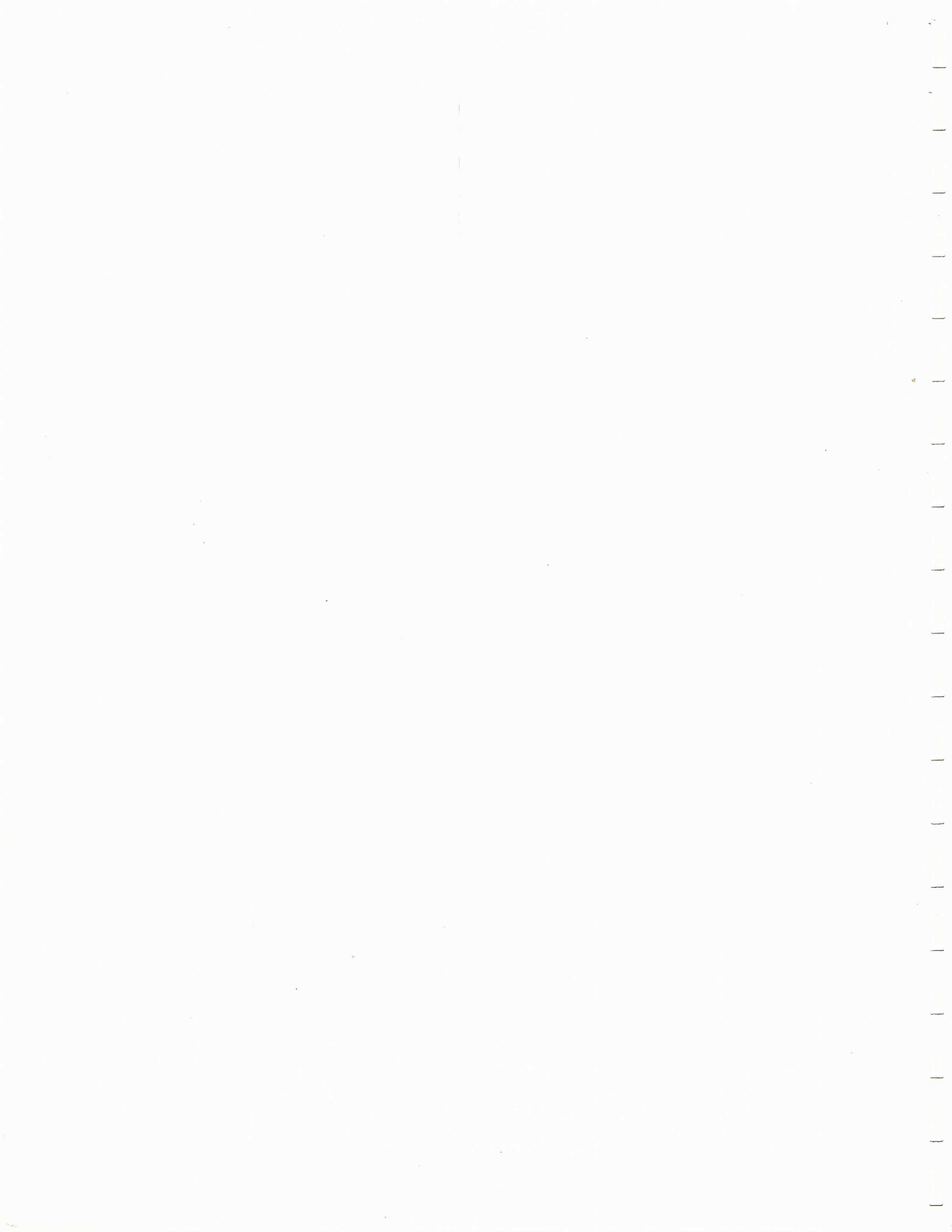
WHEREAS, membership in the Association includes owners of record of all parcels of land which is subject to protective covenants administered by the Association; and

WHEREAS, it is now necessary to make an amendment to the Protective Covenant for the GREEN VALLEY HIGHLANDS UNITS 1 and 2; and

WHEREAS, it is now to the benefit to the Association to make such amendment;

WHEREAS, Paragraph G.5 of the Protective Covenant provides that the Protective Covenant may be amended when approved by at least fifty-one percent (51%) of the members of the Association;

WHEREAS, by signing and acknowledging their signatures below, the undersigned President and Secretary of the Association hereby certify that the said amendment was approved as required by Paragraph G.5 of the Protective Covenant;



NOW THEREFORE, the Association declares that the Protective Covenant shall be amended as follows:

- 1. A new Paragraph B.5, is added to the Association's Protective Covenant to read in its entirety as follows:

B. PLANS AND SPECIFICATIONS

5. Timing

Plans and specifications must be in the hands of the Board thirty (30) days prior to the commencement of construction. New constructions must be completed within 360 days and modifications/remodels must be completed within 180 days of commencing the project.

- 2. Paragraph I. shall be changed in its entirety to read as follows:

I. DURATION

This Declaration shall continue in force and effect, except as amended or modified pursuant to paragraph G.1., until January 1, 2025 or until terminated by a majority vote of the homeowners, whichever is later.

Except as expressly amended above, the Protective Covenant for Green Valley Highlands Units 1 and 2, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of Oct 6, 2005 2005.

Margo Pagnini
Margo Pagnini, President, Green Valley Highlands Association

Wayne Hamburger
Wayne Hamburger, Secretary, GREEN VALLEY HIGHLANDS ASSOCIATION



State of California)
County of San Diego)

On October 6, 2005, before me, Luz Kohlbeck
a Notary Public, personally appeared Margo Pagnini and Wayne Hamburger.

- 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.

Luz Kohlbeck
Notary Public



State of California)
County of _____)

On _____, before me, _____
a Notary Public, personally appeared _____,

- 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.

Notary Public



Exhibit A

That certain real property located in the County of San Diego, California, more particularly described as:

Lots 82 through 117, inclusive, of Green Valley Highlands Unit No. 3 according to Map thereof No. 8196 filed in the Office of the County Recorder of San Diego County, California, on October 22, 1975;

Together with that portion of Parcel 55 of Record of Survey No. 3842, on file in the Office of the County Recorder of said San Diego County, described as follows:

Beginning at the Southeasterly corner of said Lot 96; thence South $0^{\circ}55'13''$ West 71.47 feet along the Southerly prolongation of the Easterly line of said Lot 96; thence South $86^{\circ}26'13''$ West 237.12 feet to a point on the Easterly line of Lot 82 of said Green Valley Highlands Unit No. 3; thence North $0^{\circ}55'38''$ East 90.00 feet along said Easterly line of said Lot 82 and its Northerly prolongation to the Southwesterly corner of said Lot 96; thence South $89^{\circ}04'47''$ East 236.38 feet to the point of beginning;

Together with those portions of Parcels 55 and 56 of Record of Survey No. 3842 on file in the Office of the County Recorder of said San Diego County, described as follows:

Beginning at the Southwesterly corner of said Lot 97 thence South $0^{\circ}55'13''$ West 71.47 feet along the Southerly prolongation of the Westerly line of said Lot 97; thence North $86^{\circ}26'13''$ East 274.59 feet to a point on the Westerly line of Lot 109 of said Green Valley Highlands Unit No. 3; thence North $0^{\circ}55'38''$ East 50.00 feet along said Westerly line of Lot 109 to the Southeasterly corner of said Lot 97; thence North $89^{\circ}04'47''$ West 273.76 feet to the point of beginning.

