

Recording Requested by:)
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When Recorded Mail to:)
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)
Rancho Del Oro Development)
c/o Jenkins & Perry)
A Professional Corporation)
1100 Central Savings Tower)
225 Broadway)
San Diego, California 92101)
)
Attn: Arthur G. Peinado, Esc.)

THE FOREGOING INSTRUMENT IS A FULL TRUE
AND CORRECT COPY OF THE ORIGINAL RECORDED
ON 10-23-86 FILE NO: 86-479691
OF OFFICE OF THE COUNTY CLERK
SOUTHERN CALIFORNIA LAND TITLE COMPANY
Patty Foster

Space Above For Recorder's Use

FIRST AMENDMENT TO
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE VILLAGES OF RANCHO DEL ORO

THIS FIRST AMENDMENT TO MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS ("First Amendment") is made and
executed as of the 13 day of October, 1986, by RANCHO DEL
ORO DEVELOPMENTS, a California general partnership
("Developer"), RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, a
California general partnership ("Rancho"), and VILLAGE HOME
BUILDING PARTNERSHIP NO. 1, a California limited partnership
("Home Building"), with reference to the following recitals:

R E C I T A L S

- A. A Master Declaration of Covenants, Conditions and
Restrictions ("Master Declaration") dated August 28, 1986 was
executed by Developer, Rancho and Home Building and recorded on
September 4, 1986 in the Official Records of San Diego County,
California, as File No. 86-388367.
- B. The City has required certain amendments to the Master
Declaration as a condition of approval of a final subdivision
map for a portion of the real property to be annexed thereto.
- C. Paragraph 16.1 of the Master Declaration provides that
prior to the sale and conveyance of a Unit to a purchaser
(other than Developer, Rancho, Home Building or a Builder), the
Master Declaration may be amended by written instrument signed
and acknowledged by Developer and a majority of all Builders
then owning land in the Master Project.
- D. Rancho and Home Building currently own all of the land
included in the Master Project and have signed and acknowledged
this First Amendment.
- E. All capitalized terms which are not defined herein
shall have the meanings set forth in the Master Declaration.

NOW, THEREFORE, the Master Declaration is hereby amended as follows:

1. The definition of "Improvement" in Paragraph 1.14 is amended to add the following items:

"drainage facilities, ornamental lighting and irrigation systems."

2. Paragraph 4.3 is amended to add the following:

"The Master Association shall maintain the Master Common Area and all Improvements thereon in accordance with the PRD Master Plan, the Master Landscape Plan approved by The City for the property covered by the PRD Master Plan, and other applicable City standards, requirements and conditions of approval. Maintenance by the Master Association shall include measures to protect slope stability."

3. Paragraph 9.2 is deleted in its entirety and the following is substituted therefor:

"9.2 Relationship of Master Declaration to The City's Approvals; Compliance with Laws.

9.2.1 Notwithstanding any other provision of this Master Declaration to the contrary, the Developer and each Owner shall not, by amendment of this Master Declaration or otherwise, modify any of the following provisions of this Master Declaration, without the prior approval of the City Council of The City: (i) any provisions which establish the responsibility to provide for the management and control and maintenance, including landscape maintenance, of the Master Common Area, by the Master Association, as provided in this Master Declaration; and (ii) the provisions of this Master Declaration concerning necessary compliance with City laws and requirements of other governmental bodies. This Paragraph 9.2.1 and the obligations established hereby shall not be modified, amended or deleted without the prior approval of the City Council of The City. The City shall have the right, but not the obligation, to enforce the provisions of this Paragraph and shall be entitled to recover reasonable attorneys' fees established by a court in the event The City elects to enforce its rights pursuant to this Paragraph in the event of a default hereunder by the Developer and/or Owners.

9.2.2 The Developer and each Owner shall at all times comply with any laws, ordinances or regulations of The City, duly enacted thereby, and any other provision, regulation or requirement of any other governmental body, and nothing in this Master Declaration is intended to be, nor shall be deemed to be, a waiver of, or promulgation contrary to, any such law, ordinance or regulation. No provision of this Master Declaration is intended to nor shall it be deemed to constitute any delegation by The City, or any other governmental body, to the Master Association, of any of The City's rights to enforce or impose any ordinances, regulations or policies upon the Master Association, any property owner/occupant, or any property covered by this Master Declaration.

9.2.3 Rancho has executed a Grant of Easement in favor of the Master Association dated August 18, 1986, and recorded on September 4, 1986 as File No. 86-388369 of the Official Records of San Diego County, California. The Grant of Easement relates to Lot K of Map No. 11409, as more particularly described therein. Rancho and the Master Association hereby agree that the Grant of Easement shall not be extinguished, terminated or modified without the written recorded consent of The City, except for an automatic termination upon conveyance of fee title to Lot K to the Master Association as provided in the Grant of Easement."

4. Paragraph 17.7 is amended to add the following provision:

"As used herein, 'will' or 'shall' indicates a mandatory action and 'may' indicates a permissive action."

5. Exhibit C attached to the Master Declaration, which describes the Annexation Property, is amended to delete Lot "7.5" and to substitute therefor Lot "7.3".

6. Exhibit D attached to the Master Declaration, which describes the initial Master Common Area, is deleted in its entirety and Exhibit D attached hereto is substituted therefor.

7. Exhibit G attached to the Master Declaration, which is the Village Maintenance Agreement, is deleted in its entirety and Exhibit G attached hereto is substituted therefor.

8. In all other respects, the Master Declaration remains unchanged, in full force and effect.

IN WITNESS WHEREOF, this First Amendment has been executed as of the day first above set forth.

RANCHO DEL ORO DEVELOPMENTS, a California general partnership

By COLLINS-RANCHO DEL ORO COMPANY, a California corporation

By: Roll C. Sif

Title: V.P.

By: H.A. Shum

Title: VP

RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, a California general partnership

By: RANCHO DEL ORO DEVELOPMENTS, a California general partnership, General Partner

By: COLLINS-RANCHO DEL ORO COMPANY, a California corporation, General Partner

By: Roll C. Sif

Title: V.P.

By: H.A. Shum

Title: VP

By: J.F. SHEA CO., INC., dba "Shea Homes," a Nevada corporation, General Partner

By: [Signature]

Title: V.P.

By: Barbara Ross

Title: Asst Secretary

VILLAGE HOME BUILDING PARTNERSHIP
No. 1, a California limited
partnership

By: J. F. SHEA CO., INC. dba
"Shea Homes," a Nevada
corporation, General Partner

By: [Signature]
Title: V.P.

By: [Signature]
Title: Asst. Secy

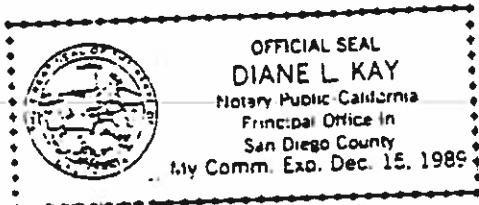
APPROVED AS TO FORM
OCEANSIDE CITY ATTORNEY
[Signature]
ASSISTANT CITY ATTORNEY

EBS:2024M

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN DIEGO)

On Oct 13, 1988, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Donald H. Sealie and Robert H. Stone, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed this instrument as the Vice President and Vice President respectively, on behalf of COLLINS-RANCHO DEL ORO COMPANY, the corporation that executed this instrument on behalf of RANCHO DEL ORO DEVELOPMENTS, the partnership that executed this instrument on behalf of RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its by-laws or a resolution of its board of directors as such partner of RANCHO DEL ORO DEVELOPMENTS, that such partnership executed this instrument as such partner of RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, and that such partnership executed it.

WITNESS my hand and official seal.



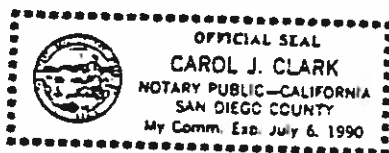
Diane L. Kay

Notary Public in and for Said
County and State

STATE OF CALIFORNIA)
) ss
COUNTY OF SAN DIEGO)

On October 13, 1988, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Thomas Moran and Barbara K. Moran, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed this instrument as the Vice President and Secretary respectively, on behalf of J.F. SHEA CO., INC., the corporation that executed this instrument on behalf of VILLAGE HOME BUILDING PARTNERSHIP NO. I, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its by-laws or a resolution of its board of directors as such partner and that the partnership executed it.

WITNESS my hand and official seal.



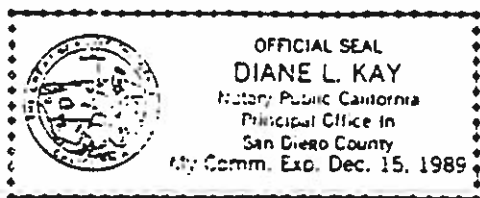
Carol J. Clark

Notary Public in and for Said
County and State

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

On Oct 13, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Richard T. [unclear], personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice Pres, and Donald L. [unclear], personally known to me (or proved to me on the basis of satisfactory evidence) to be the [unclear] of COLLINS-RANCHO DEL ORO COMPANY, the corporation that executed this instrument on behalf of RANCHO DEL ORO DEVELOPMENTS, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its bylaws or a resolution of its Board of Directors as such partner and that the partnership executed it.

WITNESS my hand and official seal.

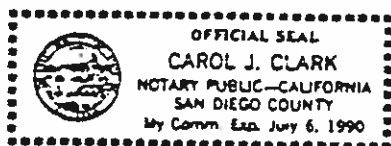


[Signature]
Notary Public in and for Said
County and State

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

On August 12, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Thomas [unclear], personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice President, and [unclear], personally known to me (or proved to me on the basis of satisfactory evidence) to be the Assistant Secretary of J. F. SHEA CO., INC., the corporation that executed this instrument on behalf of RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its bylaws or a resolution of its Board of Directors as such partner and that the partnership executed it.

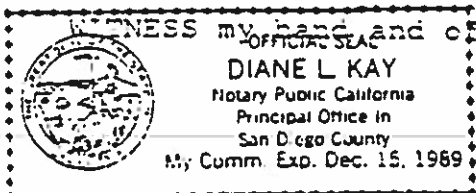
WITNESS my hand and official seal.



[Signature]
Notary Public in and for Said
County and State

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

On Oct 13, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Paul G. Smith, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice Pres, and Robert A. Fisher, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice Pres of COLLINS-RANCHO DEL ORO COMPANY, the corporation that executed this instrument on behalf of RANCHO DEL ORO DEVELOPMENTS, the partnership that executed this instrument on behalf of RANCHO DEL ORO VILLAGES LAND DEVELOPMENT, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its bylaws or a resolution of its Board of Directors as such partner of RANCHO DEL ORO DEVELOPMENTS, that such partnership executed this instrument as such partner of RANCHO DELO ORO VILLAGES LAND DEVELOPMENT, and that the partnership executed it.



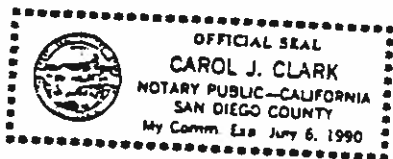
Diane L. Kay

Notary Public in and for Said
County and State

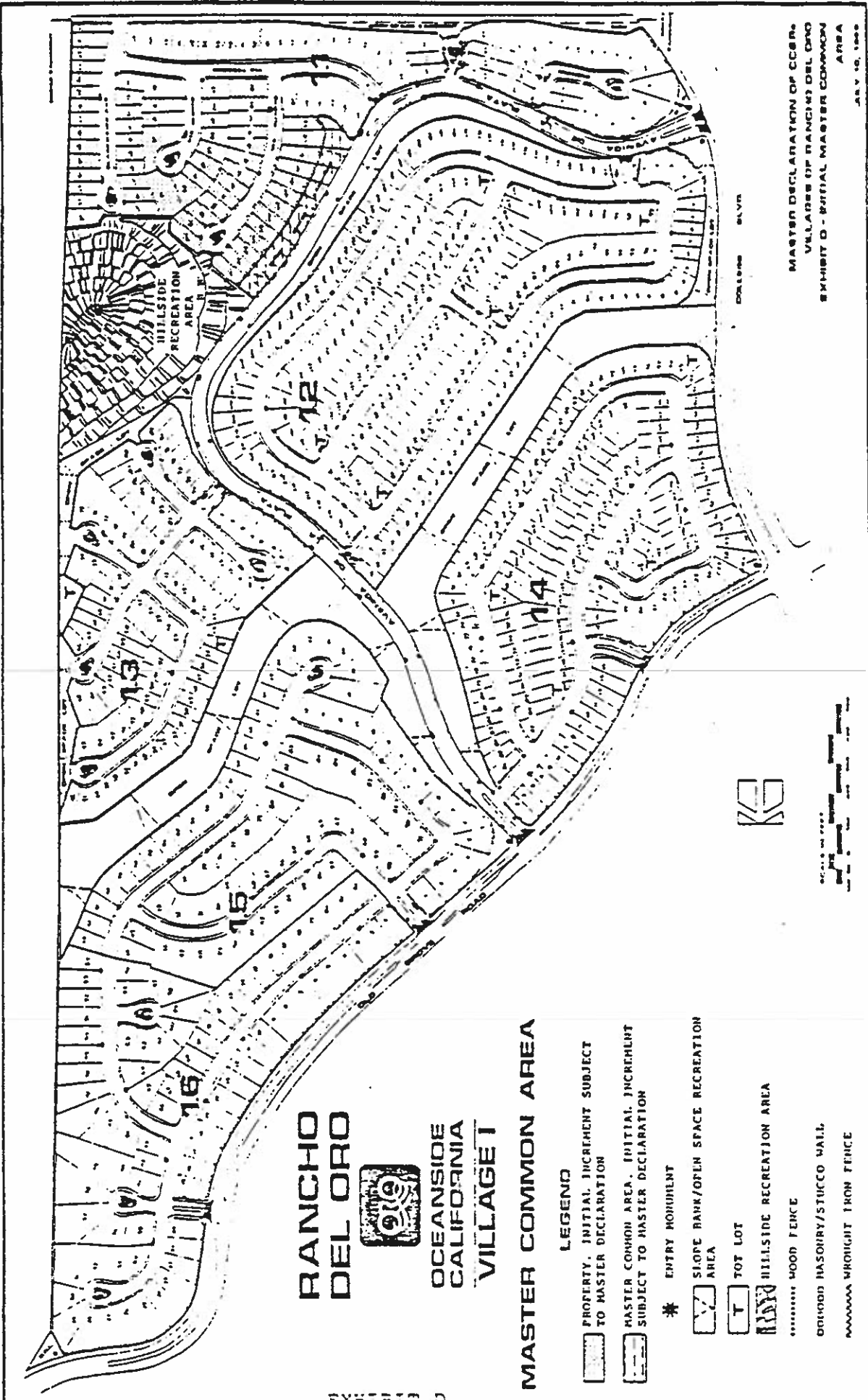
STATE OF CALIFORNIA)
) SS
COUNTY OF SAN DIEGO)

On November 13, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Thomas Hogg, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Vice President, and Charles H. Hill, personally known to me (or proved to me on the basis of satisfactory evidence) to be the Assistant Secretary of J. F. SHEA CO., INC., the corporation that executed this instrument on behalf of VILLAGE HOME BUILDING PARTNERSHIP NO. I, the partnership that executed this instrument, and acknowledged to me that the corporation executed this instrument pursuant to its bylaws or a resolution of its Board of Directors as such partner and that the partnership executed it.

WITNESS my hand and official seal.



Carol J. Clark
Notary Public in and for Said
County and State








**RANCHO
DEL ORO**



**OCEANSIDE
CALIFORNIA**

VILLAGE I

MASTER COMMON AREA

- LEGEND**
-  PROPERTY, INITIAL INCREMENT SUBJECT TO MASTER DECLARATION
 -  MASTER COMMON AREA, INITIAL INCREMENT SUBJECT TO MASTER DECLARATION
 - * ENTRY MONUMENT
 -  SLOPE BANK/OPEN SPACE RECREATION AREA
 -  TOT LOT
 -  HILLSIDE RECREATION AREA
 - WOOD FENCE
 - ||||| WOOD HASONRY/STUCCO WALL
 - ~~~~~ WROUGHT IRON FENCE

MASTER DECLARATION OF CCRs
VILLAGE I OF RANCHO DEL ORO
EXHIBIT D - INITIAL MASTER COMMON
AREA
JULY 10, 1990