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WHEN RECORDED RETURN TO:
FIRST AMERICAN TITLE COMPANY
P.O. DRAWER 701
TANZANA, CA. 91356

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FIRST AMERICAN TITLE COMPANY of LOS
By *Charles H. Gorham*

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR

TRACT 33654

THIS DECLARATION is made this 15 day of November,
1977, by M. H. Koll and Charles H. Gorham ("Declarant").

R E C I T A L S:

A. Declarant is the owner of certain real property in the City of Pasadena, County of Los Angeles, State of California, described as Tract No. 33654, as per map recorded in Book 887, pages 1 through 2, inclusive, in the Office of the County Recorder of Los Angeles County (the "Property").

B. Declarant has improved or intends to improve the Property with multifamily structures containing 75 residential Units as hereinafter defined and common recreational facilities.

C. Declarant desires to divide the Property and improvements thereon into a condominium project as defined in Sections 783 and 1350 of the California Civil Code in accordance with the recorded condominium plan for the "Project" as hereinafter defined.

D. Declarant also intends to impose upon the Property, the Project, as hereinafter defined, and the Units, as hereinafter defined, mutually beneficial restrictions under a general plan or scheme designed to benefit and enhance the value of the Property, the Project and the Units.

E. Declarant will hereafter hold and convey title to all of the Property subject to certain protective covenants, conditions and restrictions hereafter set forth.

NOW, THEREFORE, Declarant hereby declares and does hereby establish that the Property, the Project and all of the Units, including any improvements added or constructed on or about the Property in the future, shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, covenants and conditions, for the purposes of creating the condominium project and of mutually benefiting the Property, the Project and all of the Units, and the future owners thereof. All of the restrictions, covenants and conditions set forth herein shall run with the land, and shall be binding upon all parties having or acquiring any right, title or interest in the Property, the Project or any of the Units, and shall be for the benefit of each owner of any portion of the Property, the Project or any of the Units or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owner thereof.

I

DEFINITIONS

The following terms used in these covenants, conditions and restrictions shall be applicable to this Declaration and are defined as follows:

Section 1. Property. The term "Property" as used herein shall mean and refer to that certain real property located in the City of Pasadena, County of Los Angeles,

State of California, described as Tract No. 33654, as per map recorded in Book 887, pages 1 through 2, inclusive, in the Office of the County Recorder of Los Angeles County.

Section 2. Project. The term the "Project" as used herein shall mean and refer to the Property and all structures and other improvements thereon.

Section 3. Unit. The term "Unit" as used herein shall mean the elements of a Condominium not owned in common with the Owners of other Condominiums in a Project and shall consist of a residential element as shown and defined in the Condominium Plan for the Project. Each Unit shall be identified on the Condominium Plan with a separate number.

Section 4. Common Area. The term "Common Area" as used herein shall mean all portions of the Projects except the Units, and without limiting the generality of the foregoing, all structural projections within a Unit which are required for the support of a Condominium, gas, water, and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installations of the structures wherever located (except the outlets thereof when located within the Units), the land upon which structures are located, the air space above these structures, all bearing walls, columns, floors, the roof, the slab foundation, common stairways, and the like, all as more specifically defined and described in the recorded Condominium Plan for the Project.

Section 5. Owner. The term "Owner" as used herein shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any

laws, any corporation or insurance company, or any federal or state agency.

Section 12. Mortgage. The term "Mortgage" as used herein shall mean and refer to any duly recorded and valid first mortgage or first deed of trust encumbering a Condominium.

Section 13. Condominium Plan. The term "Condominium Plan" as used herein shall mean that certain Condominium Plan and any amendments thereto recorded by Declarant in the Office of the County Recorder of Los Angeles County for the Project.

Section 14. Architectural Committee. The term "Architectural Committee" or "Committee" shall mean and refer to the Committee created pursuant to Article X of this Declaration.

II

CREATION OF CONDOMINIUMS

Section 1. Designation of Condominiums.
Declarant, in order to establish a plan of Condominium ownership for the Project, hereby covenants and agrees that it hereby divides the Project into the following:

(a) Seventy-Five (75) designated and legally described Units which are shown, defined and described on the recorded Condominium Plan for the Project.

(b) The Common Area consisting of the remainder of the Project, excepting the "Units" as shown on the Condominium Plan.

Section 2. Interest in Common Area. The ownership of each Unit shall include an equal undivided interest as tenant in common in the Common Area of the Project. Declarant, its successors, assigns, and grantees,

Condominium which is a part of the Project, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. Association. The term "Association" as used herein shall mean and refer to ALLEN AVENUE SQUARE NORTH HOMEOWNERS ASSOCIATION, a nonprofit incorporated Association, its successors and assigns.

Section 7. Board of Directors. The term "Board of Directors" or "Board" as used herein shall mean and refer to the duly elected Board of Directors of the Association.

Section 8. Declarant. The term the "Declarant" as used herein shall mean and refer to M. H. Koll and Charles H. Gorham, their successors and assigns.

Section 9. Condominium. The term "Condominium" as used herein shall mean a fractional undivided interest in common with the other Owners within the Project in the Common Area of such Project, together with a separate interest in a Unit. Such fractional undivided interest in common of each Owner shall be as set forth in the instrument conveying a Condominium to such Owner.

Section 10. Member. The term "Member" shall mean and refer to each person entitled to membership in the Association as provided in this Declaration and in the Association's Articles of Incorporation and By-Laws.

Section 11. Institutional Holder. The term "Institutional Holder" as used herein shall mean and refer to any holder (beneficiary) of a first deed of trust or first mortgage which encumbers a Condominium and which is a bank or savings and loan association or established mortgage company or other entity chartered under federal or state

covenant and agree that the undivided interests in the Common Area and the fee titles in and to the respective Units conveyed therewith shall not be separated or separately conveyed, and each such undivided interest shall be deemed to be conveyed or encumbered with its respective Units even though the description in the instrument of conveyance or encumbrance may refer only to the fee title and to the Unit. Each Owner's undivided interest in the Common Area may not be diminished or changed.

Section 3. Condominium. Each Unit, together with the respective undivided interest in the Common Area specified and established in Section 2 herein, together with any exclusive easements in the Common Areas appurtenant thereto, is defined and hereinafter referred to as a "Condominium", and the ownership of each Condominium shall include a Unit and such undivided interests in the Common Area.

III

RESTRICTIONS FOR CONDOMINIUMS

In addition to all other covenants contained herein, the use of the Project and each Unit therein and the Common Area is subject to the following:

Section 1. No Partition. The Common Area shall remain undivided and no Owner shall bring any action for partition, excepting as otherwise hereinafter provided, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project.

Section 2. Single Family Residential Use. The Units shall be occupied and used by the respective Owners only as a private single family residence for the Owner, his

family, tenants and social guests and for no other purpose, except Declarant, its successors and assigns, may use the Condominiums owned by it as models and for sales offices so long as Declarant owns a Condominium in the Project or until all the Condominiums within the Project have been sold, whichever first occurs. Nothing herein shall be deemed to prohibit in any manner the leasing of any Condominium by the Owner hereof.

Section 3. Interior of Units. Each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit. Certain of the Units within this Project may have an adjoining fireplace structure, built as part of the original construction, which may or may not be delineated on the Condominium Plan for the Project. The Owner of each such Unit shall have the exclusive use of the space bounded by and contained within the interior surfaces of the fire box of the fireplace structure which opens into their Unit.

Section 4. No Obstruction of Common Area. There shall be no obstruction of the Common Area nor shall anything be stored in the Common Area without the prior written consent of the Board except as hereinafter expressly provided. Nothing shall be altered or constructed in or removed from the Common Areas, except upon the written consent of the Board.

Section 5. Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Property except such signs as may be used by Declarant or its sales agents in connection with the development of the Project and sale of the Condominiums; provided, however,

that an Owner may display in his Unit a sign advertising its sale or lease by him so long as such sign shall comply with any customary and reasonable standards promulgated by the Architectural Committee or the Board as to the size, color, shape or other qualification for permitted signs.

Section 6. Animals. No animals or poultry of any kind shall be raised, bred or kept in any Condominium, except that dogs, cats or other household pets may be kept in any Condominiums, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board. Notwithstanding the foregoing, no animals or fowl may be kept in the Condominiums which result in an annoyance or are obnoxious to residents of the vicinity by reason of its appearance, conduct, habits, state of health or excessive size. ~~All animals permitted to be kept by this Section shall be kept on a leash when on the Property, but not within a Unit.~~

Section 7. Structural Alterations. No Owner shall make or cause to be made structural alterations or modifications to the interior of his Unit or installations located therein which would have a material effect on another Unit without the prior written consent of the Architectural Committee provided for in this Declaration.

Section 8. Utilities. Each Owner of a Unit shall be obligated to pay any and all assessments for sewage, electricity, other utilities, taxes and other charges assessed individually against each Unit.

Section 9. Garbage. No Owner shall deposit any garbage, refuse or rubbish in or on the Common Areas unless such matter is deposited in appropriate containers suitably placed or designated by the Board so as not to detract from the physical appearance of the Common Areas or

the Project. Trash bins may be placed upon the Common Areas by each Owner only in accordance with such rules and regulations as may be adopted by the Board.

Section 10. Vehicles. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall be used on any part of the Property at any time as a residence, either temporary or permanently. No trailer, camper, boat, truck, recreational vehicle or similar equipment shall be permitted to remain upon any part of the Property or upon any public street other than temporarily. Temporary parking shall mean parking for a reasonable amount of time of delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of services to the Association or the Members and parking of vehicles belonging to or being used by Members for loading and unloading purposes.

Section 11. Rules of Association. Each Owner, tenant or occupant of a Condominium shall comply with the provisions of this Declaration, the By-Laws, decisions and rules and regulations of the Association or its duly authorized representatives which may from time to time be promulgated, all as lawfully amended from time to time, and failure to comply with any such provisions, ~~Decisions, or resolutions~~ shall be grounds for an action to recover sums due, ~~for~~ damages, or for injunctive relief, or for any other remedy permitted by law ~~or~~ permitted by the terms of this Declaration.

Section 12. Conduct in Condominiums and Common Area. No Condominium or the Common Area shall be occupied or used for any purpose or in any manner which shall cause either to be uninsurable against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form, or cause any policy or policies

representing such insurance to be cancelled or suspended or the company issuing the same to refuse renewal thereof. No Condominium shall be used in such a manner as to obstruct or interfere with the enjoyment of occupants of other Condominiums or annoy them by unreasonable noises or otherwise, nor shall any nuisance be committed or permitted to occur in any Condominium.

Section 13. Antennas. No outside television, CB or radio antenna shall be constructed, installed or maintained on the Project for any purpose whatsoever without the prior written consent of the Board, unless the same be contained within a Condominium.

Section 14. California Vehicle Code. The City of Pasadena, California, shall be allowed to impose and enforce all provisions of the applicable California Vehicle Code Sections on all private streets contained within the Property.

IV

PROPERTY RIGHTS IN THE PROJECT

Section 1. Owners' Easements of Enjoyment.

Every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Area and non-exclusive easements for ingress and egress over and through the private streets or drives within the Project, to the end that each Owner shall have full access to all Common Areas, facilities and utilities within the Project, and such easements shall be appurtenant to and shall pass with the title to every Condominium, subject to the following provisons:

(a) ~~The right of the Association, after notice and hearing, to suspend the voting rights and right~~

to use of the recreational privileges within the Common Area by an Owner for any period during which an assessment against such Owner's Condominium remains unpaid; and for a period not to exceed thirty (30) days after notice and hearing for any infraction of published rules and regulations; and

(b) The right of the Association to levy a fine in a reasonable amount after notice and hearing for any infraction of its published rules and regulations or for breach of any of the provisions of this Declaration. The Association may levy a reimbursement assessment pursuant to the terms of Article VI of this Declaration in order to collect this fine.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area to the members of his family, his tenants, or his lessees who reside in his Unit.

V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Organization. The Association is organized as a California corporation under the California Nonprofit Corporation Law. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, By-Laws, and this Declaration. Neither the Articles nor By-Laws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. In the event that there should exist any ambiguity in any provision of the Articles or By-Laws, then such provision shall be consistent with the provisions of this Declaration.

Section 2. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in

any Condominium which is subject by covenants of record to assessment by the Association, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the fee ownership of any Condominium which is subject to assessment by the Association. Ownership of such Condominium shall automatically transfer membership in the Association and all rights of the transferor with respect to the Project.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of Declarant and shall be entitled to one (1) vote for each Condominium owned which is subject to assessment. When more than one person holds an interest in any Condominium, all such persons shall be entitled to all rights and privileges of membership. The vote for such Condominium shall be exercised as its Owners collectively determine, but in no event shall more than one vote be cast with respect to any Condominium.

Class B. Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Condominium owned which is subject to assessment. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) At such time as the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) December 1, 1979.

Section 4. Two Classes of Memberships. Notwithstanding anything to the contrary as may be contained elsewhere in this Declaration, any action by the Association

which must have the approval of the membership of the Association before being undertaken, except for the action referred to in the Article of the Declaration entitled "Enforcement of Bonded Obligations" to enforce the obligation of Declarant therein, shall require the vote or written assent of the required percentage of each class of membership during the period of time that there are two (2) outstanding classes of membership, and any requirement that the vote of the Declarant is to be excluded in any such determination except as provided in the Article of this Declaration entitled "Enforcement of Bonded Obligations" shall not be applicable.

VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Covenant to Pay Assessment. Declarant, for each Condominium owned within the Property, hereby covenants, and each Owner of any Condominium by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) reimbursement assessments, all such assessments to be established and collected as hereinafter provided. Each of such assessments, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Condominium at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to such person's successors in title unless expressly assumed by them. The annual assessments or charges must be in an amount sufficient to include an adequate reserve fund for the maintenance, repair and replacement of the elements of the Common Area that must be

replace on a periodic basis (specifically including without limitation, the private utility systems, if any, which may exist within the Project), and this reserve fund must be collected as a regular or annual assessment rather than as a special assessment.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and for the improvement, operation and maintenance of the Common Area and the Project and the performance of the duties of the Association as set forth in this Declaration and in the Association's Articles and By-Laws.

Section 3. Amount of Annual Assessments. The amount and time of payment of annual assessments against each Condominium shall be determined by the Board of Directors of the Association giving due consideration to the current maintenance costs and future needs of the Association. The annual assessments against each Condominium shall not be increased more than 20% over the annual assessments for the preceding year against each Condominium without the vote or written consent of a majority of the total voting power of the Association (excluding the voting power of the Declarant).

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area and the Project, including fixtures and personal property related thereto, or

any other action or undertaking on behalf of the Association, provided that any such assessment for all Condominiums for the fiscal year in the aggregate in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year must first be approved by the vote or written assent of a majority of the voting power of the Association residing in Members other than the Declarant at a meeting duly called for this purpose. The foregoing limitation on special assessments shall not apply to any reimbursement assessment which is authorized by the provisions of this Declaration.

Section 5. Reimbursement Assessments. The Association may levy a reimbursement assessment against any Owner who fails to comply with the provisions of this Declaration, the determinations of the Architectural Committee, the Association's Articles or By-Laws, or any rule or regulation adopted by the Association, if such failure results in the expenditure of monies by the Association in carrying out its functions hereunder or for purposes of collecting any fines which may be levied by the Association. ~~Such assessments shall also be for the purpose of reimbursing the Association for any costs incurred on behalf of an individual Owner. A reimbursement assessment shall be due and payable to the Association when levied.~~

Section 6. Notice and Quorum for Meetings Called Under Section 3 and 4. Written notice of any meeting called to approve an increase in assessments greater than 20% under Section 3 or a special assessment under Section 4 shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies entitled

to cast more than fifty percent (50%) of all of the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same quorum requirement.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Condominiums and may be collected on a monthly basis, unless some other period for collection is adopted by the Board.

Section 8. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Condominiums (including those Condominiums owned by Declarant) on the first day of the month following the conveyance of the first Condominium to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors shall fix the amount of the annual assessment against each Condominium at least sixty (60) days in advance of each fiscal year of the Association. Written notice of the amount of the annual assessments against each Condominium shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. In the event the Board shall determine at any time that the estimate of the annual assessment for the current fiscal year is, or will become, inadequate to meet the expenses of the Association for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total Association expenses and determine the revised amount of the annual assessment against each Owner.

Section 9. Certificate of Payment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association

setting forth whether the assessments on a specified Condominium have been paid. Said signed certificate shall be conclusive evidence as to all third parties relying thereon to show that all assessments acknowledged therein have been paid but shall not relieve any Owner of the responsibility for assessments not in fact paid.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association. Each Owner of any Condominium on becoming an Owner of any Condominium is, and shall be deemed to covenant and agree to pay to the Association each and every of the assessments provided for in this Declaration; and agrees to the enforcement of all such assessments in the manner herein specified. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. Any assessment not paid within fifteen (15) days after the date on which it became due shall thereafter bear interest from the date of delinquency at the rate of ten percent (10%) per annum. In addition to any other remedies herein or by law provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, or without limitation of the foregoing, by either or both of the following procedures:

(a) Enforcement by Suit. By commencement and maintenance of a suit at law against any Owner or Owners personally obligated to pay assessments for such delinquent

assessments as to which they are personally obligated, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon as provided for herein, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against the delinquent Owner. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien hereinafter provided for.

(b) Enforcement by Lien. The Board may proceed to record, or cause to be recorded, a notice of assessment with respect to the Condominium as to which assessments are delinquent as provided by Section 1356 of the Civil Code of California as the same may be amended, modified or superseded from time to time. Such notice of assessment shall be recorded in the office of the County Recorder of the county in which such Condominium is located and shall set forth all assessments which have become delinquent as of the date of recordation thereof, together with all costs (including reasonable attorneys' fees), and all late charges and interest accrued thereon. The notice of assessment shall also set forth a description of the Condominium with respect to which it is recorded and the name of the record Owner thereof. The notice of assessment shall be signed by any officer of the Association, or by any authorized representative of the Board. Immediately upon recordation of a notice of assessment pursuant to the provisions of this Section, the amounts set forth in said notice of assessment shall be and become a lien upon the Condominium described in the notice of assessment, which lien shall also secure all other assessments which shall become due and payable with respect to the

Condominium as to which the notice of assessment was recorded following the date of recordation of the notice of assessment, together with all costs (including reasonable attorneys' fees), and all late charges and interest, whether accruing thereon or accruing on the delinquent assessments set forth in the notice of assessment. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except for tax liens for real property taxes on any Condominium and assessments on any Condominium in favor of any municipal or other governmental assessing unit. Any such lien may be foreclosed by appropriate action in court or in the manner provided by Sections 2924, 2924(b) and 2924(c) of the California Civil Code for the foreclosure of a deed of trust with power of sale, or in any other manner permitted by law. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Owners and shall secure payment of all sums set forth in the claim of lien, together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said claim of lien. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Condominium. Upon the timely curing of any default for which a notice of claim of lien was filed by the Board and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer of the Association to file and record an appropriate release of such claim of lien in the office of the County Recorder of Los Angeles County, California. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area, or any part thereof, or any other

part of the Property, or abandonment of his Condominium. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicially, by power of sale, or otherwise, until the expiration of ten (10) days after a copy of said claim of lien, showing the date of recordation thereof, has been mailed to the Owner of the Condominium which is described in such claim of lien.

Section 11. Subordination to Certain Trust Deeds. The lien for the assessments provided for herein in connection with a given Condominium shall not be subordinate to the lien of any deed of trust or mortgage, except the lien of a deed of trust or mortgage, or contract of sale given and made in good faith and for value that is of record as an encumbrance against such given Condominium prior to the recordation of a claim of lien for the assessments provided for in this Declaration against such given Condominium (such deed of trust or mortgage being hereinafter referred to as a "prior deed of trust"). The sale or transfer of any Condominium shall not affect the assessment lien provided for by this Declaration to secure assessments becoming due whether prior to, on or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Owner for delinquent assessments as provided for by this Article; provided, however, that the sale or transfer of any Condominium pursuant to a judicial foreclosure or foreclosures by power of sale of a prior deed of trust, or by deed in lieu of foreclosure, shall extinguish any assessment lien which has attached and become effective with regard to the Condominium being so transferred prior to the time of such sale or transfer, and shall prohibit the creation of any assessment lien against such Condominium on account of assessments which became due

prior to the date of such sale or transfer; provided, however, that there shall be a lien on the interests of the purchaser at such sale which shall attach, be created and become effective, and be foreclosed in accordance with this Declaration and which shall secure all assessments becoming due after the date of any such sale or transfer. For the purpose of this Section 11, a sale or transfer of a Condominium shall occur on the date of recordation of a deed or other instrument of title evidencing the conveyance of record title to the Condominium.

VII

MANAGEMENT OF THE ASSOCIATION AND THE PROJECT

Section 1. General Powers of the Association.

All powers relating to the management, operation and maintenance of the Project and of the Common Area, as well as certain rights, duties and powers relating to the individual Condominiums, as hereinafter set forth, shall be vested in the Association and in its Board of Directors. The specific and primary purposes and powers of the Association and its Board of Directors are to provide architectural control of the Property, manage and maintain the Project, and to enforce the provisions of this Declaration and the Association's Articles and By-Laws, and any other instruments relating to the management and control of the Association and the Property. The Association may do any and all other acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient, or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties as set forth in this Declaration. The Association, through its Board of Directors, shall have the authority to delegate its powers to committees, officers of the Association or its employees.

Section 2. Contracts of the Association. The Association shall have the right and power to employ or engage a manager and other employees or agents and contract for such services, labor and materials as it may deem reasonably necessary to operate and maintain the Project, Property and Common Area and the improvements thereon and to discharge its other duties as herein provided. The Board of Directors shall not enter into any contracts for goods or services with a duration greater than one (1) year without the vote or written consent of a majority of the voting power of the Association residing in Members other than Declarant with the following exceptions: (i) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; (ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits for short rate cancellation by the insured. Any agreement for professional management of the Association or any other contract providing for services by the Declarant must provide for termination of such contract or agreement by either party with or without cause or payment of a termination fee on ninety (90) days or less written notice and for a maximum contract term not to exceed one year.

Section 3. General Duties of Association. In addition to the duties and powers enumerated in its Articles of Incorporation, and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon, the patio fences, if any, and any property acquired by the Association;

(b) Maintain and procure public liability and fire with extended coverage on the Project as required by the terms of this Declaration, and the Board shall also have the authority to maintain and procure any other type of insurance which the Board determines is in the best interest of the Association and its Members;

(c) Have the authority to obtain, for the benefit of the Project, all water and electric services and refuse collections, unless such services are separately charged to the Owners;

(d) Maintain all drainage facilities and easements owned by the Association, if any;

(e) Pay taxes and assessments which are or could become a lien on the Common Area, or some portion thereof;

(f) Prepare budgets and financial statements for the Association and its Members as prescribed in the By-Laws of the Association;

(g) Initiate and execute disciplinary proceedings against Members of the Association for violations of provisions of this Declaration or the Association's Articles of Incorporation or By-Laws in accordance with the procedures set forth in this Declaration.

Section 4. Maintenance of Condominiums. The Association shall provide exterior maintenance of each Condominium which is subject to assessment hereunder, only as follows:

(a) The Association shall maintain and repair the exterior surfaces of all buildings in the Project, to include the painting thereof, all landscaping on the Common Area including patio fences and private utilities, private streets and adjacent streetscapes, and the garage area of the Common Area;

(b) Such exterior maintenance shall not include: exterior doors, including locks, latches, weather stripping and thresholds, interior building surfaces, stoppage of drains when attributable to a specific Unit, glass surfaces, landscaping within private patio areas and balcony areas of each Condominium; patio covers or other additions built or maintained within private patio areas by an Owner. Each Owner shall be obligated to repair and maintain the hot water heater and forced air unit, if any, serving their Condominium; but the Association shall be responsible for the repair and maintenance of the chutes, ducts or the like relating to either. Any repairs or replacements arising out of or caused by the willful or negligent act of the Owner, his family, guests, or invitees, or caused by any of the perils covered by a standard form fire insurance policy with extended coverage endorsement thereon, or caused by flood, earthquake or other Acts of God. Such excluded items shall be the responsibility of the Owner of each Condominium; provided, however, that if any Owner shall fail to maintain or make the repairs or replacements which are the responsibility of such Owner, as provided above, then, upon vote of a majority of the Board of Directors, and after not less than thirty (30) days' notice to the Owner, the Association shall have the right (but not the obligation) to enter the Condominium and provide such maintenance or make such repairs or replacements, and the cost thereof shall be added to the *

assessments chargeable to such Condominium and shall be payable to the Association by the Owner of a Condominium.

Section 5. Maintenance of Public Utilities.

Nothing contained herein shall require or obligate the Association to maintain, replace or restore the underground facilities of public utilities which are located within easements in the Common Area owned by such public utilities. However, the Association shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 6. Entry Into Condominiums.

For the purpose solely of performing its duties pursuant to the terms of this Declaration, the Association's agents or employees shall have the right, after reasonable notice to the Owner, to enter any Condominium or upon any portion of the Common Area at reasonable hours, in connection with construction, maintenance or repair of the Unit or any portion of the Common Area. In addition each Unit within the Project shall be subject to a non-exclusive easement for entry into such Unit for the benefit of the adjacent Unit so that the Owner of such adjacent Unit may effect any necessary repairs to the adjacent Unit or any portion thereof.

Section 7. Restrictions on Power of the Board.

The Association shall be prohibited without the prior vote or written assent of a majority of the voting power of the Association (excluding the voting power of the Declarant) from doing any of the following: (i) incurring aggregate expenditures for capital improvements to any portion of the Property in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; or (ii) selling during any fiscal year of the Association property of the Association having an aggregate

fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for the fiscal year; or (iii) paying compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

Section 8. Adoption of Rules. The Association shall adopt reasonable rules relating to the use and operation of the Project and any improvements thereon. A copy of such rules and of all amendments thereto shall be mailed to each Owner of a Condominium, and a copy shall be posted in one or more places on the Common Area where the same may be conveniently inspected.

VIII

INSURANCE

Section 1. Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance:

(a) A comprehensive policy of public liability insurance covering the Common Area with a limit of not less than One Million Dollars (\$1,000,000.00) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against such risks as shall customarily be covered or available with respect to condominium developments and shall contain an endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners;

(b) A master or blanket policy of fire and casualty insurance with extended coverage for the full replacement value of all improvements within the Project, without deduction for depreciation, and clauses waiving subrogation against Owners and the Association and persons upon the Property with the permission of Owner, such insurance to afford protection against loss or damage by fire and other hazards covered by the standard extended coverage policy of hazard insurance. Such policy and any endorsements thereon shall be in the form and content for such term and in such company as may be satisfactory to any Institutional Mortgagee; and, if more than one Institutional Holder exists, such policy and endorsements shall meet the maximum standards of such Institutional Holder. Such policy shall be in such amounts as shall be determined from time to time by the Board, shall name as insured the Association, the Owners and Declarant, so long as Declarant is the Owner of any of the Condominiums, and all Institutional Holders of First Mortgages as their respective interests may appear;

(c) Fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves.

Section 2. Waiver by Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent

of insurance proceeds received in compensation for such loss only.

Section 3. Other Insurance; Annual Review.

The Association may purchase such other insurance as it may deem necessary, including, but not limited to, plate-glass insurance, workmen's compensation, officers' and directors' liability, and errors and omission insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Project in light of increased construction costs, inflation, practice in the area in which the Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 4. Premiums and Proceeds. Insurance

premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be an expense to be included in the annual assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "DESTRUCTION OF IMPROVEMENTS". The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members.

Section 5. Payment of Taxes or Premiums by Institutional Holders of Mortgages. Institutional Holders of Mortgages may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area, unless such taxes or charges are separately assessed against the Owners, in which case the rights of Institutional Holders of Mortgages shall be governed by the provisions of their Mortgages. Institutional Holders of Mortgages may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Project and the Institutional Holder of a Mortgage making such payments shall be owed immediate reimbursement therefor from the Association.

IX

PARTITION

An action may be brought by one or more Owners of the Condominiums for partition of said Project by sale of the entire Project, as if the Owners of all of the Condominiums in such Project were tenants-in-common in the entire Project in the same proportion as their interests in the Common Area, provided, however, that a partition shall be made only upon the showing of the occurrence of any one of the events provided in Section 1354 of the California Civil Code, as the same may be modified, amended or superseded. Nothing herein contained shall prevent the partition or division of interests between joint or common Owners of one Condominium.

ARCHITECTURAL CONTROL

Section 1. Architectural Approval. No building, fence, wall or other structure shall be commenced, erected, altered or maintained upon the Project (except for all original improvements and those improvements constructed within the Project by Declarant) nor shall any exterior addition to or change or alteration therein, including patio covers, nor shall any change in original exterior color or structures be made until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee provided for in Section 2 hereof. In the event said Committee or its designated representatives, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

Section 2. Appointment of Architectural Committee. The Declarant shall initially appoint the Architectural Committee, consisting of three (3) members, who shall remain in office until the first anniversary date of the issuance of the original public report on the Property. Thereafter, the Declarant shall have the right to appoint a majority of the members of the Architectural Control Committee and the Board of Directors of the Association shall have the power to appoint one member of the Architectural Control Committee until such time as ninety percent (90%) of the Condominiums in the Property have been sold, or until the fifth (5th) anniversary date of the issuance of the original public

repeal on the Property, whichever first occurs. From and after such time or event, as the case may be, the Architectural Committee shall be appointed by the Board of Directors of the Association and shall be composed of three (3) or more representatives who must be Members of the Association. Any Member appointed to the Architectural Control Committee by Declarant need not be Members of the Association. In the event of the death or resignation of any member of the Committee prior to the time when the Board of Directors of the Association is vested with authority, the Declarant shall have the right to appoint such member's successor.

Section 3. General Provisions. The members of such committee shall not be entitled to any compensation for services performed pursuant to this covenant. The powers and duties of such committee shall cease on and after fifty (50) years from the date of the recording of this Declaration. Thereafter the approval described in this covenant shall not be required unless, prior to said date and effective thereon, a written instrument shall be executed and duly recorded by the then record Owner of a majority of the Units appointing a representative or representatives who shall thereafter exercise the same powers previously exercised by said committee. Said representatives may be members of the Board of Directors of the Association.

Section 4. Appeal. In the event plans and specifications submitted to the Architectural Control Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request must be received by the Board not more than thirty (30) days following the final decision of the Architectural Control Committee. The Board shall submit such request to the appropriate Architectural Control Committee for review.

whose written recommendations will be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 5. Nonapplicability to Declarant. The provisions of this Article shall not apply to any Unit owned by Declarant or prior to its first conveyance to a member of the public.

XI

EASEMENTS

Section 1. Utility Easements. Easements over the Project for the installation and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, and for drainage facilities as shown on the recorded map of the Property, and as may be hereafter required or needed to service the Project are hereby reserved by Declarant, together with the right to grant and transfer the same.

Section 2. Restricted Common Area. The Board may, in its discretion, establish by rule certain areas within the Common Areas which shall be used exclusively by individual Owners for the purpose of providing additional parking, garage and storage spaces for Owners. The location and assignment of these additional parking and garage spaces shall be determined by the Board in its sole discretion.

Section 3. Encroachment Easement. The Declarant, its successors and assigns, and all future Owners of Condominiums, by acceptance of their respective deeds, covenant and agree as follows:

(a) That if any portion of the Common Area encroaches upon the Units, a valid easement into the Unit in order to accommodate the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event a Unit is partially or totally destroyed, and then rebuilt, the Owners of Units agree that minor encroachments of parts of the Unit into the Common Area due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist.

(b) That the Common Area is and shall always be subject to easements for minor encroachments thereon of the Unit and that a nonexclusive easement for ingress, egress and support through the Common Area is appurtenant to each Unit and the Common Area is subject to such easements.

XII

RIGHTS OF INSTITUTIONAL HOLDERS OF MORTGAGES

Notwithstanding any provisions to the contrary as may be provided elsewhere in this Declaration, Institutional Holders of Mortgages shall have the following rights:

Section 1. Notice to Institutional Holders of Default. Any Institutional Holder (beneficiary) of any first Mortgage on a Condominium shall be entitled to receive upon written request to the Association written notification from the Association of any default by the Owner (trustor) of such Condominium in the performance of such Owner's obligations under the Declaration or the Association's By-Laws which are not cured within sixty (60) days from the date of such default.

Section 2. Assessments on Foreclosure. Any Institutional Holder (beneficiary) of any first Mortgage

which comes into possession of any Condominium pursuant to the remedies provided in the Mortgage, or through foreclosure of the Mortgage, shall take title to such Condominium free of any claims for unpaid assessments or charges against such Condominium which accrued prior to the time the Institutional Holder of such Mortgage acquired title to the Condominium.

Section 3. Required Consent of Holders.

*Unless at least seventy-five percent (75%) of the Institutional Holders of Mortgages on the individual Condominiums, based upon one vote for each Mortgage held, have given their prior written approval, the Association shall not be entitled to:

(a) Change the prorata interest or obligations of any Condominium for the purposes of levying assessments and charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the prorata share of ownership of each Unit in the Common Areas;

(b) Partition or subdivide any Condominium or the Common Areas of the Project;

(c) By act or omission seek to abandon or terminate the Condominium status of the Project;

(d) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas of the Project. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas of the Project shall not be deemed a transfer within the meaning of this provision.

(e) Use hazard insurance proceeds for losses to any Condominium property (whether to Units or to Common Areas) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Areas of the Project.

Section 4. Examination of Books and Records.

All holders (beneficiaries) of first Mortgages on individual Condominiums shall have the right to examine the books and records of the Association.

Section 5. Right of First Refusal. Any

Institutional Holder (beneficiary) of a first Mortgage who comes into possession of a Condominium pursuant to the remedies provided in such Mortgage, or foreclosure of the Mortgage, or deed (assignment) in lieu of foreclosure, shall be exempt from any right of first refusal.

Section 6. Priority on Distribution of Proceeds.

No Owner or any other party shall have priority over any rights of Institutional Holders of first Mortgages on individual Condominiums pursuant to their Mortgages in the case of a distribution to Condominium Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units and/or Common Areas.

Section 7. Insurance. The Owners and the

Association shall procure and maintain fire and liability insurance and such other insurance as may from time to time be required by Institutional Holders of first Mortgages on Condominiums within the Project. All such insurance shall contain loss payable clauses naming the Institutional Holders (beneficiaries) which encumber a Condominium by a first Mortgage, as their interests may appear.

Section 8. Notice of Condemnation. The Assoc-

iation shall provide written notice to all Institutional Holders of Mortgages on individual Condominiums of any condemnation proceedings affecting the Project.

Section 9. Notice of Loss or Condemnation to FHLMC.

The Association agrees to give written notice to the Federal Home Loan Mortgage Corporation ("FHLMC") or its designated

representative of any loss to, or taking of, the Common Area of the Project if such loss or taking exceeds \$10,000 or damage to a Unit covered by a first Mortgage purchased in whole or in part by the FHLMC exceeds \$1,000.00.

Section 10. No Obligation to Cure Default. Any Institutional Holder (beneficiary) of a first Mortgage who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not practical or feasible to cure.

Section 11. Amendments. No amendment of this Article shall affect the rights of any Institutional Holder (beneficiary) of any first Mortgage recorded prior to the recordation of such amendment who does not join in the execution thereof.

Section 12. Attendance at Meetings. Because of its financial interest in the Project, an Institutional Holder (beneficiary) of a first Mortgage may appear, but may not vote, at meetings of the Owners or of the Board of Directors, to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

Section 13. Information. Any Institutional Holder (beneficiary) of a first mortgage is authorized to furnish information to the Board of Directors concerning the status of any loan encumbering a Condominium.

Section 14. Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions contained in this Declaration, nor the enforcement of any lien provisions created herein, shall affect, impair, defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants,

conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Condominium.

Section 15. Insurance. If any loan secured by a Mortgage encumbering a Condominium is owned by the Federal Home Loan Mortgage Corporation (FHLMC) or its successors or assigns or is tendered to FHLMC or its successors or assigns for purchase, the Association and the owners shall obtain and maintain in full force and effect all insurance coverages which may at any time and from time to time be required by FHLMC or its successors or assigns and shall otherwise comply in all respects with all insurance requirements of FHLMC which may be in effect at any time and from time to time.

Section 16. Priority of this Article. If there is any conflict between any provision of this Article and any other provision in this Declaration, the provisions contained in this Article shall control.

XIII

DESTRUCTION OF IMPROVEMENTS

Section 1. Ninety Percent Insurance Coverage.

In the event of a total or partial destruction of any improvements in the Project, and if the available proceeds of the insurance carried pursuant to this Declaration are sufficient to cover not less than ninety percent (90%) of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt unless, within one hundred twenty (120) days from the date of such destruction, not less than seventy-five percent (75%) of the Owners (which 75% must include the

affirmative vote of one hundred percent (100%) of the Owners whose Units have been partially or totally destroyed), which are present and entitled to vote; in person or by proxy, at a duly constituted and called annual or special meeting of the Members at which a quorum is present, determine that such reconstruction shall not take place. If reconstruction is to take place, the Board shall be required to cause to be executed, acknowledged and recorded in the Office of the Los Angeles County Recorder a certificate declaring the intention of the Owners to rebuild, such certificate to be executed by any officer of the Association duly authorized to execute the same by the Board.

Section 2. Less Than Ninety Percent Insurance Coverage. If the proceeds of such insurance are less than ninety percent (90%) of the costs of reconstruction, such reconstruction shall nevertheless be required unless a majority of the Owners (which majority must include the affirmative vote of one hundred percent (100%) of the Owners whose Units have been partially or totally destroyed) which are present either in person or by proxy and entitled to vote at a duly noticed and called annual or special meeting of the Members at which a quorum is present elect not to rebuild. In the event of an election to rebuild, a certificate as provided in Section 1 shall be executed, acknowledged and recorded as provided for in such Section 1 hereof.

Section 3. Determination to Rebuild. In the event of a determination to rebuild pursuant to either Sections 1 or 2 above, each Owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of reconstruction, over and

above the insurance proceeds. The proportionate share of each Owner as to each assessment shall be uniform, and such assessment shall be due and payable in full within thirty (30) days after written notice thereof.

Section 4. Bids From Contractors. The Board shall obtain bids from at least two (2) reputable contractors, and if a determination to rebuild is made in accordance with either Section 1 or 2 of this Article, the Board shall award reconstruction work to the lowest Bidder at their discretion; provided, however, that the Board shall not be required or authorized to award such contract until it has sufficient monies, whether from insurance or the collection of special assessments levied in accordance with this Article with which to pay the cost of reconstruction as reflected by the bid to be accepted by the Board. The Board, upon awarding said contract shall thereafter be authorized to disburse monies to the contractor in accordance with said contract out of the insurance proceeds held by the Board in accordance with this Article. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date. All such reconstruction shall be in accordance with the original plans of construction of the Project.

Section 5. Distribution of Proceeds. If a certificate of intention to rebuild has not been filed and recorded in accordance with either Section 1 or Section 2 hereof within nine (9) months from the date of any partial or total destruction of the Project, or if reconstruction and rebuilding has not actually commenced within such nine (9) month period:

(a) The net proceeds, if any, of insurance carried by the Association on the Project (hereinafter referred to as the "Proceeds") shall be distributed among the Owners and the individual lenders by the Board as their respective interests may appear. The proportionate interest of the Owners of the respective Condominiums in any such award shall be based upon the proportionate value that each of the Condominiums bears to the total value of all of the Condominiums in the Project. The proportionate value of the Owners of the respective Condominiums for purposes of this Section shall be based upon the assessed valuation for each respective Condominium as shown on the latest equalized assessment roll as prepared by the Los Angeles County Assessor;

(b) The conditions for partition as set forth in Section 1354 of the California Civil Code shall be deemed to have been satisfied and the right of any Owner to partition his Condominium through legal action shall forthwith revive.

Section 6. Restoration of Interior of Units.
Restoration and repair of any damage to the interior of any individual Unit shall be made by and at the individual expense of the Owner of that Unit, and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner.

XIV

EMINENT DOMAIN

Section 1. Definition. The term "taking" as used in this Article shall mean condemnation by eminent

domain, or by sale under threat thereof, of all or part of the Property.

Section 2. Authority of the Board. In the event of a taking, the Board shall, subject to the right of all holders of Mortgages who have requested the right to join the Board in the proceedings, represent all of the Owners in an action to recover all awards. No Member shall challenge the good faith exercise of the discretion of the Board in the fulfilling of its duties under this Article. The Board is further empowered, subject to the limitations herein, as the sole representative of the Owners, in all aspects of condemnation proceedings not specifically covered herein.

Section 3. Distribution of Proceeds. In the event of a taking, the Board shall distribute the award forthcoming from the taking authority according to the provisions of this Section after deducting therefrom fees and expenses related to the condemnation proceeding including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners and their respective lenders, the Board shall distribute the amount remaining after such deductions among such Owners and their lenders on the allocation basis set forth in such judgment. In the event that the taking is by sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Board shall distribute the award among the Owners and their individual lenders as their respective interests may appear. The proportionate interest of the Owners of the respective

Condominiums in any such award shall be based upon the proportionate value that each of the Condominiums bears to the total value of all of the Condominiums in the Project. The value of the respective Condominiums for purposes of this Section shall be the assessed valuation for each respective Condominium as shown on the latest equalized assessment roll as prepared by the Los Angeles County Assessor. In addition, the conditions for partition as set forth in Subdivision 4 of Section 1154 of the California Civil Code shall be deemed to have been satisfied and the right of any Owner to partition his Condominium through legal action shall forthwith revive.

XV

GENERAL PROVISIONS

Section 1. Enforcement of Restrictions. The Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment thereto; provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability of Covenants. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Terms of Declaration. The covenants and restrictions of this Declaration shall run with and bind the Property and the Project, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Unit subject to this Declaration, their respective legal representatives, heirs, successors and assigns until December 1, 2037, after which time said covenants, conditions and restrictions shall automatically be extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Owners of the Condominiums, has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 4. Construction of Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a Condominium residential community and for the maintenance of the community recreational facilities and community areas. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 5. Amendments. This Declaration of Covenants, Conditions and Restrictions may be amended only by the affirmative assent or vote of both (i) seventy-five percent (75%) of the voting power of the Association, and (ii) a majority of the voting power of Members other than Declarant (subject, however, to the rights of the Declarant as set forth in the Article entitled "Membership and Voting Rights"); provided, however, that the percentage of voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes

prescribed for action to be taken under that clause. Further, this amendment provision shall not be amended to allow amendments by the assent or vote of less than the prescribed percentage of voting power required for amendments hereof. Any amendment or modification must be properly recorded to be effective.

Section 6. Violation of Declaration. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Architectural Committee and the Association. Such remedy shall be deemed cumulative and not exclusive.

Section 7. Conflicts. In case of any conflict between this Declaration and the Articles of Incorporation or By-Laws of the Association, this Declaration shall control.

Section 8. Common Plan Declaration. The covenants, conditions and restrictions set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Property to enhance the value, desirability and attractiveness of the Condominiums for the benefit of all Owners of Condominiums therein. By acceptance of a deed or by acquiring any ownership interest in any Condominium subject to this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, agrees to be subject to all of the provisions, restrictions, covenants, conditions, rules

and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the Property covered hereby, and hereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

XVI

PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTEREST IN COMMON AREA

No Owner shall be entitled to sever his Unit from his undivided interest in the Common Area nor shall the respective undivided interests established and to be conveyed with each respective Unit, be changed. The undivided interests in the Common Area established hereby and the fee title to the respective Units conveyed therewith together with any exclusive easements appurtenant to each Unit shall not be separated, severed or separately conveyed, encumbered or otherwise transferred, and each such undivided interest in the Common Area shall conclusively be deemed to be conveyed, transferred or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. It is intended hereby to restrict severability of the various components of a Condominium in the manner provided by Section 1355(g) of

the Civil Code of California. Nothing herein contained shall be construed to preclude an Owner of any Condominium from creating a co-tenancy in the ownership of a Condominium with any other person or persons.

XVII

ENFORCEMENT OF BONDED OBLIGATIONS

In the event that the improvements to the Common Area of Tract 33654 have not been completed prior to the issuance of a Final Subdivision Public Report covering such tract by the Department of Real Estate of the State of California, and the Association is obliged under a bond or other arrangement (hereinafter the "Bond") to secure performance of the commitment of Declarant to complete such improvements, the following provisions shall apply:

(a) The Board shall consider and vote on the question of action by the Association to enforce the obligations under the Bond with respect to any improvements for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvement in the Planned Construction Statement appended to the Bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

(b) In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such

meeting shall be called according to the provisions of the By-Laws dealing with meetings of the Members, but in any event such meeting shall be held not less than fifteen (15) days nor more than thirty (30) days after receipt by the Board of a petition for such meeting, signed by Members representing ten percent (10%) of the total voting power of the Association.

(c) The only Members entitled to vote at such meeting shall be the Owners other than Declarant. A vote at such meeting of a majority of the voting power of such Members, other than Declarant, to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association and the Board shall thereafter implement such decision by initiating and pursuing appropriate action in the name of the Association.

XVIII

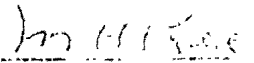
PARKING EASEMENTS

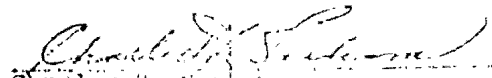
Section 1. Parking Plan. Attached to this Declaration, marked Exhibit "A" and by this reference made a part hereof, is the parking plan for the Project. Said plan describes and designates the available automobile parking areas of the Project.

Section 2. Use of Parking Spaces. Every Owner shall have an exclusive right to use of one or more parking spaces to be assigned by Declarant to each Owner at the time the Declarant conveys the Unit to each public purchaser, subject, however, to the right of the Board as set forth in Section 3 below. At least one (1) such parking space will be assigned by Declarant to each Owner of a Unit concurrently with the close of escrow on each Unit.

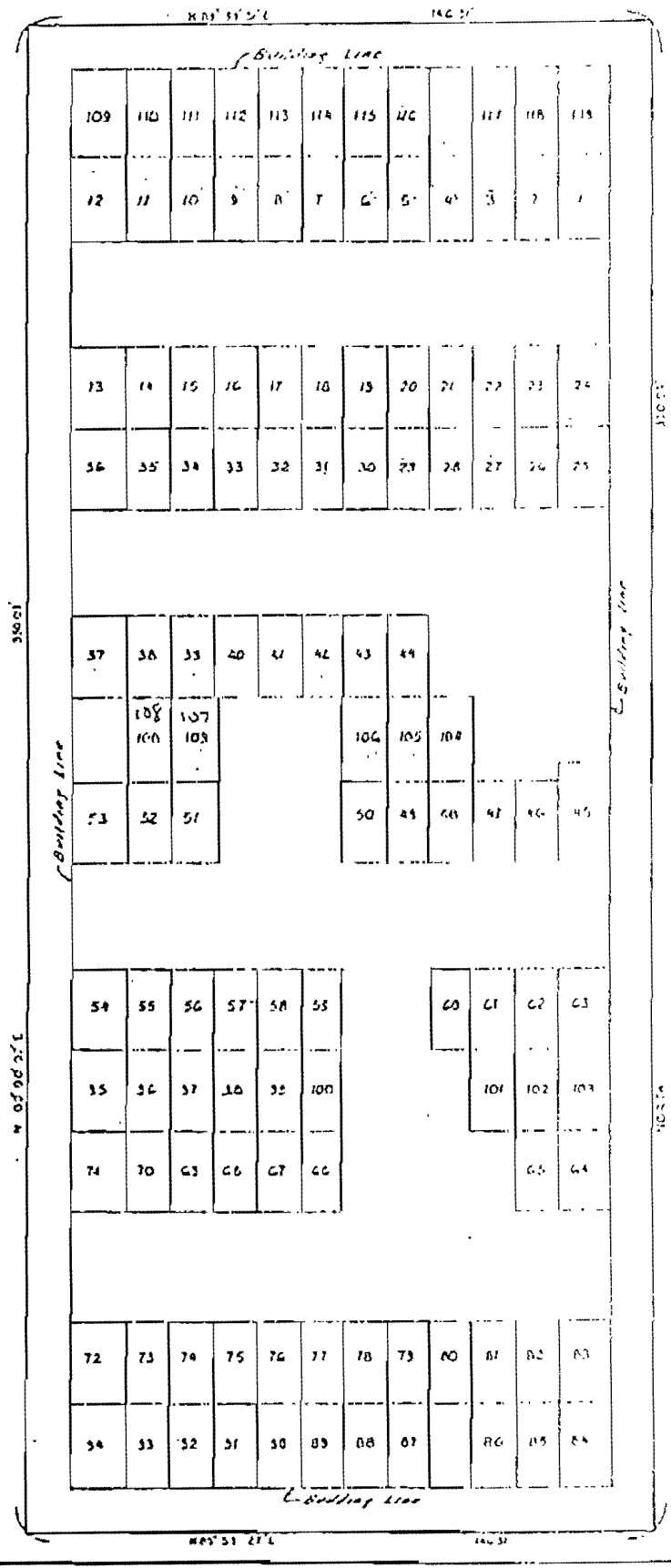
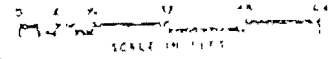
Section 3. Regulation of Use. The use of all parking spaces shall be subject to reasonable regulation by the Board of Directors of the Association as to the use thereof and the type and number of vehicles or other objects that may be stored therein. The Board of Directors of the Association shall have the right to make periodic reassignment of all parking spaces as shown on the parking plan attached hereto as Exhibit "A." The time and manner of assignment or reassignment of all parking spaces shall be determined by the Board in its sole discretion, provided, however, that each Owner of a Unit shall at all times have the right to the exclusive use of at least one parking space as depicted on Exhibit "A."

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereto set its hand and seal this 15th day of November, 1977.


M. H. Koff


Charles H. Koff

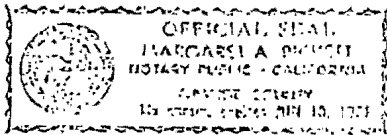
CONDOMINIUM PL.
TRACT NO. 3365-1



STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On 15th November, 1977, before me, the undersigned, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared M. H. Koll, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County, the day and year in this certificate first above written.

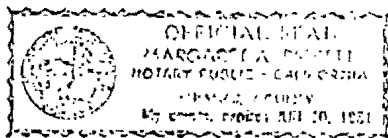


Margareta A. Piccoli
Notary Public in and for said County
and State

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On 15th November, 1977, before me, the undersigned, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Charles H. Gorham, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County, the day and year in this certificate first above written.



Margareta A. Piccoli
Notary Public in and for said County
and State