

7058

The Estates Condominium Owners Association

Covenants, Conditions and Restrictions

Civil Code 4225 requires that this notice be placed as the cover page on the governing documents.

Civil Code 4225. Board Authority to Delete Discriminatory Covenants.

(a) No declaration or other governing document shall include a restrictive covenant in violation of Section 12955 of the Government Code.

Government Code §12956.1. Discriminatory Restrictions Disclosure.

(a) As used in this section, "association," "governing documents," and "declaration" have the same meanings as set forth in Section 4000 et al. of the Civil Code.

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

END OF NOTICE

WHEN RECORDED, RETURN TO:

WILNER, KLEIN & SIEGEL
9601 Wilshire Boulevard
Suite 700
Beverly Hills, California 90210-5211
Att: Laura J. Snoke

421.00
COPY of Document Recorded

00-0492352
Has not been compared with original.
Original will be returned when
processing has been completed.
LOS ANGELES COUNTY REGISTRAR - RECORDER

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

FOR THE ESTATES CONDOMINIUM OWNERS ASSOCIATION

LOT 1 OF TRACT 32133

CITY OF PALOS VERDES PENINSULA
COUNTY OF LOS ANGELES, CALIFORNIA

**TO ELIMINATE COVENANT
(FORMERLY AT SECTION 2.1, ARTICLE II, PAGE 3)
PURSUANT TO CIVIL CODE SECTION 1352.5**

FIRST RESTATED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

FOR THE ESTATES CONDOMINIUM OWNERS ASSOCIATION

LOT 1 OF TRACT 32133

CITY OF PALOS VERDES PENINSULA
COUNTY OF LOS ANGELES, CALIFORNIA

TO ELIMINATE COVENANT
(FORMERLY AT THE SECTION 2.1, ARTICLE II, PAGE 3)
PURSUANT TO CIVIL CODE SECTION 1352.5

Charles Tellalian and Marie Andrade hereby certify:

1. That they are the President and Secretary, respectively, of The Estates Condominium Owners Association ("Association"), a California nonprofit corporation, located in the City of Palos Verdes Peninsula, County of Los Angeles, State of California on real estate more particularly described as follows:

Lot 1 of Tract 32133, in the City of Palos Verdes Peninsula, County of Los Angeles, State of California, as per Map recorded in Book 854, Pages 68-72, inclusive of Maps, in the office of the County Recorder of Los Angeles County.

2. That, by means of an action taken by the Board of Directors of The Estates, Ltd., as authorized by Civil Code Section 1352.5(b), which states:

"(b) Notwithstanding any other provision of law or provision of the governing documents, the Board of Directors of an association, without approval of the owners, shall amend any declaration or other governing documents and includes a restrictive covenant prohibited by this section to delete the restrictive covenant, and shall restate the declaration or other governing document without the restrictive covenant but with no other change to the declaration or governing document,"

the Association adopted that certain First Restated Declaration of Covenants, Conditions and Restrictions for The Estates Ltd., as set forth below, which is intended to delete the last sentence of Section 2.1 of Article II, at p. 3 in the original, and to

otherwise restate, in its entirety, that certain Declaration of Covenants, Conditions and Restrictions, The Estates, recorded on March 14, 1979, as Instrument No. 79-283633 (the "Declaration").

The undersigned declare under penalty of perjury that all of the statements in the foregoing Certificate are true and correct.

THE ESTATES CONDOMINIUM OWNERS ASSOCIATION

Executed at Los Angeles, California, on March 22, 2000.

By: Charles Tellalian
Charles Tellalian, President

Executed at Los Angeles, California, on March 22, 2000.

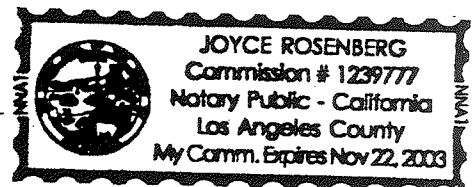
X By: Marie P Andrade
Marie Andrade, Secretary

State of California)
County of Los Angeles)

On 3/22/2000 before me, Joyce Rosenberg, Notary Public, personally appeared Charles Tellalian personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Joyce Rosenberg



State of California)
County of Los Angeles)

On 3/22/2000 before me, Joyce Rosenberg, Notary Public, personally appeared Marie Andrade personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized

capacity(~~ies~~), and that by his/her/their signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(s) acted, executed the instrument⁴.

WITNESS my hand and official seal.

Signature

Joyce Rosenberg



105836.1

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
THE ESTATES

WHEREAS, The Estates, Ltd., a limited partnership ("Declarant") is the owner of certain real property in the County of Los Angeles, State of California (the "Property"), more particularly described as follows:

Lot 1 of Tract No. 32133, as per map recorded in Book 854,
Pages 68 to 72 inclusive of Maps, in the office of the County
Recorder of said County;

WHEREAS, the Property is improved with a 300-unit garden apartment project and appurtenant parking, recreational facilities, landscaping and related improvements.

WHEREAS, Declarant desires and intends to convert the Property to Condominiums and to sell and convey Condominiums in the Property subject to the covenants, conditions and restrictions set forth in this Declaration;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are in furtherance of a plan for the subdivision and improvement of the Property and sale of Condominiums therein, and which are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project. All of the covenants, conditions and restrictions herein set forth shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall be for the benefit of each owner of any portion of the Property, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of such owners. The Property is intended to be made subject to each and all of the provisions of Sections 1350 through 1359 of the Civil Code of California. There has been recorded or will be recorded concurrently herewith a plan (the "Condominium Plan") as required by Civil Code §1351, and this Declaration is made in compliance with Civil Code §1355.

ARTICLE I
Definitions

In addition to the terms elsewhere defined herein the following terms shall have the following meanings whenever used in this Declaration:

2.1 Residential Use. The Condominiums shall not be used except for residential purposes and for recreational and other purposes incidental to primary residential use.

2.2 Alterations. No building, fence, wall or other structure or improvement shall be constructed or maintained upon the Project, nor shall any exterior addition, change or alteration be made in, on or to the Project, or any part thereof, by anyone other than Declarant, without the prior written approval of the Board.

2.3 Commercial Use. No part of the Project shall ever be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose; provided, however, that Declarant may operate a sales, rental and service facility or facilities at a location or locations designated by Declarant in the Project for the purpose of providing sales, rental or other services with respect to Condominiums during the period of Declarant's sales program. The foregoing restriction shall not affect the right of any Owner to rent or lease his condominium.

2.4 Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Project except as herein provided. The Board shall, by way of Association Rules, adopt approved forms of "for sale" and "for rent" signs and shall also designate a central location in the Common Area for posting such signs. Each Owner shall have the right to post one approved "for sale" or "for rent" sign with respect to his Condominium in the designated location. The foregoing restriction shall not apply to signs used by Declarant to advertise the Project during the sales period.

2.5 Lawful Use. No noxious, offensive or unlawful activity shall be carried on in or upon any Condominium or any part of the Project, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Condominium, or which shall in any way increase the rate of insurance on the Project or any part thereof.

2.6 Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage, or other out-building shall be used on the Project at any time as a residence, either temporarily or permanently. No trailer, camper, recreational vehicle, boat or similar equipment shall be permitted to remain within the Project unless placed or maintained within an enclosed garage, carport or other appropriate area designated therefor by the Board, or except as used by Declarant in connection with its sales program on the Project.

2.7 Animals. No dogs shall be permitted in the Project. One domesticated pet (other than a dog), caged birds, and fish in a household aquarium may be kept and maintained in a Unit, provided such pets are kept for non-commercial purposes, and further provided such pets shall not in the opinion of the Board create an unreasonable annoyance or nuisance to the Owners. Such pets shall not be permitted in the Common Area except in accordance with the Association Rules. No other animals shall be kept, maintained or permitted on or in the Project without the written consent of the Board.

Recording Requested by and
When Recorded Mail to:
Phillip K. Smith, Jr.
Greenberg & Glusker
1900 Ave. of the Stars, #2000
Los Angeles, California 90067

THE UNDERSIGNED HEREBY CERTIFIES THAT
THIS IS A TRUE & CORRECT COPY OF THE

ORIGINAL DOCUMENT RECORDED March 14 1979
IN BOOK _____ PAGE _____ INSTRUMENT NO. 79-283633

TRANSAMERICA TITLE INSURANCE CO.

[Signature]

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
THE ESTATES

WHEREAS, The Estates, Ltd., a limited partnership ("Declarant"), is the owner of certain real property in the County of Los Angeles, State of California (the "Property"), more particularly described as follows:

Lot 1 of Tract No. 32133, as per map
recorded in Book 854, Pages 68 to 72
inclusive of Maps, in the office of
the County Recorder of said County;

WHEREAS, the Property is improved with a 300-unit garden apartment project and appurtenant parking, recreational facilities, landscaping and related improvements;

WHEREAS, Declarant desires and intends to convert the Property to Condominiums and to sell and convey Condominiums in the Property subject to the covenants, conditions and restrictions set forth in this Declaration;

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following covenants, conditions and restrictions, all of which are in furtherance of a plan for the subdivision and improvement of the Property and sale of Condominiums therein, and which are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project. All of the covenants, conditions and restrictions herein set forth shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall be for the benefit of each owner of any portion of the Property, or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of such owners. The Property is intended to be made subject to each and all of the provisions of Sections 1350 through 1359 of the Civil Code of California. There has been recorded or will be recorded concurrently herewith a plan (the "Condominium Plan") as required by Civil Code §1351, and this Declaration is made in compliance with Civil Code §1355.

ARTICLE I
Definitions

In addition to the terms elsewhere defined herein the following terms shall have the following meanings whenever used in this Declaration:

- 1.1 Declarant. The Estates, Ltd., a limited partnership, its successors and assigns.
- 1.2 Owner. The record owner, or owners if more than one, of a Condominium, including Declarant.
- 1.3 Property. The real property subject to this Declaration, described above.
- 1.4 Project. The surface of the land within the Property, the sub-surface below it and the airspace above it, together with all structures, improvements and fixtures now or hereafter constructed thereon.
- 1.5 Condominium. A condominium as defined in Section 783 of the California Civil Code, being an estate in real property consisting of (a) a separate fee interest in the space within a Unit, and (b) a fractional undivided interest as a tenant in common in the Common Area. The undivided interest appurtenant to each Unit is set forth in the schedule attached hereto as Exhibit "B" and incorporated herein by this reference. For purposes of this Declaration, the term "Condominium" shall also include the appurtenant easement for the use of one or more parking spaces in the Common Area, as provided in Paragraph 6.6.
- 1.6 Unit. The elements of a Condominium which are not owned in common with the other Owners. The boundaries of the Units in the Project are as shown and defined on the Condominium Plan.
- 1.7 Common Area. The entire Project, except those portions thereof shown and defined as Units on the Condominium Plan. Notwithstanding anything to the contrary in the Condominium Plan, the Common Area includes, with respect to any building schematically or otherwise shown on the Condominium Plan, the following to the extent that they exist in any building as originally or later erected: bearing walls, columns, vertical supports, floors, roofs, foundations, beams, balcony railings, patio walls and fences, elevator equipment and shafts, central heating, central refrigeration and central air conditioning equipment, pipes, ducts, flues, central chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within a Unit.
- 1.8 Association. The Estates Condominium Owners Association, a California corporation.
- 1.9 Board. The Board of Directors of the Association.
- 1.10 Articles; By-Laws. The Articles of Incorporation and By-Laws of the Association.
- 1.11 Declaration. This Declaration, as from time to time amended.
- 1.12 Mortgage; First Mortgage; Lender; First Lender. A mortgage or deed of trust encumbering a Condominium is herein called a "Mortgage"; a Mortgage having first priority is herein called a "First Mortgage." The holder of a Mortgage (whether a mortgagee or trust deed beneficiary) is herein called a "Lender"; the holder of a First Mortgage is herein called a "First Lender."

ARTICLE II

Use Restrictions

The use of the Project and each Condominium therein shall be restricted in accordance with the following provisions in addition to all other covenants, conditions and restrictions herein contained:

2.1 Residential Use. The Condominiums shall not be used except for residential purposes and for recreational and other purposes incidental to primary residential use. The Condominiums shall not be used or occupied by persons under eighteen (18) years of age; provided, however, that the Board may permit, pursuant to Association Rules, Owners' guests and invitees under eighteen (18) years of age and children of Owners born after such Owners purchase their Condominiums to use and occupy the Condominiums, subject to such conditions as the Board determines to be reasonable.

2.2 Alterations. No building, fence, wall or other structure or improvement shall be constructed or maintained upon the Project, nor shall any exterior addition, change or alteration be made in, on or to the Project, or any part thereof, by anyone other than Declarant, without the prior written approval of the Board.

2.3 Commercial Use. No part of the Project shall ever be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose; provided, however, that Declarant may operate a sales, rental and service facility or facilities at a location or locations designated by Declarant in the Project for the purpose of providing sales, rental or other services with respect to Condominiums during the period of Declarant's sales program. The foregoing restriction shall not affect the right of any Owner to rent or lease his Condominium.

2.4 Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Project except as herein provided. The Board shall, by way of Association Rules, adopt approved forms of "for sale" and "for rent" signs and shall also designate a central location in the Common Area for posting such signs. Each Owner shall have the right to post one approved "for sale" or "for rent" sign with respect to his Condominium in the designated location. The foregoing restriction shall not apply to signs used by Declarant to advertise the Project during the sales period.

2.5 Lawful Use. No noxious, offensive or unlawful activity shall be carried on in or upon any Condominium or any part of the Project, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Condominium, or which shall in any way increase the rate of insurance on the Project or any part thereof.

2.6 Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage, or other out-building shall be used on the Project at any time as a residence, either temporarily or permanently. No trailer, camper, recreational vehicle, boat or similar equipment shall be permitted to remain within the Project unless placed or maintained within an enclosed garage, carport or other appropriate area designated therefor by the Board, or except as used by Declarant in connection with its sales program on the Project.

2.7 Animals. No dogs shall be permitted in the Project. One domesticated pet (other than a dog), caged birds, and fish in a household aquarium may be kept and maintained in a Unit, provided such pets are kept for non-commercial purposes, and further provided such pets shall not in the opinion of the Board create an unreasonable annoyance or nuisance to the Owners. Such pets shall not be permitted in the Common Area except in accordance with the Association Rules. No other animals shall be kept, maintained or permitted on or in the Project without the written consent of the Board.

2.8 Oil Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind, shall be permitted upon or in the Project, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of the land within the Project or within five hundred (500) feet below such surface. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon or in the Project.

2.9 Trash Removal. All rubbish, trash and garbage shall be regularly removed from the Condominiums, and shall not be allowed to accumulate thereon. All clotheslines, garbage cans and other containers, machinery and equipment shall be kept concealed from the view of neighboring Units, streets and the Common Area.

2.10 Television and Radio Antennae. No individual radio or television receiving or transmitting antennae or external apparatus shall be installed on or upon the exterior of any Unit or any portion of the Common Area, except that the Association shall maintain in effect either a central antenna system for television and radio (with appropriate external equipment) with connections provided to each Unit via underground or internal wall wiring, or a cable antenna system.

2.11 Storage. Patios and balconies shall not be used for storage purposes, including but not limited to storage of parcels, boxes, crates, trash, bicycles, motorcycles, or other items. The foregoing shall not restrict an Owner from keeping a reasonable amount of outdoor furniture and related items in his patio or balcony. No storage of any kind shall be permitted in the Common Area, except designated private storage areas, if any.

2.12 Leases. With the exception of a Lender in possession of a Condominium following a default in a First Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Owner shall lease his Condominium for transient or hotel purposes. No Owner may lease less than his entire Condominium. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. Except as provided in this Paragraph, no Owner shall be restricted in leasing his Condominium. For purposes of this Declaration, a "lease" shall be defined as any agreement for the leasing or rental of a Condominium.

ARTICLE III

Management by the Association

3.1 Organization. The Association is a non-profit California corporation charged with the duties and invested 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 or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency the provisions of this Declaration shall prevail. The Board and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with this Declaration, the Articles and By-Laws as from time to time amended.

3.2 Membership. Each Owner shall be a member of the Association and shall have the rights, duties and obligations set forth in this Declaration, the Articles, the By-Laws and the Association Rules as the same may from time to time be amended. The membership of each Owner in the Association shall be appurtenant to the Condominium giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to such Condominium, and then only to the transferee of title thereto. Any transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

3.3 Voting

(a) The Association shall have two (2) classes of voting membership as follows:

(1) Class A members shall be all Owners, with the exception of Declarant. Class A members shall be entitled to one (1) vote for each Condominium owned by such member.

(2) The Class B member shall be Declarant. Declarant shall be entitled to three (3) votes for each Condominium owned by Declarant; provided that the Class B membership shall be converted to Class A membership and shall forever cease to exist on the earlier to occur of the following:

(A) The total outstanding votes held by Class A members equal the total outstanding votes held by the Class B member.

(B) The second anniversary of the original issuance of the Final Subdivision Public Report for the Project.

(b) The vote for each Condominium shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner(s) cast(s) a vote representing a certain Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Condominium.

3.4 Duties of the Association. The Association, acting through the Board, shall have the obligation to perform each of the following duties:

(a) Subject to the provisions of Paragraph 3.7, to maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon, and all property that may be acquired by the Association.

(b) To pay utility (including sewer service) charges with respect to the Common Area and (if not separately metered or charged) the Units.

(c) To obtain and maintain in force the policies of insurance specified in Paragraph 3.6.

(d) To pay taxes and assessments which are or could become a lien on the Common Area, or any portion thereof.

(e) To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.

3.5 Powers and Authority of the Association. The Association shall have all of the powers of a corporation organized under the general non-profit corporation law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. The Association, acting through the Board, shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation the power and authority:

(a) To levy assessments on the Owners and to enforce payment of such assessments, all in accordance with the provisions of Articles IV and V.

(b) To enter into or upon any Unit or the Common Area for the purpose of performing the duties of the Association set forth in Paragraph 3.4, enforcing by peaceful means any of the provisions of this Declaration or maintaining or repairing any area required to be maintained by an Owner if for any reason whatsoever such Owner fails to maintain or repair such area. Any such entrance into a Unit shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency.

(c) To commence and maintain actions and suits (in the name of the Association or in the name of any Owner or Owners who consent thereto) to restrain and enjoin any breach or threatened breach of this Declaration, the By-Laws, or any other instrument relating to the management and control of the Project, and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration, the By-Laws, or any such other instrument.

(d) To grant and convey to any third party easements and rights-of-way in, on, over or under the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits, or other devices for the transmission

of electricity for lighting, heating, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public improvements or facilities.

(e) To contract for materials and/or services for the Common Area or the Association, subject only to the express limitations set forth in the By-Laws.

(f) By a majority vote of the Board, and from time to time, to adopt, amend, enforce and repeal such rules and regulations as the Board shall determine to be necessary or proper for the operation of the Project (the "Association Rules"). The Association Rules shall govern the use of the Common Area by any Owner, by the family of such Owner, or by any invitee, licensee or lessee of such Owner; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or By-Laws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner. Upon such mailing or delivery, the Association Rules shall have the same force and effect as if set forth in this Declaration.

3.6 Insurance

(a) The Association shall obtain and maintain in force comprehensive public liability insurance insuring the Association, any manager, the Declarant and the Owners, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area and including, if obtainable, a cross liability endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$1,000,000 for death of or injury to any one person and \$3,000,000 for death of or injury to more than one person in any one occurrence, and \$100,000 for property damage in any one occurrence.

(b) The Association shall also obtain and maintain in force a master or blanket policy of fire insurance for the full insurable value of all of the improvements within the Project. 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 Lender; and, if more than one Lender has a loan of record against the Project, or any part thereof, such policy and endorsements shall meet the maximum standard of the various Lenders represented in the Project. Such policy shall contain extended coverage and replacement cost endorsements, if available, and may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause, and a determinable cash adjustment clause, or a similar clause to permit cash settlement covering full value of the improvements in the event of partial destruction and decision not to rebuild. 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 Lenders as their respective interests shall appear, and shall contain a loss payable endorsement in favor of the Board.

(c) All insurance proceeds payable under Paragraph 3.6(b) shall be paid to the Board, to be held and expended in accordance with the provisions of Article VII.

(d) The Board may purchase and maintain in force demolition insurance in adequate amounts to cover demolition in the event of total or partial destruction and decision not to rebuild. The Board shall also purchase and maintain workmen's compensation insurance, to the extent that the same shall be required by law, for all employees of the Project. The Board may also purchase and maintain fidelity bonds, insurance on commonly-owned personal property, directors' liability (errors and omissions) insurance, and such other insurance as it deems necessary.

(e) An Owner may carry such personal liability and property damage insurance respecting his Unit and the contents thereof as he may desire.

(f) Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by Federal National Mortgage Association and Government National Mortgage Association, so long as either is a Lender or owner of a Condominium within the Project, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

3.7 Exterior Maintenance of Buildings and Common Area.

(a) The Association shall provide exterior maintenance of each building within the Project which houses the Units, which maintenance shall include and be limited to painting, maintaining, repairing and replacing roofs, gutters, downspouts and exterior building surfaces, when and if required by reason of normal wear and tear or deterioration; maintenance of landscaping within the Common Area, including trees, shrubs, grass, walkways and sprinkler systems; and maintenance of all recreational facilities and related improvements included in the Common Area. The Association shall also maintain all hallways, corridors, entryways, stairways, elevators and other common interior areas of such buildings, and the central air conditioning system (except outlets therefor located in the Units, maintenance of which shall be the Owner's responsibility).

(b) Each Owner shall be responsible for the maintenance and repair of the interior of his Unit; all glass surfaces included in, attached or appurtenant to his Unit; all doors (except for the outside painting of exterior doors which shall be the responsibility of the Association), doorknobs, locks, and unit security systems included in, attached or appurtenant to his Unit; the plumbing and electrical systems servicing his Unit and located from the angle stop to the plumbing fixture and from the breaker box to the electrical fixture or outlet, as the case may be, in his Unit; and all appliances and equipment located in his Unit.

(c) If an Owner shall fail to perform such maintenance or make such repairs or replacements as are his responsibility, then, upon the vote of a majority of the members of the Board, and after not less than thirty (30) days' notice to such Owner, the Association shall have the right (but not the obligation) to enter into such Owner's Unit and provide such maintenance or make such repairs or replacements, and add the cost thereof to the assessments chargeable to such Owner.

ARTICLE IV

Maintenance Assessments

4.1 Covenant to Pay Assessments. Declarant covenants for each Condominium owned, and each Owner other than Declarant, by acceptance of a deed to a Condominium, shall be deemed to covenant, to pay regular assessments and special assessments levied as hereinafter provided. The regular and special assessments, together with interest and costs of collection as hereinafter provided, shall be a charge on the real property and shall be a continuing lien upon the Condominium against which each such assessment is made. Each such assessment, together with such interest and costs, shall also be the personal obligation of the person who was the owner of such Condominium at the time such assessment became due and payable.

4.2 Basis of Regular Assessments.

(a) At least sixty (60) days prior to the beginning of each fiscal year, the Board shall estimate the charges required to be paid by the Association in performing its functions for the Project during such year, including reasonable reserves and less any surplus from the prior year's fund. Such amount (the "estimated cash requirement") shall be assessed to all Owners during the last month of each fiscal year for the following year at the proportionate rates described in Paragraph 4.4. If the estimated cash requirement proves inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment which shall be assessed to the Owners in the same manner. Except as herein otherwise provided, each Owner shall pay assessments levied pursuant to this Article to the Association in equal monthly installments on the first day of each month commencing on the first day of the first calendar month following the assessment.

(b) Any assessments levied and which become payable with respect to a Condominium prior to the initial sale thereof by Declarant shall be the obligation of Declarant as the Owner thereof.

(c) All funds collected hereunder, together with special assessments or charges elsewhere provided for in this Declaration, shall be controlled by the Declarant prior to the organizational meeting of the Association, and thereafter by the Board.

(d) The Board may not impose a regular assessment which is more than 20% greater than the regular assessment for the immediately preceding fiscal year without the vote or written assent of (a) a majority of each class so long as there are two classes of voting membership, and (b) thereafter, a majority of the voting power of the Association residing in Owners other than Declarant.

4.3 Special Assessments. In addition to the regular assessments authorized above, the Board may levy in any fiscal year special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, or for any other action or undertaking on behalf of the Association; provided, however, that no such special assessment which in the aggregate exceeds 5% of the budgeted gross expenses of the Association for that fiscal year may be levied without the vote or written assent of (a) a majority of each class so long as there are two classes of voting membership, and (b) thereafter, a majority of the voting power of the Association residing in Owners other than Declarant. The foregoing provisions and limitations with respect to special assessments shall not apply in any case where a special assessment against an Owner is a remedy utilized by the Board to reimburse the Association for costs incurred in bringing an Owner and his Condominium into compliance with provisions of this Declaration, the Association rules or By-Laws.

4.4 Rate of Assessment. Regular and special assessments shall be apportioned among the Owners based on Unit type in the manner provided for in Exhibit "A" attached hereto and incorporated herein by this reference.

4.5 Date of Commencement of Regular Assessments. The regular assessments provided for herein shall commence as to all Condominiums on the first day of the month following the conveyance of the first Condominium to an Owner other than Declarant.

4.6 Certificate of Payment. The Association shall, within ten (10) days after demand and upon payment of a reasonable fee not to exceed \$25.00, furnish a certificate signed by an officer of the Association stating whether assessments on a Condominium have been paid.

4.7 Budgets and Financial Statements

(a) Financial statements for the Association shall be regularly prepared and copies shall be distributed to each member of the Association as follows:

(1) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than 60 days before the beginning of the fiscal year.

(2) A balance sheet as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of a Condominium in the Project, and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by Condominium address and name of Owner assessed.

(3) A balance sheet and operating statement as of the last day of the Association's fiscal year shall be distributed within 90 days after the close of the fiscal year.

(b) The Board shall cause an external audit to be performed by an independent public accountant for fiscal year financial statements (other than budgets) for any fiscal year in which the gross income to the Association exceeds \$75,000.

4.8 Working Capital Fund. Upon the close of escrow for the initial sale of each Condominium, the purchaser shall pay to the Association an amount equal to two months' regular assessments payable pursuant to this Article IV which amount shall be held and disbursed by the Association as working capital for the payment of expenses of the Association and establishment of reserves during the initial months of the operation of the Project.

ARTICLE V

Enforcement of Assessments

5.1 Delinquency. Any assessment provided for in this Declaration which is not paid when due, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the Owner to pay a late payment charge in a sum to be determined by the Association, but not to exceed the greater of (a) .6% of the delinquent assessment, or (b) \$5.00. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date due at the rate of ten percent (10%) per annum.

5.2 Assessment Lien. Any delinquent assessment or assessments, together with interest and late charges in accordance with Paragraph 4.1, shall be and become a lien upon the Condominium against which such delinquent assessment or assessments were levied, upon the recording in the Los Angeles County Recorder's office of a notice of assessment as provided in Section 1356 of the Civil Code of California. A notice of assessment shall not be recorded until fifteen (15) days after the delivery to the delinquent Owner of a written notice of default and demand to cure such default and unless the delinquent Owner shall not have cured the default within such fifteen-day period.

5.3 Foreclosure of Lien. The Association or its agent may enforce any lien established pursuant to Paragraph 5.2 by sale, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b and 2924c of the Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. In the event the enforcement of such lien is by action in Court, reasonable attorneys' fees shall be allowed to the extent permitted by law. In the event of enforcement in the manner provided by law for the exercise of powers of sale in mortgages and deeds of trust, the Association shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. If any such default is cured prior to sale or other enforcement of such lien, the Board shall cause to be recorded a certificate setting forth the satisfaction and release of such lien, upon payment by the delinquent Owner of actual expenses incurred by the Association, including reasonable attorneys' fees.

5.4 Legal Action. In addition to the right of lien herein set forth, the Association may bring a suit at law against a delinquent Owner to enforce his assessment obligation. Any judgment rendered in such an action shall include a sum for reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Owner.

ARTICLE VI

Property Rights and Easements

6.1 Partition. Except as provided in California Civil Code Section 1354, the Common Area shall remain undivided and there shall be no judicial partition thereof.

6.2 Severance. The component interests which comprise a Condominium shall not be separate or separately conveyed, and no Owner shall voluntarily sever such component interests. The undivided interest in the Common Area and easement for the use of one or more parking spaces shall be deemed to be conveyed or encumbered with its respective Unit even though the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

6.3 Rights in Common Area. Every Owner, together with his family and other persons residing in his Unit, shall have a right and non-exclusive easement for ingress, egress, use and enjoyment in, to, over and through the Common Area. Such easements shall be appurtenant to and shall pass with the title to each Condominium, subject to the following:

(a) The right of the Board to adopt Association Rules regulating the use and enjoyment of the Common Area by the Owners, their guests, family, invitees, licensees and lessees.

(b) The right of the Board to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Condominium remains unpaid and delinquent and for a period not to exceed thirty (30) days for any other single infraction of this Declaration, the Bylaws or the Association Rules, provided that any suspension of such voting rights or right to use the recreational facilities shall be made only after reasonable notice and hearing given and held by the Board.

(c) The right of Declarant, its sales agents and representatives to the non-exclusive use of the Common Area and the facilities thereon for display and exhibit purposes in connection with the sale of Condominiums, which right Declarant hereby reserves; provided, however, that such use shall not be for more than three years after the conveyance of the first Condominium, and that no such use by Declarant, its sales agents or representatives shall unreasonably restrict the Owners in their use and enjoyment of the Common Area or recreational facilities thereon.

(d) The provisions of Paragraph 6.6 with respect to parking in the Common Area.

(e) The right of the owners of condominiums in the 89-unit complex adjacent to the Project (Lots 1 and 2 of Tract 31435) to use certain of the Project's recreational facilities, subject to payment of a share of the cost and expense of maintenance and operation thereof, pursuant to the following recorded documents: Grant Deed (Easements) recorded October 22, 1974 as Instrument No. 1538; Amendment No. One to Grant Deed (Easements) recorded November 25, 1975 as Instrument No. 2140; and Covenant recorded November 25, 1975 as Instrument No. 2141.

6.4 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release the Condominium owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area and recreational facilities thereon or by abandonment of his Condominium.

6.5 Additional Provisions Relating to Common Area.

(a) In the event any portion of the Common Area encroaches upon any Unit or any Unit encroaches upon the Common Area, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

(b) Each Condominium shall be conveyed to Owners other than Declarant, and thereafter held by such Owners, subject to any and all easements of record at the time of the initial conveyance of such Condominium to an Owner other than Declarant for the use and benefit of the several authorized public and/or other utilities which may include, but not be limited to, easements for cable television, sanitary sewers, water, gas, electrical and drainage facilities and no Owner shall damage or interfere with the installation and maintenance of such utilities, or in any manner change the direction or flow of drainage channels in any such easements, or in any manner obstruct or retard the flow of water through drainage channels in any such easements.

6.6 Parking. Each conveyance of a Condominium shall include the conveyance of an exclusive easement for the use and enjoyment of one or more parking spaces in the Common Area. Notwithstanding any other provision of this Declaration, each Owner shall have the exclusive right to use such parking space or spaces for the sole purpose of parking one non-commercial passenger vehicle in each single space or two such vehicles in each tandem space. Declarant shall file a schedule of such assigned parking spaces with the Board.

ARTICLE VII

Damage or Destruction

7.1 Insurance Proceeds Sufficient. In the event of damage to or the partial destruction of the improvements in the Project, and if the available proceeds of the insurance carried pursuant to Paragraph 3.6 hereof are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the damaged or destroyed improvements shall be promptly repaired and rebuilt unless, within ninety (90) days from the date of such damage or destruction, at a duly constituted meeting of the Association, Owners representing seventy-five (75%) of the total voting power of the Association determine that such repair and reconstruction shall not take place.

7.2 Insurance Proceeds Insufficient. If the available proceeds of such insurance are less than eighty-five percent (85%) of the cost of repair or reconstruction, such repair or reconstruction may, nevertheless, take place if, within ninety (90) days from the date of such damage or destruction, Owners representing a majority of the total voting power of the Association so elect at a duly constituted meeting of the Association.

7.3 Assessments. If the Owners determine to rebuild, either pursuant to Paragraph 7.1 or Paragraph 7.2 above, each Owner shall be obligated to contribute such funds as may be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds, and the proportionate share of each Owner shall be based upon his undivided interest in the Common Area (Exhibit "B" hereto). In the event of the failure or refusal of any Owner to make his proportionate contribution, the Board may levy a special assessment against each Owner, and enforce such assessment as provided in Article V hereof.

7.4 Contractor. If the Owners determine to rebuild, the Board shall obtain bids from at least two (2) reputable contractors and award the reconstruction work to the lowest bidder. The Board shall have the authority to enter into a written agreement with such contractor for such reconstruction, the insurance proceeds to be disbursed by the Board pursuant to Paragraph 3.6. The Board shall take all necessary actions to assure the commencement of such reconstruction within one hundred twenty (120) days after such destruction and the diligent prosecution of such reconstruction to completion.

7.5 Failure to Rebuild. If rebuilding shall not be authorized either pursuant to Paragraph 7.1 or Paragraph 7.2 above, any available proceeds shall be distributed among the Owners of the damaged improvements (including the Association with respect to the Common Area) and their Lenders as their interests may appear in such a way as to give consideration to the relative degree of damage to such improvements and the relative original value of improvements which have sustained the same degree of damage.

7.6 Interior Repairs. Any reconstruction undertaken pursuant to the foregoing provisions shall cover only the exterior and structural components of the damaged or destroyed Condominiums, and such other damage to such Condominiums as may be covered by insurance maintained by the Association. If a destroyed Condominium is so rebuilt, the Owner of such Condominium shall be obligated to repair and rebuild the damaged portions of the interior of his Unit in a good and workmanlike manner at such Owner's expense.

7.7 Arbitration. In the event of a dispute among the Owners with respect to the provisions of this Article, any Owner may cause such dispute to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the Board and all other Owners within ten (10) days after reference to arbitration, and all Owners shall have an opportunity to appear in such arbitration proceedings. The decision of such arbitrator shall be final and conclusive upon all Owners. The arbitrator may include in his decision an award for costs and/or attorneys' fees against any one or more parties to the arbitration.

ARTICLE VIII

Rights of Lenders

8.1 Written Notification to First Lenders. The Association shall give prompt written notice to a First Lender of any default by the Owner of a Condominium encumbered by a First Mortgage in the performance of such Owner's obligations under the Condominium documents (this Declaration, the Bylaws, the Articles and the Association Rules) which is not cured within thirty (30) days of default.

8.2 Exemption from Right of First Refusal. Any "right of first refusal" which may hereafter be contained in the Condominium documents shall not impair the rights of a First Lender to:

(a) Foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage; or

(b) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor or trustor; or

(c) Interfere with a subsequent sale or lease of a Condominium so acquired by the Lender.

8.3 Liability for Unpaid Assessments. Any First Lender who comes into possession of a Condominium by virtue of foreclosure of the Mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Condominium free of any claims for unpaid assessments and charges against the Condominium which accrue prior to the time such First Lender comes into possession of the Condominium, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Condominiums in the Project, including the mortgaged Condominium.

8.4 Prior Approval of First Lenders. Unless at least seventy-five percent (75%) of all First Lenders (based upon one vote for each Mortgage owned) have given their prior written approval, the Owners or the Association shall not:

(a) By act or omission, seek to abandon or terminate the Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) Change the pro rata interest or obligations of any Condominium for purposes of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (ii) determining the pro rata share of ownership of each Condominium in the Common Area;

(c) Partition or subdivide any Condominium (any such partition or subdivision shall also require the prior written approval of the holder of any First Mortgage on such condominium);

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

(e) Use hazard insurance proceeds for losses to any Condominium (whether to Units or to the Common Area) 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 Area of the Project;

(f) Make any material amendment to the Declaration or the Bylaws;

(g) Effect any decision by the Association to terminate professional management and assume self-management of the Project.

8.5 Subordination. Any lien which the Association may have on any Condominium in the Project for the payment of assessments attributable to such Condominium shall be subordinate to the lien or equivalent security interest of any First Mortgage on the Condominium recorded prior to the date such assessments become due.

8.6 Miscellaneous Provisions for Protection of Lenders.

(a) Any First Lender shall, upon request, be entitled to:
(i) inspect the books and records of the Project during normal business hours; and (ii) receive an annual audited financial statement of the Project within 90 days following the end of any fiscal year of the Project; and (iii) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

(b) The Association shall maintain an adequate reserve fund for maintenance, repairs and replacement of Common Area improvements that must be replaced on a periodic basis, and such reserve shall be funded by regular monthly assessments.

(c) All taxes, assessments and charges which may become liens prior to any First Mortgage under local law, shall relate only to the individual Condominiums and not to the Project as a whole.

(d) The Association shall give timely written notice to the First Lender in the event of substantial damage to or destruction of a Unit or any part of the Common Area. No provision of the Condominium documents shall entitle the Owner of a Condominium or any other party to priority over such First Lender with respect to the distribution to such Condominium of any insurance proceeds.

(e) If any Unit or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or is otherwise sought to be acquired by a condemning authority, then the Association shall give timely written notice of any such proceeding or proposed acquisition to the First Lender. No provision of the Condominium documents shall entitle the Owner of a Condominium or any other party to priority over such First Lender with respect to the distribution to such Condominium of the proceeds of any award or settlement.

(f) Any management agreement for the Project shall be terminable by the Association for cause upon 30 days' written notice thereof. Any such agreement or any other agreement providing for services by Declarant shall also be terminable by either party without cause or payment of a termination fee on 90 days' or less written notice. The term of any such agreement shall not exceed one year, renewable by agreement of the parties for successive one-year periods.

8.7 Violation of Covenants. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of such covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure, trustee's sale or otherwise.

8.8 Conflict. The provisions of this Article VIII, together with the following other provisions contained in this Declaration, are herein called the "Lender Protection Provisions": Paragraphs 2.12, 3.6(f), 4.8, 6.2, 6.5(a) and 6.6. If there is any conflict between any of the Lender Protection Provisions and any other provision in the Condominium documents, the Lender Protection Provisions shall control.

ARTICLE IX

General Provisions

9.1 Binding Effect; Term. The covenants, conditions and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors, and assigns. Each and all of the covenants, conditions and restrictions of this Declaration shall continue in force for a period of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless seventy-five percent (75%) of the Owners shall have executed and recorded, within six (6) months prior to the end of said forty (40) year period or any subsequent ten (10) year period, an instrument by which it is agreed that said covenants, conditions and restrictions shall terminate at the end of said forty (40) year period or said subsequent ten (10) year period, as the case may be.

9.2 Nuisance. Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether the relief sought is negative or affirmative action, by Declarant, the Association or any Owner.

9.3 Violation of Law. Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of the Project or any part thereof is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

9.4 Amendments. Subject to the provisions of Paragraph 8.4 respecting rights of Lenders, this Declaration may be amended only by (a) the affirmative vote or written assent of seventy-five percent (75%) of each class of membership so long as there are two classes of voting membership; and (b) thereafter, the affirmative vote or written assent of Owners representing both (1) seventy-five percent (75%) of the total voting power of the Association and (2) a majority of the voting power of the Association residing in Owners other than Declarant.

9.5 Condemnation. In the event that all or part of the Project shall be condemned by any governmental body having the right of eminent domain, the compensation for such condemnation shall be distributed to the Owners and their respective Lenders, as their interests shall appear, on an equitable basis, unless the judgment of condemnation shall, by its terms, otherwise apportion such compensation among the Owners.

9.6 Construction. The provisions of this Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development of a condominium residential community and for the maintenance of community common recreational facilities and community common areas. The Article and Paragraph headings have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

9.7 Notices. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by mail. If by mail, such notice or document shall be deemed to have been delivered and received twenty-four (24) hours after a copy thereof has been deposited in the United States mail, postage prepaid, addressed as follows:

(a) If to the Association, at 2811 Wilshire Boulevard, Suite 600, Santa Monica, California 90403.

(b) If to an Owner, to the address of any Condominium owned, in whole or in part, by him or to any other address last furnished by an Owner to the Association.

(c) If to Declarant, at 2811 Wilshire Boulevard, Suite 600, Santa Monica, California 90403.

Any such address may be changed at any time by the party concerned by delivering a written notice of change of address to the other parties. Each Owner shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

9.8 Cumulative Remedies. Each remedy provided by this Declaration is cumulative and not exclusive.

9.9 Partial Invalidity. The invalidity or partial invalidity of any provision of this Declaration shall not affect the validity or enforceability of any other provision.

9.10 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

IN WITNESS WHEREOF, Declarant has executed this
Declaration this 12th day of March, 1979.

THE ESTATES, LTD.,
a limited partnership

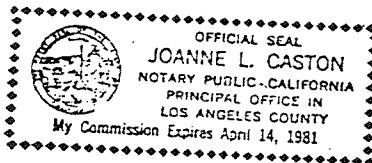
By The J.R. Landau Corporation,
a California corporation,
general partner

By *Joel R. Landau*
Joel R. Landau, President

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

On March 12, 1979, before me, the undersigned,
a Notary Public in and for said State, personally appeared
JOEL R. LANDAU, known to me to be the President of the
J.R. LANDAU CORPORATION, the corporation that executed the
within instrument and known to me to be the person who executed
the within instrument on behalf of said corporation, said
corporation being known to me to be one of the partners of
THE ESTATES, LTD., the partnership that executed the within
instrument, and acknowledged to me that such corporation
executed the same as such partner and that such partnership
executed the same.

WITNESS my hand and official seal.



Joanne L. Caston
Notary Public

THE ESTATES
EXHIBIT "A"
RATE OF ASSESSMENT

1. The Board shall determine from time to time those costs and expenses of the Homeowner's Association which should most equitably be apportioned among Owners based upon the square footage area of such Owners' units. Initially, such "variable costs" have been determined to be insurance, electricity, gas, water, painting and roofing.
2. Owners of Model E Units shall be charged for a pro-rata share of gas, consumed by gas fireplaces which are on master meter for all gas but only located in this unit type.

On the basis of the Association's first annual budgets the monthly assessment payable by Owners of each unit type has been determined as follows:

A. Variable Cost

Insurance	\$15,072
Electricity	18,500
Gas	15,000
Water	35,000
Painting (Reserve)	12,650
Roofing (Reserve)	5,772
	<u>\$101,994</u>

- 1) Total area of 300 units is 244,140 square feet.
- 2) Variable cost per square foot per month =
 $\$101,994 \div 244,140 = \$0.4178 \div 12 = \$0.03481$

B. Gas Fireplaces in 30 Model E units at \$3.00 per unit per month.

C. Base Assessments

\$266,709	Total Annual Expenses
(101,994)	Less Variable Costs
(1,080)	Less Fireplaces
<u>\$163,635</u>	Annual
\$ 45.45	Per Unit Per Month

D. Assessment by Unit Type

<u>MODEL</u>	<u>BASE</u>	<u>FIREPLACE</u>	<u>VARIABLE COSTS BY SQUARE FOOT</u>	<u>TOTAL MONTHLY ASSESSMENTS</u>
A - Studio	\$45.45	-	450 x \$.03481 = \$15.66	\$61.11
B - One Bedroom	45.45	-	695 x .03481 = 24.19	69.64
D - Two Bedroom	45.45	-	1010 x .03481 = 35.16	80.61
E - Two Bedroom/Den	\$45.45	\$3.00	1183 x .03481 = 41.18	\$89.63

EXHIBIT "B"

<u>CONDO</u> <u>UNIT #</u>	<u>% INTEREST</u> <u>IN COMMON AREA</u>
1	.4846
2	.4138
3	.2846
4	.4138
5	.2846
6	.4138
7	.2846
8	.2846
9	.2846
10	.2846
11	.4138
12	.1844
13	.1844
14	.4138
15	.4138
16	.2846
17	.2846
18	.2846
19	.2846
20	.4845
21	.4845
22	.4138
23	.2846
24	.4138
25	.2846
26	.4138
27	.2846
28	.2846
29	.2846
30	.2846
31	.4138
32	.1844
33	.1844
34	.4138
35	.4138
36	.2846
37	.2846
38	.2846
39	.2846
40	.4845
41	.4845
42	.4138
43	.2846
44	.4138
45	.2846
46	.4138
47	.2846
48	.2846
49	.2846
50	.2846
51	.4138
52	.1844
53	.1844
54	.4138
55	.4138
56	.2846
57	.2846
58	.2846
59	.2846
60	.4845

EXHIBIT "B"

CONDO UNIT #	% INTEREST IN COMMON AREA
61	.4845
62	.4138
63	.2846
64	.4138
65	.2846
66	.4138
67	.2846
68	.2846
69	.2846
70	.2846
71	.4138
72	.1844
73	.1844
74	.4138
75	.4138
76	.2846
77	.2846
78	.2846
79	.2846
80	.4845
81	.4845
82	.4138
83	.2846
84	.4138
85	.2846
86	.4138
87	.2846
88	.2846
89	.2846
90	.2846
91	.4138
92	.1844
93	.1844
94	.4138
95	.4138
96	.2846
97	.2846
98	.2846
99	.2846
100	.4845
101	.4845
102	.4138
103	.2846
104	.4138
105	.2846
106	.4138
107	.2846
108	.2846
109	.2846
110	.2846
111	.4138
112	.1844
113	.1844
114	.4138
115	.4138
116	.2846
117	.2846
118	.2846
119	.2846
120	.4845

<u>CONDO</u> <u>UNIT #</u>	<u>% INTEREST</u> <u>IN COMMON AREA</u>
121	.4845
122	.4138
123	.2846
124	.4138
125	.2846
126	.4138
127	.2846
128	.2846
129	.2846
130	.2846
131	.4138
132	.1844
133	.1844
134	.4138
135	.4138
136	.2846
137	.2846
138	.2846
139	.2846
140	.4845
141	.4845
142	.4138
143	.2846
144	.4138
145	.2846
146	.4138
147	.2846
148	.2846
149	.2846
150	.2846
151	.4138
152	.1844
153	.1844
154	.4138
155	.4138
156	.2846
157	.2846
158	.2846
159	.2846
160	.4845
161	.4845
162	.4138
163	.2846
164	.4138
165	.2846
166	.4138
167	.2846
168	.2846
169	.2846
170	.2846
171	.4138
172	.1844
173	.1844
174	.4138
175	.4138
176	.2846
177	.2846
178	.2846
179	.2846
180	.4845

<u>CONDO</u> <u>UNIT #</u>	<u>% INTEREST</u> <u>IN COMMON AREA</u>
181	.4845
182	.4138
183	.2846
184	.4138
185	.2846
186	.4138
187	.2846
188	.2846
189	.2846
190	.2846
191	.4138
192	.1844
193	.1844
194	.4138
195	.4138
196	.2846
197	.2846
198	.2846
199	.2846
200	.4845
201	.4845
202	.4138
203	.2846
204	.4138
205	.2846
206	.4138
207	.2846
208	.2846
209	.2846
210	.2846
211	.4138
212	.1844
213	.1844
214	.4138
215	.4138
216	.2846
217	.2846
218	.2846
219	.2846
220	.4845
221	.4845
222	.4138
223	.2846
224	.4138
225	.2846
226	.4138
227	.2846
228	.2846
229	.2846
230	.2846
231	.4138
232	.1844
233	.1844
234	.4138
235	.4138
236	.2846
237	.2846
238	.2846
239	.2846
240	.4845

<u>CONDO</u> <u>UNIT #</u>	<u>% INTEREST</u> <u>IN COMMON AREA</u>
241	.4845
242	.4138
243	.2846
244	.4138
245	.2846
246	.4138
247	.2846
248	.2846
249	.2846
250	.2846
251	.4138
252	.1844
253	.1844
254	.4138
255	.4138
256	.2846
257	.2846
258	.2846
259	.2846
260	.4845
261	.4845
262	.4138
263	.2846
264	.4138
265	.2846
266	.4138
267	.2846
268	.2846
269	.2846
270	.2846
271	.4138
272	.1844
273	.1844
274	.4138
275	.4138
276	.2846
277	.2846
278	.2846
279	.2846
280	.4845
281	.4845
282	.4138
283	.2846
284	.4138
285	.2846
286	.4138
287	.2846
288	.2846
289	.2846
290	.2846
291	.4138
292	.1844
293	.1844
294	.4138
295	.4138
296	.2846
297	.2846
298	.2846
299	.2846
300	.4845