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RESTATED DECLARATION

of

COVENANTS, CONDITIONS AND RESTRICTIONS

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP

for

WESTSIDE VILLAS CONDOMINIUM ASSOCIATION, INC.

A Condominium Project

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**RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
for
WESTSIDE VILLAS CONDOMINIUM ASSOCIATION, INC.**

A Condominium Project

THIS RESTATED DECLARATION was enacted at a duly noticed meeting of the Members of the Westside Villas Condominium Association, Inc., ("Association") on _____ by at least 75% of all Members of the Association.

RECITALS

A. The Association is incorporated under the laws of the State of California as a mutual benefit non-profit corporation for the purpose of preserving the values and amenities of the Project and of collecting and disbursing Assessments, as hereinafter provided.

B. The Association is comprised of all persons ("Members") who own Condominiums at that certain real property development commonly known as 834 Sixth Street, in the City of Santa Monica, State of California, and more particularly described as follows:

Lot 1 of Tract 36096, in the City of Santa Monica, County of Los Angeles, State of California, as per Map recorded in Book 912, Pages 52 & 53 of Maps, in the Office of the Recorder of Los Angeles County (the "Property").

C. A Declaration of Establishment of Covenants, Conditions and Restrictions for the Westside Villas Condominium Association ("Previous Declaration"), along with the Condominium Plan for the Property, Exhibit "B" consisting of a Parking Space Plan for the Property, and Exhibit "C" consisting of a Fractional Interest in Common Area table, were collectively recorded on March 26, 1979, as Instrument No. 79-323377 of Official Records of Los Angeles County.

D. The requisite approval to amend and restate the Previous Declaration has been obtained from not less than seventy-five percent (75 %) of the Members of the Association and not less than seventy-five percent (75%) of the holders of first trust deeds on individual condominiums; and,

E. The Association intends by this Restated Declaration of Covenants, Conditions and Restrictions ("Restated Declaration") to restate in its entirety that portion and only that portion of Instrument No. 79-323377 consisting of the Previous Declaration (recorded pages 1 through 55 inclusive of said Instrument) and revoke any and all amendments thereto as subsequently recorded in the Office of the Recorder of Los Angeles County, and to establish a plan for the individual ownership by persons, and entities, subject to certain protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights-of-way, liens, charges and equitable servitudes as set forth in this Restated Declaration. Those portions of Instrument No. 79-323377 consisting of the Condominium Plan for the Property (recorded pages 56 through 64 inclusive of said Instrument), Exhibit "B" consisting of a Parking Space Plan for the Property (recorded page 65 of said Instrument), and Exhibit "C" consisting of a Fractional Interest in Common Area table (recorded page 66 of said Instrument) are not revoked or otherwise modified by this Restated Declaration.

NOW, THEREFORE, pursuant to the provisions of the California Civil Code, the Association declares that the Property, the Improvements and the Project shall be held, conveyed, divided, encumbered, hypothecated, leased, rented, used, occupied and improved only upon and subject to the following covenants, conditions, restrictions, limitations, reservations, easements, rights-of-way, liens, charges and equitable servitudes (collectively, "Covenants"), all of which are declared, and agreed (i) to be in furtherance of a plan of condominium ownership for the subdivision, improvement, protection, maintenance, and sale of "Condominiums" within the Property as defined in the Davis-Stirling Common Interest Development Act--Section 4000 et seq. of the California Civil Code; (ii) to be for the benefit and protection of the Project, its desirability, value and attractiveness; (iii) to be for the benefit of the Property and Owners of Condominiums in the Project; (iv) to run with the land and be binding upon all parties having or acquiring any right, title or interest in the Project or any portion, whether as sole Owners, joint Owners, lessees, tenants, occupants or otherwise; (v) to inure to the benefit of and be binding upon each successor and assignee in interest of each Owner. Any conveyance, transfer, sale, assignment, lease or sublease of a Condominium in the Project will be deemed to incorporate by reference the provisions of this Declaration and the Covenants. The provisions of this Declaration shall be enforceable by any Owner of a Condominium, or his/her successor in interest, and shall also be enforceable by the Association, its Board of Directors or any person, firm, corporation or other association duly authorized by the Association or its Board of Directors to enforce all or any one or more of the provisions. It is the express intent of the Association that this Declaration satisfy the requirements of California Civil Code Section 4250.

[continued on next page]

1 DEFINITIONS

The following terms shall have the following definitions in this Declaration:

1.1 Approval or Consent. "Approval" or "Consent" means securing the prior written approval or consent as required before doing, making or suffering that for which such approval or consent is required. "Approval by All Classes" means the vote or written assent of the members holding fifty-one (51) percent of the voting rights of each class of Owners, if two classes of membership exist, or if only one class of membership exists, fifty-one (51) percent of the voting rights of all Owners and fifty-one percent of the voting rights of all Owners other than Declarant.

1.2 Articles of Incorporation. "Articles of Incorporation" means the Articles of Incorporation of the Association, as the same may from time to time be amended.

1.3 Assessment. "Assessment" means an assessment, whether a Regular Assessment, Special Assessment or Unit Special Assessment, levied, charged or assessed against an Owner and his/her Condominium in accordance with the provisions of this Declaration and shall become a debt of such Owner and deemed to have been "made" within the meaning of Section 5650 of the California Civil Code when such assessment is entered upon the assessment roll of the Association as provided in this Declaration and notice has been mailed to the Owner of the Condominium so assessed.

1.4 Assessment Percentage Interest. "Assessment Percentage Interest" means that percentage interest of the total Homeowner's Association Assessment which shall be assessed to a Unit. In the event that the difference between the benefits derived by any Unit is no more than ten percent (10%) greater than any other Unit, the Association shall prorate the Assessments on an equal per Unit basis. In the event that the benefits derived by any Unit is greater than twenty percent (20%) more than any other Unit, then the Association shall prorate on a variable assessment basis. In the event that the benefits derived by any Unit is more than ten percent (10%) but less than twenty percent (20%), the Association may choose to prorate either on an equal or a variable basis. In the event that the Association uses the variable assessment method, those items which provide variable benefits, such as insurance premiums, roof area reserves and exterior wall reserves, shall be prorated on the variable basis of each Unit's percentage of the total Unit square footage, and those items which are non-variable, such as a security system, or a swimming pool, shall be prorated on an equal per Unit basis.

1.5 Association. "Association" means Westside Villas Condominium Association, Inc., a California non-profit corporation, its successors or assigns, whether by way of merger, consolidation, transfer or otherwise. The Association shall mean, when the context requires, its Board of Directors, officers, and duly authorized representatives and agents as the same, or any of them, may from time to time be constituted. The Association, acting alone or through its Board, officers, Managers, or any duly authorized agent or representative, constitutes the "management body" within the meaning of Sections 4800 and 4900 of the California Civil Code.

1.6 Board. "Board" means the Board of Directors of the Association as the same may from time to time be constituted.

1.7 Building. "Building" means any building or structure which is part of the Improvements on the Property.

1.8 Bylaws. "Bylaws" means the duly adopted Bylaws of the Association, as the same may from time to time be amended.

1.9 California Codes and Statutes. Wherever reference is made herein to a California State Statute or other government statute, including, without limitation, the California Civil Code or California Corporations Code, such reference shall continue to apply to such statute as may be amended or renumbered from time to time and/or any successor statute.

1.10 Common Area. "Common Area" means the entire Project excepting all Units as defined in this Declaration and as shown on the Condominium Plan. Without limiting the foregoing, the Common Area shall include, but shall not be limited to, all bearing walls, columns, vertical supports, floors, (as distinguished from the surfaces located within any Unit), roofs, foundations, beams, balcony railings, patio walls and fences, planter walls, elevator equipment and shafts, central heating, central refrigeration and central air-conditioning equipment, reservoirs, tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires, sprinkler systems and other utility installations, wherever located (except outlets when located within a Unit), and shall also include all Common Security Equipment, all compressors and control equipment serving the Common Area and/or more than one Unit as distinguished from those compressors and control equipment serving individual Units, and all other parts, apparatus and installations existing in any building necessary or convenient to the existence, maintenance or safety of the Project as a whole.

1.11 Common Expenses. "Common Expenses" means the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing and replacing the Common Area as the same may be estimated from time to time by the Board of Directors of the Association, including, but not limited to, any amounts reasonably necessary for reserves for anticipated long term maintenance, repair and replacement of capital improvements upon the Common Area (the cost of which would not ordinarily be incurred on an annual basis), contingencies and the service obligations of the Association. Common Expenses, however, shall not mean the cost of any new construction, or unanticipated repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and related personal property.

1.12 Common Funds. "Common Funds" means all funds collected or received by the Association, including, but not limited to, the proceeds from insurance carried or obtained by the Association which are payable to or received by the Association as trustee for the benefit of the Owners or otherwise.

1.13 Condominium. "Condominium" means an estate in real property, as defined in California Civil Code Sections 783 and 4125, consisting of:

1.13.1 an undivided interest in common in all or any portion of the Common Area, and,

1.13.2 a separate fee interest in a Unit, and,

1.13.3 a membership in the Association, and,

1.13.4 any other separate interests in the real property as are described in this Declaration, in the Condominium Plan or in the deed conveying the Condominium.

1.14 Condominium Documents. "Condominium Documents" means, unless the context otherwise requires, only this Declaration, the Articles of Incorporation, the Bylaws, the Condominium Plan and such other written documents, reports, maps, schedules and exhibits as are required by law to be recorded, filed or issued in connection with the subdivision, creation and regulation of the Project as a condominium project. It shall be deemed to include both the preliminary subdivision public report, if any, and the final subdivision public report issued by the California Bureau of Real Estate for the Project.

1.15 Condominium Plan. "Condominium Plan" means that certain Condominium Plan referred to in Recital "C" of this Declaration.

1.16 Common Security System. "Common Security System" means and includes any equipment or mechanical devices which are part of any system or systems installed by Declarant or the Association for security or for announcing those who would gain access to a Unit; including without limitation any closed circuit television monitors (or receivers connected to television monitors owned by Owners) for such purpose wherever located, even when located within the airspace of a Unit.

1.17 Declaration. "Declaration" and "Restated Declaration" means this Restated Declaration of Covenants, Conditions and Restrictions as the same may be amended, changed or modified from time to time.

1.18 Governing Documents. "Governing Documents" means the Articles of Incorporation, Declaration, Bylaws, and any other documents such as Operating Rules and Regulations adopted by the Association, which govern the operation of the Association.

1.19 Improvements. "Improvements" means all existing real property improvements and all improvements to be constructed on the Property as well as all personal property owned by the Association and used in connection with the operation or use of the Common Area.

1.20 Manager. "Manager" means any Person, if any, appointed or employed by the Association or its Board of Directors to operate, maintain and manage the Project.

1.21 Member. "Member" means an Owner who by reason of his/her record ownership of a Condominium holds a membership in the Association.

1.22 Mortgage. "Mortgage" means any security device including without limitation, deeds of trust, installment sales contracts or other instruments encumbering all or any portion of the Project or any Condominium.

1.23 Mortgagee. "Mortgagee" means the record owner of a beneficial interest under a Mortgage.

1.24 Owner. "Owner" means any person, in which title to a Condominium is vested, as shown by the Official Records of the Office of the County Recorder of Los Angeles County, State of California, but excluding those having such an interest in a Condominium merely as security for the performance of an obligation.

1.25 Parking Plan. "Parking Plan" means that certain Parking Space Plan designated Exhibit "B" and shown on recorded page 65 of Instrument No. 79-323377 of Official Records of Los Angeles County.

1.26 Percentage Interest. "Percentage Interest" means a fractional interest which represents each Owner's undivided interest in and to the Common Area, as shown on recorded page 66 labeled Exhibit "B" of Instrument No. 79-323377 of Official Records of Los Angeles County. The Percentage Interests set forth therein are as follows:

<u>Condominium Plan Unit/ (Common Unit No.)</u>	<u>Percentage Interest</u>
1 (101)	8%
2 (102)	6%
3 (103)	9%
4 (104)	10%
5 (201)	8%
6 (202)	6%
7 (203)	9%
8 (204)	10%
9 (301)	15%
10 (303)	9%
11 (304)	10%

See "Assessment Percentage Interest," above, for the percentage interest concerning assessment purposes.

1.27 Person. "Person" means a natural person, corporation, partnership, association or other legal entity.

1.28 Personal Property or Personal Property of the Association. "Personal Property" or "Personal Property of the Association" may be used interchangeably and means all tangible and intangible personal property which shall be acquired, owned, held or controlled by the Association for the use, benefit and enjoyment of the Owners as a whole, and any replacements, substitutions or additions. No Owner shall have any Percentage Interest in the Personal Property of the Association and the transfer of a Condominium to an Owner shall not transfer to him any proprietary interest in the Personal Property.

1.29 Project. "Project" means the Property and the Improvements together with all of the appurtenances and facilities.

1.30 Regular Assessment. "Regular Assessment" means an Assessment duly made and levied by the Association against an Owner and his/her Condominium to pay for the Common Expenses.

1.31 Senior Mortgage. "Senior Mortgage" means any Mortgage with respect to a Condominium to which any lien created under this Declaration is subordinated pursuant to the terms of this Declaration.

1.32 Special Assessments. "Special Assessments" means an Assessment against a particular Owner or Owners and his/her/their Condominium(s) duly made and levied by the Association as so provided in this Declaration.

1.33 Unit. "Unit" means that element of a Condominium which is a separate interest in space as defined in the California Civil Code Section 4125. The Unit is not owned in common with Owners of other Condominiums. Without limiting the generality of the foregoing, the boundaries of each Unit shall be the interior surfaces of the perimeter walls, floors, ceilings, windows and doors, where they exist, or horizontal and vertical planes at the limits of the dimensions and elevations shown on the Condominium Plan. Each Unit shall include the surfaces so described, the portions of the Building and Improvements lying within the boundaries (except as noted in the Condominium Plan) and the airspace so encompassed, provided, however, that a Unit shall not include any Common Security System. In interpreting deeds and plans, the existing physical boundaries of a Unit, or of a Unit reconstructed in substantial accordance with the Condominium Plan, shall be conclusively presumed to be its boundaries, rather than the metes and bounds, or other description, expressed in the deed or Condominium Plan, regardless of settling or lateral movement of a Building and regardless of minor variance between boundaries shown on the Condominium Plan or in the deed and those of a Building..

2 CONDOMINIUM OWNERSHIP AND INTEREST IN PROPERTY

2.1 Condominium Ownership. This Declaration maintains an established plan for the individual ownership by Persons of real property estates consisting of the area or space contained in each of the eleven (11) Units contained within the one (1) building on the Property in accordance with the Condominium Plan, and the co-ownership by the individual Owners, as tenants-in-common, of all remaining portions of the Property.

2.2 Division. The Property has been divided by the Condominium Plan into eleven (11) separate freehold estates which are delineated as Units 1 to 11 inclusive on the Condominium Plan. Each estate consists of the following as more particularly described in the Condominium Plan:

2.3 Condominium. "Condominium" means an estate in real property, as defined in California Civil Code Sections 783 and 4125, consisting of:

2.3.1 an undivided interest as a tenant in common in all or any portion of the Common Area, and,

2.3.2 a separate fee interest in one separately designated and legally described Unit, including any patio or balcony having the same number designation on the Condominium Plan, and

2.3.3 a membership in the Association, and,

2.3.4 an exclusive easement to and the exclusive right to use, without limitation as to time, at least one parking space as shown on the Parking Plan, and,

2.3.5 any other separate interests in the real property as are described in this Declaration, in the Condominium Plan or in the deed conveying the Condominium.

2.4 Ownership Limitations. Except as set forth in Article 10, "Insurance", each Owner of a Unit shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his/her Unit, nor shall the Owner be deemed to own pipes, wires, conduits or other public utility lines running through the respective Unit, which are utilized for, or serve, more than one Unit, except, along with the other parts of the Common Area, as tenant-in-common with the other Owners. An Owner, however, shall be deemed to own the walls and partitions which are contained in the Owner's respective Units, and also shall be deemed to own the interior decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including without limitation plaster, paint, wallpaper, or paneling. Notwithstanding the foregoing an Owner shall not be deemed to own any Common Security System.

3 RIGHTS IN COMMON AREA

3.1 Interest in Common Area. The Owner of each Unit shall own, as a tenant-in-common with all other Owners of Units, an undivided Percentage Interest in the Common Area, the quantum of which with respect to each Unit is more particularly set forth in the definition of "Percentage Interest" in Article 1.

3.2 Easement for Ingress, Egress, Support. Each Owner shall enjoy and each shall have, a nonexclusive easement, appurtenant to and for the benefit of his/her Unit, for ingress, egress and support over, across and through the Common Area and every portion of any Unit within the Project required for the structural support of any Building within which the Unit is located.

3.3 Easement of Enjoyment. Every Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and for the benefit of his/her Unit, subject to the following:

3.3.1 The right of the Association to limit the number of or exclude social guests, agents, employees, servants, or invitees of an Owner or an Owner's tenant from using the Common Area or any portion.

3.3.2 The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Area and the recreational facilities.

3.3.3 The right of the Association to charge, if appropriate, reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.

3.3.4 The right of the Association to establish reasonable rules and regulations concerning vehicle parking.

3.3.5 The right of the Board of Directors of the Association, in accordance with the Articles and By-Laws, to borrow money for the purpose of improving the Common Area and its facilities.

3.3.6 The right of the Board of Directors of the Association to suspend the voting rights of an Owner for a period not to exceed sixty (60) days for any infraction of the rules and regulations of the Association committed by any Owner or his/her family, tenants, social guests, servants, agents, employees or invitees; provided that any such suspension of voting rights shall be made only after notice and hearing duly given and held by the Board.

3.3.7 The right of the Board of Directors of the Association to assess, in accordance with this Declaration a monetary penalty for violation of the provisions of Article Four.

3.4 Delegation of Use. Subject to the provisions of this Declaration, each Owner of a Condominium may delegate his/her right of enjoyment to the Common Area to the members of his/her family or tenants, social guests, servants, agents, employees or invitees; provided, however, that no servant or employee of an Owner or an Owner's tenant, and no person under the age of fourteen (14), shall have the right to use the recreational and community facilities included with the Common Area without the supervision of an Owner.

3.5 Waiver of Use. No Owner of a Condominium may exempt himself from liability for Assessments duly made and levied by the Association, nor release the Condominium owned by him from the liens and charges, by waiver of the use and enjoyment of the Common Area and the facilities or by abandonment of his/her Condominium.

3.6 Encroachment. If any part of the Common Area encroaches or shall encroach upon a Unit, a valid easement exists for the encroachment and for the maintenance of same, so long as the encroachment shall and does exist. If any part of a Unit encroaches or shall encroach upon the Common Area, or upon another Unit, a valid easement exists for the encroachment and for maintenance of same, so long as the encroachment shall and does exist. In the event a Building is partially or totally destroyed, and then rebuilt, the Owners of Units agree that minor encroachments of parts of the Common Area on Units or of part of Units on the Common Area or other Unit due to construction shall be permitted and that valid easements for the encroachments and the maintenance shall exist. Such encroachments shall not be considered to be encumbrances either on the Units or the Common Area.

3.7 Utility Rights. The rights and duties of the Owners with respect to lines for sanitary sewer, storm drains, water, electricity, gas, telephone and communications, television cables, and air conditioning, shall be governed by the following:

3.7.1 Wherever sanitary sewer house connections and lines, facilities and/or water house connections and lines, or electricity, gas, telephone and communications lines, air conditioning lines, or television cables are installed within the Property, which connections, or any portion, lie in or upon portions of the Property owned by others than the Owner of a Unit served by the connections, the Owner of any Unit served by the connection and the Association shall have the right, and is granted an easement which may be exercised for such Owner by the Association, to enter upon such portions of the Property or to have the utility companies enter to repair, replace and generally maintain the connection as and when the same may be necessary as set forth below.

3.7.2 Wherever sanitary sewer connections and lines, facilities and/or water connections and lines or electricity, gas and telephone and communications lines, air conditioning lines, or television cables are installed within the Property, which connections serve more than one Unit, the Owner of each Unit served by the connection shall be entitled to the full use and enjoyment of such portions of the connection as service his/her Unit.

3.7.3 In the event any portion of the connection or lines is damaged or destroyed through the negligent act or acts or failure to act, or willful misconduct of one Owner or any of his/her employees, servants, agents, invitees, tenants, guests or members of his/her family so as to deprive other Owners of the full use and enjoyment of the connection or line, then such connection or line shall be repaired and restored by the Association, but the expense shall be assessed against the Unit Owner who commits, or whose employees, servants, agents, invitees, tenants, guests or family members commit such act or acts, as a Special Assessment in accordance with this Declaration.

3.7.4 In the event any portion of such connection or line is damaged or destroyed by some cause other than the negligence or willful misconduct of one of the Owners, his/her employees, servants, agents, guests, tenants, invitees or members of his/her family (including ordinary wear and tear and deterioration from lapse of time) then in such event such connection or line shall be repaired and restored by the Board, the cost of such repair and restoration to be part of the Common Expenses.

3.7.5 The exercise of any right or easement provided in this Section shall be subject to the condition precedent that such exercise shall be reasonable and in good faith, and all damage to a Unit or to the Common Area shall be repaired at the sole cost and expense of the person exercising such easement.

3.8 Right to Combine Units. Subject to the following provisions, an Owner shall have the right to combine a Unit with one or more adjoining Units only after obtaining Approval from the Association.

3.8.1 Limitations. A combination of Units shall not involve any part of the Common Area which is required for structural support of all or any portion of any Unit or any part of the Common Areas which would have constituted Common Area had the combined Units been originally designated on the Condominium Plan as a single Unit.

3.8.2 Effect. In the event of such combination of Units, both Units shall be deemed one Unit and the undivided interest in Common Area appurtenant to each of the Units so combined shall be deemed combined and, as combined, appurtenant to the one Unit which results from the combination. In the event of such combination, any part of a Building within the new perimeter boundaries of the combined Units shall cease to be Common Area and all easements in, over, across and through such part of a Building shall be deemed conveyed to the Owner of the Unit which results from such combination. Notwithstanding the foregoing, the Owner of Units which have been combined into a single Unit shall retain as a Member of the Association one (1) vote for each such Unit combined. Any Unit formed as the result of being combined with other Units shall pay assessments equal to the sum of the assessments which would have been payable by the Units which were combined.

3.8.3 Conditions Precedent. Before the Association shall consent to any such combination, it shall first receive and give its Approval of:

3.8.3.1 Architectural plans;

3.8.3.2 A certificate of an appropriately licensed engineer or architect licensed in the State of California and approved by the Association stating that those portions of the Common Area affected by the proposed combination are not required for structural support;

3.8.3.3 A bid by a contractor licensed in the State of California and approved by the Association setting forth the cost to make the proposed combination and the time within which the combination could be completed;

3.8.3.4 A bond naming the Association as an obligee (or other security approved by the Board) to assure the prompt completion of the combination in a workmanlike manner free of mechanic's liens;

3.8.3.5 All building and other governmental permits required for the construction;

3.8.3.6 A certificate by electrical and plumbing contractors licensed in the State of California setting forth in detail the effect the proposed combination would have on any Common Area plumbing and wiring.

4 USE RESTRICTIONS

4.1 Alteration and Decoration of Common Area. No Owner shall, whether at his/her own expense or otherwise, do, make or suffer any alteration, addition or modification to any portion of the Common Area, nor shall he install, attach, paste, hinge, screw, nail, build or construct any lighting, decoration or other article or thing, without the Approval of the Association, provided that Approval of the Association shall not be required for the installation within a Unit of any decorative items such as fixtures, shelving and art work.

4.2 Balconies, Decks and Patios. Wherever a balcony, deck or patio is attached to a Unit, the Owner shall not have the right, without the Approval of the Association or its designee, to paint, alter, remodel or enclose, any such balcony, deck or patio, and then only in a manner which does not impair the uniform appearance of such balcony, deck or patio in comparison with other balconies, decks and patios within the Project. Each Owner of a Unit which has a balcony, deck or patio attached to it shall have the right to furnish such balcony, deck or patio with outdoor furniture in keeping with the architecture of the Project and reasonable family use, and shall keep such balcony, deck or patio in clean and sanitary condition. In no event shall unsightly objects or things be placed or stored on a balcony, deck or patio where they may be seen by Owners using the Common Areas or by the public in general.

4.3 Commercial Operations. Except for the management, operation and maintenance of the Project and the sale or leasing of Units by individual Owners, or as otherwise permitted in this Declaration, no professional commercial business of any kind whatsoever shall be established, maintained, operated, carried on, or conducted on or within the Project by an Owner or occupant without the written consent of the Association. See "Residential Use" below whereby permitted residential use shall include uses authorized under, and in compliance with, a valid City of Santa Monica Home Occupation Permit.

4.4 Common Area Obstructions. The Common Area shall be used only for the purposes intended and no bicycles, scooters, baby carriages or similar vehicles, toys or other articles belonging to any Owner, any member of his/her family, tenants, guests, agents, invitees, or employees will be kept or hung unless specifically designated by the Association.

4.5 Compliance with Laws. Each Owner shall promptly and fully comply with any and all applicable laws, rules, ordinances, statutes, regulations and requirements of any governmental agency or authority with respect to the occupancy and use of his/her Condominium.

4.6 Consent or Approval is Revocable. Any Consent, Approval or authorization given as permitted by this Declaration by the Association, its Board of Directors, officers, the Manager or any person duly authorized by any of them to give such Consent or Approval or authorize any one or more acts of omissions mentioned in this Declaration shall be revocable at any time.

4.7 Drilling; Mining Operations. The use of any portion of the surface of the Property for drilling operations, mining or quarrying of any kind, including, but not limited to, oil well drilling, oil development or mining operations of any kind is prohibited.

4.8 Electric Vehicles. An Owner may install and use an electric vehicle charging station, and the Association shall not effectively prohibit or unreasonably restrict the installation or use of an electric vehicle charging station, subject to the provisions of California Civil Code Section 4745.

4.9 Electrical Wiring and Equipment. No Owner shall install, attach or hang or cause to be installed, attached or hung any equipment or wiring for electrical installation, television or radio transmitting or receiving antenna, machines or air-conditioning units or other equipment or wiring in or on any portion of the Common Area or that protrudes from any balcony, deck or patio or through any Common Area wall, floor, ceiling, window or door, except as approved by the Association or as otherwise allowed by state or federal law. All radio, television, air-conditioning units, or other electrical equipment and appliances of any kind or wiring installed or used in a Unit shall fully comply with all rules, regulations and requirements of all state and local public authorities, and the Owner alone shall be liable for any damage or injury caused by any such radio, television or other electrical equipment or appliance installed or used in his/her Unit. Normal radio, stereo, high fidelity and television installations within a Unit are excepted.

4.10 Exterior Fires; Barbecues. There shall be no exterior fires within the Project whatsoever except for barbecue fires in confined receptacles located on balconies, decks or patios, which are adequately designed for such purposes and Approved by the Association.

4.11 Insurance Risks. Nothing shall be done or kept in or on any portion of any Unit or any Common Area which will increase the rate of insurance in or on any portion of any Unit or the Common Area. No Owner shall permit anything to be done or kept in his/her Unit or in any Common Area which would result in non-insurability or in the cancellation, suspension, modification or reduction of insurance in, on or covering any other Unit, Common Area or item of Personal Property within the Project. If, by reason of the occupancy or use of any Unit or any Common Area by any Owner, the rate of insurance on all or any portion of the Project shall be increased, such Owner shall become personally liable to the Association for any increase in insurance premium caused and the cost shall be assessed to such Owner and his/her Condominium as a Special Assessment in accordance with the provisions of Article Seven.

4.12 Interior of Units. Except as otherwise provided in this Declaration, each Owner shall maintain in clean and sanitary condition and in good repair the interiors of his/her Unit, and each Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise furnish and decorate the interior surfaces of walls, partitions, ceilings, floors, windows and doors within his/her Unit and the furniture and furnishings; provided, however, that in the event an Owner shall do anything with respect to his/her Unit that might have the effect of increasing the level of noise or sounds that can be heard outside of his/her Unit during normal use and occupancy of his/her Unit, including but not limited to the replacement of carpeting with tile, parquet or other hard floor covering, he shall be required to take at his/her own expense all reasonable measures to deaden, insulate and otherwise decrease the level of such noise or sounds to the minimum level reasonably possible. Each Owner shall keep clean and in good condition the interior and exterior of the windows of his/her Unit, and shall not replace the glass in such windows except with glass of a similar color and quality to that which is supplied with the Unit. Each Owner shall have the right to modify his/her unit pursuant to California Civil Code Section 4760 and pursuant to the reasonable rules of the Association regulating such modifications.

4.13 Keys and Locks, Emergency Unit Access. The Board shall have the authority to designate one or more qualified repair personnel, or other persons, to enter any individual unit, with or without the presence of the owner or occupant thereof, for the purpose of making emergency repairs therein or for necessary maintenance or repair of portions of the common area, or to abate any reasonably perceived threat to life, safety or property, or to abate any nuisance being conducted or maintained in said unit in order to protect the property rights and best interests of the other owners. To facilitate this paragraph, each owner shall provide to the Association and the Association shall retain an emergency key to each Unit and each storage facility, if any, in the Storage Areas. No Owner shall alter any lock or install a new or additional lock in any door providing access to his/her Unit or any storage, air conditioning or water-heating facility without the Consent of the Association. No such Consent shall be given until the Owner shall first provide to the Association a key to the altered, new or additional lock.

4.14 Laundry. No exterior clothesline shall be erected or maintained in, on or connected to any Common Area, balcony, deck, patio, storage area or Parking Area within the Project except with the written Approval by the Association.

4.15 Leasing of Units.

4.15.1 Term of Lease. No Owner shall lease his/her Unit for an initial rental term of less than one (1) year. This restriction shall not apply to any Unit owned by the Association or a commercial lender following acquisition of title through foreclosure or deed in lieu of foreclosure. Notwithstanding the foregoing, upon application by an Owner, the Board may grant a variance from the required minimum lease term if, in the reasonable discretion of the Board, application of such provision would cause an undue hardship or burden to the affected Owner.

4.15.2 Lease Addendum. All Unit leases must be in writing and contain an addendum to the lease (the "Lease Addendum") provided by the Association which shall be signed by the lessee and returned to the Association prior to the move-in by the lessee. The Association may prevent any tenant from entering the Building until he signs and returns the Lease Addendum. The Lease Addendum shall contain, at a minimum, the following terms: (i) the lessee acknowledges he has received a copy of this Declaration and the Association's Rules (if any) and agrees to comply with all provisions in this Declaration and the Association's Rules to the same extent that all Owners are bound, and any failure to do so constitutes a default under the lease and may subject the tenant to any disciplinary action which is available against an Owner under the provisions of this Declaration; (ii) there shall be no right of assignment or sublease; (iii) lessee shall carry "renters insurance," and (iv) lessee's acknowledgment of the Association's right to initiate an unlawful detainer action against the lessee in the event the lessee fails to abide by the Association's Governing Documents. Lessees who are currently renting Units at the date this Declaration is recorded are not required to sign the Lease Addendum although they are still bound by the provisions of this Declaration. Upon any extension of any lease of any current lessee, the lessee shall sign the Lease Addendum.

4.15.3 Indemnity. Each Owner who leases his/her Unit agrees to indemnify, defend, and hold harmless the Association, its officers, directors, employees, invitees and other Members from any liability arising from the acts and omissions of his/her lessee. Every Owner who chooses to lease his/her Unit agrees that the leasing Owner shall be held liable for all acts, whether negligent or non-negligent, of his/her lessee.

4.15.4 Common Area. Upon the leasing of his/her Unit, each Owner automatically assigns to the lessee the Owner's right to use the Common Areas and community facilities. The Owner may not exercise those rights until he re-takes possession of the Unit.

4.15.5 Rights of Association. Failure by an Owner to take legal action, including the institution of proceedings in unlawful detainer against the Owner's tenant who is in violation of the Association's Governing Documents, within ten (10) days after receipt of written demand to do so from the Association, shall entitle the Association to pursue any and all remedies against the tenant that it may take against a defaulting Owner. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be paid by the Owner.

4.16 Nuisance, including Noise. No noxious, offensive or illegal activity shall be carried on, nor shall anything be done or placed in or on any Unit or in or on any portion of the Common Area which is or may become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other Owners in the use and enjoyment of their Units or of the Common Area or in the use and enjoyment of their property. Without limiting the foregoing, no horns, whistles, bells or other sound devices, except security devices approved for use by the Association which are used exclusively to protect persons or property located in or on the Project, shall be placed in or used in or upon any portion of the Project. This Section shall not preclude the use and operation of sound producing items including but not limited to stereos, radios, televisions, or musical instruments where the volume is maintained at a reasonable level. The Association shall have the right to establish reasonable regulations concerning the use or operation of noise or vibration creating items or equipment.

4.17 Owner Liability. Each Owner shall be liable to the Association for any damage to the Common Area or to any improvements, landscaping or equipment which may be sustained by the negligence or willful misconduct of the Owner or members of his/her family, or his/her tenants, social guests, employees, servants, agents, or invitees, and shall be assessed by the Board for the repair or replacement, together with any costs and attorneys' fees as a Special Assessment in accordance with the provisions of Article Seven.

4.18 Parking. Each Owner shall have an exclusive easement to and the exclusive right to use, without limitation as to time, at least one parking space as shown on the Parking Plan. The parking easements so conveyed in relation to the Units are as follows:

<u>Condominium Plan Unit/ (Common Unit No.)</u>	<u>Parking Space(s) Easement No.</u>
1 (101)	7 and 14
2 (102)	3
3 (103)	11
4 (104)	8 and 15
5 (201)	6 and 13
6 (202)	1
7 (203)	4
8 (204)	10 and 17
9 (301)	5 and 12
10 (303)	2
11 (304)	9 and 16

4.19 Pets and Animal Regulation.

4.19.1 A maximum of two (2) domesticated cats or one (1) domesticated cat and one (1) dog up to 30 pounds in weight may be kept in a Unit, unless a greater number is authorized by the Board and provided they are not kept, bred or raised for commercial purposes and they are kept under reasonable control at all times. Upon due consideration, the Board may grant an exception to these standards for a specific animal, such as in the case of a service dog.

4.19.2 In addition, small domesticated animals (e.g., birds, hamsters, fish, turtles) may be kept in a contained environment (cage or aquarium), provided they are not kept, bred or raised for commercial purposes, and subject to the following provisions of this section.

4.19.3 Animals that bother or annoy other Owners or residents (e.g., excessively barking dogs, chirping birds, or noisy aquarium filters) may not be kept on the Property or in a Unit.

4.19.4 Animals that are dangerous or represent a potential threat to other Owners or residents (including but not limited to poisonous snakes and dogs bred or known to be aggressive) may not be kept on the Property or in a Unit.

4.19.5 An animal may only enter the Common Area while contained or while on a leash which is held by a person capable of controlling the animal.

4.19.6 Owners must prevent their animals from soiling the Common Area, and are solely responsible for any required clean-up.

4.19.7 The Board shall determine whether specific animals are a nuisance and should be removed from any Unit.

4.19.8 Each Owner shall defend, indemnify and hold harmless all other Owners, the management company, if any, the Association and the Board of Directors from any and all losses, costs, and liability arising from having any animal on the Property.

4.19.9 Notwithstanding these restrictions, any occupant in any Unit may continue to keep any pet or pets which do not conform to these restrictions, provided that the occupant kept such pet or pets in the Unit with the consent of the Association as of the date this Declaration was recorded.

4.20 Power Tools. No power tools, welding equipment, or carpentry shops shall be maintained or used within the Project without the Consent of the Association.

4.21 Remedies for Owner Noncompliance. The failure of any Owner to comply with any provision of this Declaration, the Articles, Bylaws, or the Association Rules, shall give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both and to any other remedies set forth in Article 19 of this Declaration.

4.22 Residential Use. No Owner shall occupy or use his/her Unit, or permit the same or any portion to be occupied or used for any purpose other than a private single-family residence for such Owner and his/her family, or his/her tenants, social guests, agents, servants, employees and invitees. The use and occupancy of a Unit shall be no more persons than can be reasonably and comfortably accommodated. Permitted residential use shall include uses authorized under, and in compliance with, a valid City of Santa Monica Home Occupation Permit.

4.23 Restricted Common Area. Owners, the members of their families and their tenants, social guests, employees, servants, agents and invitees shall not at any time or for any reason whatsoever enter or attempt to enter any area designated as Restricted Common Area on the Condominium Plan without the prior written Approval of the Association.

4.24 Roof. Owners, the members of their families and their tenants, social guests, employees, servants, agents and invitees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of any Building, except for any roof area designated as a balcony, patio or deck on the Condominium Plan, without the prior written Approval of the Association.

4.25 Rules and Regulations. Each Owner of a Condominium, the members of his/her family and his/her tenants, social guests, employees, agents, servants, and invitees shall abide by the uniform rules and regulations pertaining to the Project and the use of the Common Area adopted by the Association, as the same may from time to time be amended.

4.26 Signs. Except as otherwise provided in this Declaration, no sign, notice, nameplate, card or advertisement of any kind shall be displayed to the public view on or from any Unit or in or on any Common Area, without the Approval of the Association, provided that a sign of customary and reasonable dimensions advertising the sale or lease of a Condominium, which sign is of a professional type and dignified appearance, may be placed in such location in the Common Area as designated by the Association, and open to public view.

4.27 Structural. Nothing shall be done in, on or to any Unit or any Common Area which will impair the structural integrity of any portion of the Project.

4.28 Taxes and Utilities. Each Owner of a Condominium shall pay any real and personal property taxes or charges assessed against his/her Condominium, and the utility charges which are separately metered for the Condominium.

4.29 Trash; Refuse. Without the written Approval of the Association, no unconcealed trash, rubbish or recycling containers or similar items visible from public or private streets, other Units, balconies, decks or patios, or recreational areas shall be kept or maintained within the Project. In addition, no trash or refuse cans, ice, milk bottles or other articles shall be placed in the Common Area halls, lobbies or staircases, nor shall any cloth, curtains, rugs or mops, dust, dirt or other articles or substances be hung, shaken, swept or thrown from, on or into any Common Area hallway, staircase, door, window, or balcony, deck or patio. However, nothing contained in this section shall prohibit the placing of normal deliveries of articles such as packages, newspaper and dairy products in the Common Area halls in front of a Unit's door; provided, however, that an Owner shall not permit such items to accumulate in the Common Area halls in unreasonable numbers or for an unreasonable time.

4.30 Use by Association. The Association, its Board, officers, Manager, if any, and his/her staff, shall have the right to make permanent use of all areas and space, including Parking Areas, Storage Areas and office areas and space reasonably necessary for use in connection with the operation and maintenance of the Project as well as other portions of the Common Area and any Personal Property of the Association.

4.31 Vehicles, Guest Parking. No automobile, truck, trailer, camper, boat, aircraft or any other similar vehicle shall be permitted to be stored or remain on any portion of the Common Area other than completely within an Owner's assigned parking space, except that, guest parking limited to automobiles may be permitted to exist in those areas, if any, designated as "guest parking" by the Association, for a period of time not in excess of twenty-four (24) hours. No Owner, nor any member of his/her family, nor his/her tenants, guests, invitees, agents, servants or employees shall park or cause to be parked any vehicle in such a manner as to impede or prevent ready access to any entrance or exit of a Building, or any of the Parking Areas by another vehicle. No Owner shall permit any member of his/her family, or his/her guests, tenants, agents, servants or employees to use any of the Parking Areas, the use of which has been assigned to another Owner without said other Owner's consent. No Owner shall construct, repair, service or maintain any motor vehicle within any portion of the Project, except for emergency repairs to the extent necessary for the movement to a proper repair facility.

4.32 Window Coverings. No newspapers, sheets, foil, or other non-drapery or non-blinds may be used as window coverings at any time.

4.33 Restriction of Use of Noise Producing Equipment. No audio speakers which are installed in or mounted on walls, ceilings or floors (including those which are part of a media installation) or other noise producing equipment including, but not limited to, washing machines, dryers, exercise machines, or hot tubs or spas, may be installed or used unless, either a) the Association has approved the installation and use according to the criteria set forth in this paragraph; or b) the noise producing equipment was previously installed in a Unit before the close of the first sale of that Unit or previously installed in accordance with the provisions of the Previous Declaration. The Association may approve the installation of such noise producing equipment only if the Owner has taken all reasonable measures at his/her own expense to deaden, insulate and otherwise decrease the level of such noise or sounds audible outside the boundaries of that Unit to the minimum level reasonably possible. Such measures shall be set forth in a noise reduction plan which must be approved by the Association before the installation. The Association shall have the right to make reasonable regulations concerning the hours at which such equipment may be used.

5 ASSOCIATION

5.1 Election of Board of Directors. The Members regularly shall elect, in accordance with the Bylaws, a Board of Directors of the Association.

5.2 Existence. The project's Declarant caused to be formed the Association which, acting alone or through its Board, officers, Managers, or any duly authorized agent or representative, constitutes the "management body" within the meaning of Sections 4800 and 4900 of the California Civil Code.

5.3 Joint Owner Disputes. The vote for each such Condominium may be cast only as a unit, and fractional votes shall not be allowed. In the event that more than one Person owns a Condominium and they are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Condominium, it will thereafter be conclusively presumed for all purposes that he was acting with the authority and consent of all other Owners of the same Condominium. In the event more than one vote is cast for a particular Condominium, none of the votes shall be counted and all of the votes from that Condominium shall be deemed void.

5.4 Meetings. The Association shall conduct meetings of the Board and of the Members as follows:

5.4.1 Place of Meetings. Meetings of the Association shall be held at a suitable location on the Property, or such other suitable place convenient to the Members, as may be designated by the Board of Directors; provided, however, that all meetings shall be held in the City of Santa Monica, County of Los Angeles, State of California.

5.4.2 Time of Meetings. The first annual meeting of the Association shall be held within forty-five (45) days following the close of escrow for the sale of more than one-half of the condominiums to purchasers, however, in no event shall the meeting be held later than six (6) months following the first escrow to close for the sale of a Condominium. Thereafter, the Association shall hold annual and special meetings at such times as shall be designated by the Bylaws, and shall conduct at such meetings such business as shall be provided for in the Bylaws.

5.4.3 Notice of Meetings. Annual and special meetings of the Association shall be called, noticed and held as provided in the Bylaws.

5.4.4 Special Meetings. Special meetings of the Members may be called by a majority of a quorum of the Board or by the President of the Association. In addition, special meetings of the Members must be called by the Board upon receipt of written requests by five percent (5%) or more of the Members.

5.5 Membership. Each person (including Declarant as to any unsold or retained Condominium) upon becoming an Owner of a Condominium shall automatically become a Member of the Association and shall remain a Member until he shall cease to be an Owner. The foregoing is not intended to include persons or entities who hold such an interest in a Condominium merely as security for the performance of an obligation. Each Member shall be entitled to one vote for his/her subdivision interest regardless of unequal Assessment Percentage Interests.

5.6 Membership Appurtenant to Unit. The membership of each Owner in the Association is for the benefit of, and appurtenant to, the Condominium to which it relates, and consequently, membership may not be separated from the ownership of such Condominium.

5.7 Transfer. An Owner shall not transfer pledge or alienate in any other person his/her membership in the Association, except upon the sale of the Condominium to which it is appurtenant, and then only to the purchaser of such Condominium. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event an Owner should fail or refuse to transfer the membership registered in his/her name to the purchaser of the Condominium to which it is appurtenant, the Association shall have the right to record the transfer upon the books of the Association and shall issue a new certificate to the purchaser, and thereupon the old certificate outstanding in the name of the seller shall be null and void as though the same had been surrendered.

5.8 Vesting of Voting Rights. Voting rights in the Association shall not vest until assessments have been levied against the voting subdivision interest.

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

5.9.1 Class A. Class A Members shall be all Members with the exception of Declarant, and shall be entitled to one (1) vote for each membership.

5.9.2 Class B. Declarant shall be the only Class B Member and shall be entitled to three (3) votes for each Condominium owned, provided, however, that the Class B Member shall be entitled to one (1) vote for each Condominium owned upon the happening of the first of either of the following:

5.9.2.1 Class A Equals Class B. When the total votes outstanding in Class A Members equals the total votes outstanding in the Class B Member, or

5.9.2.2 Second Anniversary. A prescribed date which is not later than the second anniversary of the first conveyance of a subdivision interest in the development.

5.9.3 Both Class A and B Required. As long as two classes of voting memberships exist, any action by the Association that requires approval by the Owners, shall require the approval by the designated percentage of voting power in each class.

5.10 No Cumulative Voting. The Association shall not use the cumulative voting of Member votes.

6 MANAGEMENT: DUTIES AND POWERS OF ASSOCIATION

6.1 Management of the Project. The management and control of the Project shall be the responsibility of the Association, acting alone or through the Board of Directors, its officers or other duly authorized representatives or agents, in accordance with the provisions of the Declaration, the Articles of Incorporation, the Bylaws and such rules and regulations as may be adopted by the Board, and amendments, changes, modifications as may come into effect from time to time.

6.2 Powers and Duties Generally. In addition to the powers of assessment, collection and enforcement otherwise provided in this Declaration, the Association may exercise any and all rights and powers enumerated together with any and all rights and powers which are necessary or proper to maintain and keep the Project in first-class condition and in a good state of repair, to enforce any of the provisions of the Declaration, the Bylaws or the rules and regulations duly adopted by the Board of Directors of the Association, or to carry out and perform its powers and responsibilities. Except as otherwise noted in this Declaration, the governing body of the Association shall be prohibited from 1) entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the owners' Association for a term longer than one year or 2) entering into a contract for a term not to exceed three years that is terminable by the Association after no longer than one year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party, except with the assent, by a vote at a meeting of the Association or by written ballot without a meeting pursuant to Corporations Code Section 7513, of a simple majority of the members, other than the subdivider, constituting a quorum consisting of more than 50 percent of the voting power of the Association residing in members other than the subdivider.

6.3 Powers and Duties. The Association shall provide, perform, cause to be performed, maintain, acquire, contract and/or pay for out of Common Funds all of the following:

6.3.1 Utilities. Water, sewer, electrical and gas for the Common Area and other necessary utility services for the Project if and only if not separately metered or charged to individual Owners, provided that the term of any contract for such services may not exceed one (1) year without the Approval of All Classes, if the rates for such services are regulated by the Public Utilities Commission and the term does not exceed the shortest term for which the supplier will contract at the regulated rate.

6.3.2 Insurance. Such policies of casualty, liability and other insurance covering such persons, property and risks as are more particularly set forth in this Declaration.

6.3.3 Management Services. The services of a Manager, if any, together with the services of such other Persons as the Board shall from time to time determine to be necessary or proper to the daily management, operation and maintenance of the Project; provided that all contracts for such services shall provide for the right of the Association to Terminate the contract for cause on thirty (30) days written notice, or without cause or payment of a termination fee on ninety (90) days written notice. Ninety (90) days after the sale or transfer of title of fifty-one percent (51%) of the units, the Voting Rights of Approval or Termination for such services shall reside solely with Class A Members.

6.3.4 Materials. All supplies and materials necessary or proper to the daily management, operation and maintenance of the Project; provided, however, that no contract for such supplies and materials shall be made and entered into which binds the Association for a period in excess of one (1) year, except with the assent, by a vote at a meeting of the Association or by written ballot without a meeting pursuant to Corporations Code Section 7513, of a simple majority of the members, other than the subdivider, constituting a quorum consisting of more than 50 percent of the voting power of the Association residing in members other than the subdivider. All such contracts shall provide for the right of the Association to terminate the contract at the first annual meeting of the Members of the Association, and to terminate for cause on thirty (30) days written notice, or without cause on payment of a termination fee on ninety (90) days written notice.

6.3.5 Office Space. Those portions, if any, of the Common Area used exclusively by the Manager, if any, and/or such additional Persons as are employed by the Association to provide for the daily operation and maintenance of the Project.

6.3.6 Annual Inspections. Arrangements for the annual inspection by a licensed/certified building inspector of common areas, including infrastructure systems, building exterior, decks, doors, windows, and roofs, to insure that all are in good, first class order and repair and for the purpose of identifying and reporting to the Association any needed maintenance and recommended steps to minimize future deferred maintenance. With particular concern for water intrusion, the inspection shall include the roof and exterior surfaces of the building and interior surfaces of common areas including common areas at the garage level, drainage systems, plumbing systems, sewage systems, irrigation systems, and sprinklers.

6.3.7 Repairs; Maintenance; Reconstruction. Subject to the other provisions of this Declaration, arrangements for cleaning, painting, maintenance, repairs, reconstruction and replacement of and to all or any portion of the Project or the Personal Property which is required to be cleaned, painted, maintained, repaired, reconstructed or replaced by the Association. The Association shall be responsible for the maintenance, repair and replacement of those items for which the maintenance, repair and replacement are not allocated to the Owners.

6.3.8 Gardening and Landscaping. The services of a gardener to maintain, renew, and replace all or any portion of the landscaping, gardens and green areas within the Common Area, together with all tools, supplies, plants and equipment reasonably necessary for such purpose.

6.3.9 Television Services and Equipment. Agreements for cable television services and equipment or satellite television services and equipment for a period not to exceed five years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

6.3.10 Burglar and Fire Alarms. Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five years duration provided that the supplier or suppliers are not entities in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

6.3.11 Trash; Rubbish Collection. The services of a trash, rubbish and garbage collection company or agency, whether public or private, for the purpose of promptly, regularly and efficiently collecting from designated areas within the Project and removing from the Project all trash, rubbish, garbage and refuse.

6.3.12 Miscellaneous Services. Such other services for the use, enjoyment and protection of the Project and the residents as the Association may determine from time to time are reasonable, proper or desirable, including, but not limited to, valet and/or garage parking, doormen, cleaning pick-up and delivery, and security guards and security facilities.

6.3.13 Annual Reports, Accounting and Examination of Books. The Association shall maintain budget and accounting procedures and make such periodic reports as are required by the Bylaws, including Annual Budget Reports and Annual Policy Reports pursuant to California Civil Code Sections 5300 and 5310.

6.3.14 Legal and Accounting Fees. Legal and accounting services and fees for the Association, the Board, officers, the Manager, if any, and his/her staff, provided that services and fees are incurred solely in connection with (i) the management, operation and maintenance of the Project, (ii) the performance of enforcement (including the collection of Assessments) of the provisions of this Declaration, the Articles of Incorporation, or the Bylaws, (iii) protest or litigation to contest local real estate taxes levied against a majority of the Condominiums, or (iv) litigation arising out of the condemnation of all or any portion of the Common Area.

6.3.15 Fidelity Bonds. Such fidelity bond or bonds naming the Board of Directors of the Association, as officers, Members, the Manager, his/her staff and/or such other person or persons as may be designated by the Association as principals with the Association (as trustee) as the obligee.

6.3.16 Taxes and Assessments. Taxes and/or assessments of whatever type duly assessed against all or any portion of the Project or the Personal Property of the Association whether or not a lien upon any portion of the property which taxes and/or assessments are not separately assessed to individual Owners.

6.3.17 Lease of Laundry Room Equipment. Enter into lease agreements for laundry room fixtures and equipment, if applicable, provided that no contract shall exceed a five year term and that the Lessor is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

6.3.18 Termite and Pest Control. The responsibility for control of wood destroying pests or organisms shall be as follows:

6.3.18.1 The Association shall be responsible for the maintenance and repair of the Project, including, without limitation, all Units, as required to control the presence of or damage by wood destroying pests or organisms in accordance with applicable provisions of the California Civil Code.

6.3.18.2 The Association shall have the power to temporarily remove any resident of a Unit, as needed for the prompt, effective treatment of such pests or organisms. The cost of any temporary relocation during such maintenance or repair shall be paid by the Unit Owner(s) affected. The Association shall give notice of the need to temporarily vacate a Unit to the record Owner(s) and occupants not less than fifteen (15) days nor more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment and that the occupants will be responsible for all necessary accommodations during the relocation.

6.3.18.3 Neither the Association, the Board, officers, agents or employees shall have any liability, absent willful or wonton negligence, to any Owner, family member, guest, invitee or lessee for any damage caused by the treatment.

6.3.18.4 Notwithstanding anything else herein, in the event that an Owner wishes to obtain a termite clearance certificate for any purpose, the Owner shall be solely responsible for any and all costs associated with obtaining the certificate, including, without limitation, the costs of maintenance and repair of the Unit or Common Area which may be necessary to obtain the termite clearance certificate.

6.3.18.5 Owners shall be responsible for the control of ants, cockroaches, fleas and other pests within their Units.

6.4 Additional Authority. The Association, acting through its Board, officers or other duly authorized representatives or agents shall have authority to:

6.4.1 Rules. Establish and publish uniform rules and regulations as may be deemed by them to be reasonable in connection with the use, occupancy and maintenance of the Project, and to alter, amend or modify such rules and regulations from time to time. A copy of such rules and regulations shall be posted in one or more conspicuous places in each Building located on the Project; distributed to Each Owner; and posted in a conspicuous place near the major recreational facilities on the Common Area. Such rules and regulations shall be binding upon each and every Owner and the members of his/her family and his/her tenants, social guests, employees, servants, and invitees, forty-eight (48) hours after the happening of any one of the foregoing.

6.4.2 Reasonable Fees. Charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area.

6.5 Delegation of Powers. The Association or the Board may delegate any of its duties, powers or functions to any qualified Person to act as Manager. The Manager may further be authorized to file any notice and take any legal action on behalf of the Owners which filing or taking of such action is within the authority of the Association or the Board.

6.6 Board May Cause Repairs to Units. In the event any Owner fails to maintain the interior of his/her Unit and make repairs in such a manner as deemed reasonably necessary in the judgment of a majority of the Board to preserve and protect the value of such Unit, the value and/or attractive appearance of the Project as a whole, or the safety and welfare of the other Owners, the Board shall give written notice to such Owner, stating with particularity the work, maintenance or repair which the Board finds to be required and requesting that the same be carried out within a period of twenty (20) days from the giving of such notice or such longer period as may be reasonably required for the prompt completion. In the event such Owner fails to carry out such maintenance or repair within the period specified by the notice, or within such longer period as may be reasonably required for prompt completion, the Board shall cause such work to be done in the

name of such Owner. The Board may commence legal action against the Owner for damages or injunctive relief, or both, or may assess a Special Assessment for the cost, including the cost of all the necessary building or other permits, to such Owner. Prior to the commencement of any work described above for which a building or special permit is required by governmental department or agency having jurisdiction, the Owner shall apply for and obtain such permit, or if the Owner fails to do so after reasonable notice, the Board may apply for and obtain such permit on behalf of the Owner. For the purposes only of this Section and Section 4615 of the California Civil Code, any work, maintenance or repairs the Board shall cause to be performed in accordance with this Section shall be and the same is expressly agreed and deemed to be (i) "emergency repairs" to the Unit involved and (ii) performed or furnished with the express consent of the Owner of the Unit involved. In the event that the Unit is being leased and an emergency repair is required, the Board may make the emergency repair upon notice from the tenant that either (i) the tenant has made reasonable efforts to contact the Owner but has been unable to do so or (ii) that the tenant has notified the Owner but the Owner has failed to correct the emergency.

6.7 Financial Record and Accounts; Inspection. The Secretary and Treasurer and/or such other officers of the Association, as may from time to time be designated by the Board, shall keep or cause to be kept detailed records of the actions of the Board, the officers of the Association, the Manager, if any, his/her staff, minutes of the meetings of the Board, officers and Owners and financial records and books of account of the Association, including a chronological listing of all receipts and expenditures of Common Funds, as well as a separate account for each Regular Assessment and Special Assessment levied or charged against each Condominium or the Owner, dates when so assessed and when the same is due, the amounts paid, and the balance, if any, of any Assessment remaining unpaid. The books and records may be inspected or audited by any Owner or his/her duly authorized representative at the Owner's sole expense at all reasonable times.

6.8 Indemnification. The Association shall indemnify the Board of Directors (and each member), the officers of the Association (and each member of his/her staff) and each of the employees of the Association, against all expenses and liabilities, including attorneys' fees, reasonably incurred by such person or persons in connection with any proceeding to which he may be a party, by reason of his/her being or having been a Director, officer or Manager or employee of the Association, except in such cases where his/her conduct is found to constitute willful misfeasance or malfeasance in the performance of his/her duties, by a court of competent jurisdiction or in other cases prescribed by the Corporation Law of the State of California.

6.9 Limitation on Personal Liability of Individuals. No Director, Officer, committee member, employee, or other agent of the Association, including the Declarant or any agent of the Declarant when acting in such capacity, shall be liable to any Owner or any other party, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of any such person if such person has acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association.

6.10 Non-Profit Character of Association. Notwithstanding anything contained in this Declaration to the contrary, neither the Association nor its Board of Director, the Manager, if any, or his/her staff may do, conduct or engage in any activity, or cause the same to be done, which may jeopardize the non-profit character of the Association.

6.11 Personal Property of Association. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise. Upon termination of condominium ownership of the Project and dissolution of the Association the beneficial interest in any such property shall be deemed to be owned by the then Owners in accordance with their Percentage Interests.

6.12 Right of Entry. The Manager or any one or more qualified Persons designated by the Association or the Manager, shall have the right and authority to enter upon and within any Unit, in the presence of the Owner where reasonably possible, for the purpose of (i) making emergency repairs in the Unit, (ii) performing necessary maintenance or repairs to portions of the Common Area, (iii) abating any nuisance, or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in the Unit, (iv) protecting the property rights and welfare of the other Owners or (v) for any other purpose reasonably related to the performance by the Association or the Manager of their responsibilities under the terms of this Declaration as the same may from time to time be amended or modified by the Association. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of the Owner or occupant of such Unit and shall be preceded by reasonable notice to the Owner or occupant wherever the circumstances permit. Any damages to a Unit or to the furniture, furnishings, decorations or improvements resulting from the exercise of such right of entry shall be repaired.

6.13 Sale of Association Property. The Association may not sell any property of the Association during any fiscal year which has an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except with the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider.

6.14 Additional Board Authority. The Board, subject to compliance with Section 5975 of the Civil Code, may institute, defend, settle or intervene on behalf of the Association in litigation, arbitration, mediation, or administrative proceedings in matters pertaining to:

6.14.1 enforcement of the governing instruments,

6.14.2 damage to the common areas,

6.14.3 damage to the separate interests which the Association is obligated to maintain or repair, or

6.14.4 damage to the separate interests which arises out of, or is integrally related to, damage to the common areas or separate interests that the Association is obligated to maintain or repair.

7 ASSESSMENTS

7.1 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Members of the Association, their social guests, tenants, employees, servants and invitees, and in particular shall be used for the purpose of improving, protecting, operating and maintaining the Common Area and the facilities, improvements, landscaping and structures, and providing for the acquisition and maintenance of property, services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Area and the Units, and otherwise providing for the performance by the Board of each and every of the powers and duties of the Board.

7.2 Regular Assessment. The Association shall be authorized to levy Regular Assessments as follows:

7.2.1 Purpose. The Regular Assessment shall be levied by the Association for the purpose of obtaining Common Funds to pay Common Expenses.

7.2.2 Commencement. The Regular Assessment shall commence on the first day of the month following the close of escrow of the first sale of a subdivision interest in the Project.

7.2.3 Budgets. Budgets shall be prepared and distributed as set forth in the Bylaws.

7.2.4 Individual Assessment. The total estimated Common Expenses shall be divided among, assessed and charged to and against the individual Owners and their Condominiums (including Declarant with respect to any retained or unsold Condominium) in accordance with their respective Assessment Percentage Interests. If an annual Regular Assessment is not made as required for a new fiscal year, the Regular Assessment for the prior fiscal year shall apply and govern each Owner's payments until changed by a new Regular Assessment.

7.2.5 Member Approval of Regular Assessment. If Members' action is required to approve an annual increase in the regular assessment, a "Quorum" shall mean more than 50 percent of the Members, pursuant to Civil Code Section 5605(c).

7.3 Revisions to an Approved Budget. The Board may at any time during the course of any year at any regular or special meeting revise the assessment for the balance of the assessment year if it shall deem the amount of the annual assessment to be inadequate or excessive. These revisions are subject to Section 7.8 "Limitation on Assessments; Emergency Situations."

7.4 Special Assessments. Subject to the restrictions described in Article 7, Paragraph 7.8, the Association may levy a Special Assessment if the Board, in its discretion, determines that the Association's available funds are or will be inadequate to meet the estimated expenses (including the maintenance of appropriate reserves) of the Association, for a particular fiscal year, for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unanticipated repairs or replacements of capital improvements or the costs, in whole or in part, of any new construction (including the necessary fixtures and related personal property), or otherwise. The Board shall determine the amount necessary to meet the estimated expenses, and if the amount is approved by a majority vote of the Board, it shall become a Special Assessment. The Board, in its discretion, may levy the entire Special Assessment immediately, or levy it in installments over a period it considers appropriate. The Board shall send a notice of any Special Assessment to all affected Owners by first-class mail not less than thirty (30) nor more than sixty (60) days prior to the commencement date of the Special Assessment.

7.5 Unit Special Assessments. After compliance with the due process requirements in the Bylaws, the Board may impose a monetary penalty and levy a Special Assessment against a particular Unit to reimburse the Association for costs incurred in repairing damage to the Common Area or any improvements or personal property located thereon, for which the Owner was allegedly responsible, or in bringing the Owner or Owner's Unit into compliance with this Declaration or the Articles or Bylaws. Special Assessments may be levied against Owners and their respective Units in circumstances which include, but are not limited to, the following:

7.5.1 Insurance Proceeds Unavailable. In the event the proceeds of insurance obtained by the Association are paid to any Mortgagee of a Unit and by reason of such payment the insurance proceeds are not made available to the Association as trustee or otherwise to effect any repair, reconstruction or restoration of any damage and/or destruction to all or any portion of the Project as otherwise provided in this Declaration, then the amount of such proceeds not made available shall be assessed and charged solely to and against the Owner of such Unit and his/her Condominium as a Special Assessment. The Special Assessment shall be made by written notification from the Board of the Association to the Owner or Owners against whom made and shall be payable in full to the Association as trustee within sixty (60) days following such notice.

7.5.2 Owner's Failure to Maintain Unit. In the event any Owner fails to maintain the interior of his/her Unit or to make repairs, and the Board causes such maintenance and/or repair to be performed in accordance with the provisions of this Declaration, all costs and expenses incurred in connection with such work, maintenance and/or repairs shall be immediately assessed and charged solely to and against such Owner and his/her Condominium as a Special Assessment. The Special Assessment shall be made by written notification from the Board of the Association to the Owner and shall be payable in full to the Association within thirty (30) days following such notice.

7.5.3 Damage to Common Area. In the event of any damage or destruction to any portion of the Common Area caused by any grossly negligent or malicious act or omission of any Owner, any member of his/her family or his/her guests, tenants, servants, employees, agents or invitees, the Board shall immediately cause the same to be repaired or replaced, and all costs and expenses incurred (to the extent not covered or reduced by insurance proceeds paid to or received by the Association) shall be assessed and charged solely to and against the Owner and his/her Condominium as a Special Assessment. The Special Assessment shall be made by written notification from the Board of the Association to the Owner and shall be payable in full to the Association within thirty (30) days following such notice.

7.5.4 Act Increasing Insurance Premiums. In the event any act or omission of any Owner, any member of his/her family, or any of his/her guests, servants, employees, agents or invitees, shall increase the premiums for any insurance policy purchased or obtained by the Association for the benefit of the Project and the residents, the amount of the increase shall be assessed and charged solely to and against such Owner and his/her Condominium as a Special Assessment. The Special Assessment shall be made by written notification from the Board of the Association to the Owner and shall be payable in full to the Association at least ten (10) days in advance of the date or date for the payment of such increased insurance premiums, or within ten (10) days following such notice, whichever is later.

7.5.5 Other Special Assessments Authorized by this Declaration. In addition to the Special Assessments authorized by this Section, whenever in this Declaration it is provided that the Association shall have the right to assess a cost or expense against an Owner and his/her Condominium as a Special Assessment, the Special Assessment shall be made by written notification from the Board of the Association to the Owner and shall be payable in full to the Association within thirty (30) days from such notice, or within such extended period as the Association shall determine shall be applicable to any such Special Assessment.

7.6 Method for Allocating Special Assessments. Where the purpose is to raise funds for the rebuilding or major repair of the structural Common Area housing units of the Project, the Special Assessment against Owners shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of floor area of all Units to be assessed. For any other purpose, every Special Assessment shall be levied upon the same basis of that prescribed for the levying of Regular Assessments.

7.7 Liability for Assessments. The Owner of a Unit shall be personally liable for any and all Regular Assessments and Special Assessments made by the Board of Directors of the Association in accordance with this Declaration. In a voluntary conveyance of a Unit by an Owner, the grantee shall be jointly and severally liable with the

grantor for all unpaid Assessments by the Association against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee.

7.8 Limitation on Assessments; Emergency Situations. Notwithstanding more restrictive limitations which may be elsewhere in this Declaration, the Board may not impose a Regular Assessment that is more than 20 percent greater than the Regular assessment for the Association's preceding fiscal year or impose Special Assessments which in the aggregate exceed 5 percent of the budgeted gross expense of the Association for that fiscal year without the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Codes and Section 7613 of the Corporations Code. For the purposes of the section, quorum means more than 50 percent of the Owners of the Association. The provisions of California Civil Code Sections 5600 through 5625 on assessment increases and extraordinary expenses shall apply notwithstanding any provision(s) of this Declaration. This section does not limit assessment increases necessary for emergency situations, as defined in Civil Code 5610. For purposes of this Section, an emergency situation is any one of the following:

7.8.1 An extraordinary expense required by an order of a court.

7.8.2 An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.

7.8.3 An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report required under Section 5300 of the California Civil Code. However, prior to the imposition or collection of an Assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the Notice of the Assessment.

This Section does not apply to the following:

7.8.4 An assessment levied by the Association against a Member to reimburse the Association for costs incurred in bringing the Member and his/her Unit into compliance with the provisions of the Governing Documents.

7.9 Notification of Assessment Increases. The Association shall provide notice by first class mail to the owners of the separate interests of any increase in the regular or special assessments of the Association, not less than 30 nor more than 60 days prior to the increased assessment becoming due.

7.10 Assessment Roll. Each Assessment, whether Regular Assessment or Special Assessment, against an Owner and his/her Condominium shall be set forth and recorded upon an assessment roll which shall be accurately maintained and available for inspection at all reasonable times by any Owner or his/her duly authorized representative. The Assessment roll shall indicate for each Condominium, the name and address of the Owner, and amount of all Assessments paid and unpaid. A certificate executed and acknowledged by the secretary or treasurer of the Association stating all unpaid Assessments against an Owner and his/her condominium shall be conclusive upon the Association and the Owner of such Condominium as to the amount of such unpaid Assessments as of the date of such certificate, in favor of all persons who rely upon the certificate in good faith, and such a certificate shall be furnished by the Association to any Owner or to any Mortgagee under a Mortgage encumbering a Condominium upon written request at a reasonable fee payable to the Association.

7.11 Handling of Funds; Bank Accounts. Subject to the provisions of this Article 7, including provisions for Reserve and Special Assessment funds, all sums received or collected by the Association from Assessments, together with any interest charges, shall be promptly deposited in a checking or savings account in a bank or savings and loan association located within the County of Los Angeles, State of California and selected by the Board of Directors of the Association, which account shall be clearly designated "Westside Villas Condominium Association, Inc., Common Funds Account". The Board and such officers of the Association as the Board shall designate, shall have exclusive control of the account and shall be responsible to the Owners for the maintenance at all times of accurate records.

7.12 Commingling. Except as otherwise provided in this Declaration, all sums received or collected by the Association from Assessments or otherwise, together with any interest charges, may be commingled in a single fund and

without the necessity of a specific accounting for each element for which any Assessment was made. Any interest payable with respect to any funds so deposited shall be applied to reduce Common Expenses for the next fiscal year. No Owner shall have the right to receive interest on any such funds deposited.

7.13 Reserve Funds. Notwithstanding any provision in this Declaration otherwise permitting commingling, all sums assessed and collected by the Association as part of the Regular Assessments which are budgeted for reserve funding for anticipated long-term repair, restoration, replacement and maintenance of major components and capital improvements that the Association is obligated to repair, restore, replace or maintain, the cost of which would not ordinarily be incurred on an annual basis, shall be received by the Association as contributions to the Reserve Fund(s) of the Association by the Member assessed, and shall be received in trust by the Board, set aside and segregated from the other Common Funds, invested at interest in savings accounts or certificates of deposit of banks or savings and loan associations within the County of Los Angeles, State of California, or forms of indebtedness backed by the full faith and credit of the United States Federal Government.

Except for temporary transfers pursuant to Civil Code Sections 5515 and 5520, the Board shall not expend funds designated as Reserve Funds for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, restoration, replacement or maintenance of, major components that the Association is obligated to repair, restore, replace or maintain and for which the Reserve Fund was established. The signatures of at least two persons, who shall be directors, or one officer who is not a director and one who is a director, shall be required for the withdrawals of moneys from the Association's reserve account(s).

7.14 Special Assessment Funds. Notwithstanding any provision in this Declaration otherwise permitting commingling, all sums assessed and collected by the Association as a Special Assessment shall be set aside and segregated from the other Common Funds and deposited into a separate bank or savings account within the County of Los Angeles, State of California, and shall be used for the sole purpose or purposes for which it was levied, or it shall be otherwise handled and used in a manner authorized by law or regulations of the Internal Revenue Service or the California Franchise Tax Board in order to avoid, if possible, its taxation as income of the association.

8 ASSESSMENT LIENS; ENFORCEMENT

8.1 Additional Remedies. The remedies and liens provided in this Article and the enforcement procedures provided shall be in addition to and not in substitution for any other rights and remedies which the Association may have in this Declaration or by law, including and subject to the provisions of California Civil Code Sections 5650 through 5740.

8.2 Creation of Lien and Personal Obligation. Each Owner and each purchaser of any one of the Units, by acceptance of a deed, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association the Regular Assessment and any Special Assessment imposed by the Association as provided in this Declaration. A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with California Civil Code Section 5650, shall be a debt of the Owner of record at the time the assessment or other sums are levied. At least 30 days prior to recording a lien upon the separate interest of an Owner of record to collect a debt that is past due under this Article, the Association shall notify the Owner of record in writing by certified mail of the following:

8.2.1 A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the Owner has the right to inspect the Association records, pursuant to Section 8333 of the Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION".

8.2.2 An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

8.2.3 A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the Association.

8.2.4 The right to request a meeting with the Board as follows: An Owner may dispute the debt noticed pursuant to this Article by submitting to the Board a written explanation of the reasons for his or her dispute. The Board shall respond in writing to the Owner within 15 days of the date of the postmark

of the explanation, if the explanation is mailed within 15 days of the postmark of the notice. An Owner, other than an Owner of any interest that is described in Section 11003.5 of the Business and Professions Code, may submit a written request to meet with the Board to discuss a payment plan for the debt noticed. The Association shall provide the Owner the standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the Owner.

8.3 Application of Payments. Any payments made by the Owner of a separate interest toward the debt set forth, as required in this Article, shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it. The Association shall provide a mailing address for overnight payment of assessments.

8.4 Delinquent Assessments. In accordance with California Civil Code Section 5650(b), Regular and Special Assessments levied pursuant to the Governing Documents are delinquent 15 days after they become due. If an assessment is delinquent, the Association may recover all of the following:

8.4.1 Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.

8.4.2 A late charge not exceeding 10 percent of the delinquent assessment or ten dollars (\$10), whichever is greater.

8.4.3 Interest on all sums imposed in accordance with this section, including the delinquent assessments, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual percentage rate not to exceed 12 percent, commencing 30 days after the assessment becomes due.

8.5 Enforcement by Suit. The Association may cause an action at law to be commenced and maintained against an Owner personally obligated to pay Assessments for any delinquent Assessments as to which he is personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest and costs (including attorneys' fees). Any action to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien provided for in this Declaration.

8.6 Methods of Enforcing Lien. An Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of an Association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this Article, after the expiration of 30 days following the recording of a lien created pursuant to Paragraph 8.6 of this Declaration, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to California Civil Code Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

8.7 Recordation of Notice of Delinquent Assessment. The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with California Civil Code Section 5675, shall be a lien on the Owner's Unit from and after the time the Association causes to be recorded with the Los Angeles County Recorder, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 5650(b), a legal description of the Owner's interest against which the assessment and other sums are levied, and the name of the record Owner of the Owner's interest in the Project against which the lien is imposed. In order for the lien to be enforced by nonjudicial foreclosure as provided in Paragraph 8.5 of this Declaration, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the Association for that purpose, or if no one is designated, by the president of the Association, and mailed in the manner set forth in Section 2924b, to all record Owners of the Owner's interest in the common interest development no later than 10 calendar days after recordation. Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the Association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is

recorded a lien release or notice of rescission and provide the Owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied.

A monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under California Civil Code Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the Governing Documents. It is the intent of the Legislature not to contravene Section 2792.26 of Title 10 of the California Code of Regulations, as that section appeared on January 1, 1996, for Associations of subdivisions that are being sold under authority of a subdivision public report, pursuant to Part 2 (commencing with Section 11000) of Division 4 of the Business and Professions Code. Except as indicated in this paragraph, a monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be treated as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

8.8 Lien Priority. A Delinquent Assessment Lien created pursuant to this Declaration shall be prior to all other liens recorded subsequent to the Notice of Assessment, except for liens of first encumbrances provided special protection in this Declaration.

8.9 Rights of Board; Waiver by Owners. Each Owner vests in and delegates to the Board or its duly authorized representatives the right and power to bring all actions at law or lien foreclosures, whether judicially or by power of sale, or otherwise, against any Owner or Owners for the collection of delinquent Assessments as provided in this Declaration and expressly waives any objection to the enforcement in accordance with this Declaration of the obligation to pay Assessments as set forth in this Declaration.

8.10 Lien Recorded In Error. If it is determined that a lien previously recorded against a separate interest was recorded in error by the Association, the Association shall, within 21 calendar days, record or cause to be recorded in the Los Angeles County Recorder's office a lien release or notice of rescission and provide the Owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

8.11 Waiver of Homestead Exemption. Each Condominium Owner waives to the fullest extent permitted by law, with respect only to liens created pursuant to this Article, the benefit of any homestead or exemption or redemption laws of the State of California in effect at the time any payment of any Assessment becomes delinquent, and such Owner shall be deemed to be estopped to raise the homestead or other exemption or redemption in any action or proceeding to enforce or foreclose such liens.

9 PROTECTION OF MORTGAGEES

9.1 Mortgage Permitted. Any Owner may encumber the Owner's Condominium with a Mortgage.

9.2 Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to any first Mortgage that encumbers all or a portion of the Project, or any Condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates its interest, in writing, to such lien. If any Condominium is encumbered by a first Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the Mortgage. On foreclosure of the first Mortgage, the lien for assessments, or installments thereof, that has accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Condominium free of the lien for assessments, or installments thereof, that has accrued up to the time of the foreclosure sale. On taking title to the Condominium the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Condominium. The subsequently levied assessments or other charges may include previously unpaid assessments provided all Owners, including the foreclosure-purchaser, and its successors and assigns, are required to pay their proportionate share as provided in this Section.

9.3 Material Amendments and Actions Requiring Consent (Required by FNMA) In addition to the requirements of this Declaration, and unless a greater percentage is expressly required by another provision of this Declaration, the Articles, the Bylaws or by law, the affirmative vote or written consent of Owners of at least sixty-seven percent (67%) of Condominiums then subject to assessment and the prior written consent (or deemed consent as provided below in this Article) of at least fifty-one percent (51%) of Eligible Mortgage Holders shall be required to take the following actions or to add or amend

provisions of the Declaration, the Articles, the Bylaws, the Condominium Plan or the Subdivision Map, which govern the following matters:

- 9.3.1 Voting rights;
- 9.3.2 Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;
- 9.3.3 Reductions in reserves for maintenance, repair, or replacement of the Common Area improvements;
- 9.3.4 Responsibility for maintenance and repairs;
- 9.3.5 Reallocation of interests in the Common Area or rights to its use;
- 9.3.6 Redefinition of any Unit boundary;
- 9.3.7 Convertibility of Units into Common Area or Common Area into Units;
- 9.3.8 Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
- 9.3.9 Hazard or fidelity insurance requirements;
- 9.3.10 Imposition of any restrictions on the leasing of Condominiums;
- 9.3.11 Imposition of any restrictions on an Owner's right to sell or transfer his or her Condominium;
- 9.3.12 Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;
- 9.3.13 Any provisions that expressly benefit Mortgage holders, insurers, or guarantors;
- 9.3.14 Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or
- 9.3.15 A decision by the Association to establish self-management when professional management had been required previously by the governing documents or by an Eligible Mortgage Holder.
- 9.3.16 In addition, any action to terminate the legal status of the Project for reasons other than substantial destruction or condemnation of the Property shall require the prior written consent (or deemed consent as provided below in this Article) of institutional first Mortgagees of Condominiums that have at least sixty-seven percent (67%) of the votes of all Condominiums encumbered by institutional first Mortgages.
- 9.3.17 For purposes of this Article 9, an addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

9.4 Additional Restrictions on Certain Changes (Required by FHLMC). In addition to the other requirements of this Article 9, and except as provided by statute in case of condemnation or substantial loss to the Units or Common Area of the Project, unless at least sixty-seven percent (67%) of Eligible Mortgage Holders (based upon one vote for each first Mortgage owned) or the Owners (other than Declarant) of the individual Condominiums have given their prior written approval, the Association shall not:

- 9.4.1 By act or omission seek to abandon or terminate the Project;
- 9.4.2 Change the pro rata interest or obligations of any Condominium in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Condominium in the Common Area, unless the change is due to the annexation of additional phases as authorized in this Declaration;
- 9.4.3 Partition or subdivide any Unit;

9.4.4 Seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area by act or omission, unless due to the annexation of additional phases as authorized in this Declaration. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or the Owners shall not be deemed to be a transfer within the meaning of this clause;

9.4.5 Use hazard insurance proceeds for losses to Units or Common Area improvements in the Project, or to any other Association-owned real property, for other than the repair, replacement or reconstruction of such improvements or property;

9.4.6 By act or omission change, waive or abandon the provisions of this Declaration, or the enforcement thereof, pertaining to architectural design or control of the exterior appearance of structures in the Project, the maintenance of the Common Area, walks or fences and driveways, or the upkeep of lawns and plantings in the Project.

9.4.7 Fail to maintain fire and extended coverage insurance on insurable Association property, including any Association owned Common Area improvements, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

9.5 Mortgage Consent to Request. Any institutional first Mortgagee who receives a written request delivered by certified or registered mail, with a "return receipt" requested, to consent to or approve actions, additions or amendments requiring consent or approval under this Article 9 who does not submit a written negative response to the requesting party within sixty (60) days after such receipt shall be deemed to have consented to or approved such request.

9.6 Maintenance and Examination of Books and Records. The Association shall have current copies of this Declaration, the Articles, the Bylaws, the Association Rules and the books, records and financial statements of the Association or the Project available for inspection during normal business hours by Owners and by First Mortgagees. First Mortgagees can require the submission of financial data concerning the Association or the Project, including annual audit reports and operating statements as provided in this Article 9.

9.7 Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of institutional first Mortgagees of Condominiums pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Condominiums, Units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional first Mortgagees naming the Mortgagees, as their interests may appear.

9.8 Amenities. All amenities (such as parking, recreation and service areas) and Common Area shall be available for use by Owners and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities shall be owned (i) in fee by the Owners in undivided interests or (ii) by the Association free of encumbrances except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Owners or by the Association.

9.9 Notices to Mortgagees. If any Owner is in default under any provision of this Declaration or under any provision of the Bylaws or the Association Rules, which default is not cured within thirty (30) days after written notice to that Owner, the Association shall give to the Mortgagee of record of such Owner written notice of such default and of the fact that said thirty (30) day period has expired. In addition, The Association shall give to each Eligible Mortgage Holder (including a guarantor or insurer who has requested notice) timely written notice of:

9.9.1 Any condemnation or casualty loss that affects either a material portion of the Project or the Condominium securing its Mortgage.

9.9.2 Any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Condominium on which it holds the Mortgage, unless notice has previously been given in connection with a default not cured within thirty (30) days.

9.9.3 A lapse, cancellation or material modification of any insurance policy maintained by the Association.

9.9.4 Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.

9.10 Payments by Mortgagees. Mortgagees of Condominiums may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard

insurance policies, or secure new hazard insurance coverage on the lapse of a policy, covering any Common Area improvements or other insured property of the Association and, upon making any such payments, such Mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all Mortgagees and upon request of any Mortgagee the Association shall execute and deliver to such Mortgagee a separate written agreement embodying the provisions of this Article 9.

9.11 Effect of Breach. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

9.12 Non-Curable Breach. Any Mortgagee who acquires title to a Condominium by foreclosure or by deed in lieu of foreclosure or assignment-in-lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

9.13 Loan to Facilitate. Any first Mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of Mortgagees under this Declaration.

9.14 Appearance at Meetings. Because of its financial interest in the Project, any Mortgagee may appear (but cannot vote) at meetings of the Owners or members and the Board to draw attention to violations of this Declaration that have not been corrected or made the subject of remedial proceedings or assessments.

9.15 Right to Furnish Information. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

9.16 Inapplicability of Right of First Refusal to Mortgagee. Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other person, firm, or entity) shall not impair the rights of a first Mortgagee (i) to foreclose or take title to a Condominium pursuant to the remedies provided in the mortgage; or (ii) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the mortgage; or (iii) to sell or lease a Condominium acquired by the Mortgagee.

9.17 Contracts With Declarant and Managing Agents. Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services, and any agreement for professional management by a managing agent, shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days written notice and shall have a maximum contract term of one (1) year; provided that the Board can renew any such contract on a year-to-year basis. If the Project consists of fifty (50) or more Condominiums and is professionally maintained or managed, the Board shall not terminate professional management and assume self-management without compliance with this Article 9.

9.18 Control if Mortgage Protections Conflict with Other Provisions. In the event of any conflict between any of the provisions of this Article 9 and any other provisions of this declaration, the provisions of this Article 9 shall control.

9.19 Mortgage Related Definitions. "Mortgage" means a recorded mortgage or deed of trust encumbering a Condominium, which is given as security by an Owner for the payment of money. A "Mortgagee" shall mean either a mortgagee under a mortgage or the beneficiary under a deed of trust and any holder, governmental guarantor, or insurer of a Mortgage. An "institutional" Mortgagee is a Mortgagee that is a bank, savings and loan association, mortgage company, credit union, or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans, or any insurance company or pension or profit-sharing trust or any federal or state agency or instrumentality, including, without limitation, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Housing Administration (FHA) and the Veterans Administration, or any purchaser of a Mortgage originated by an institutional Mortgagee. Unless the Association is otherwise notified in writing, any third party servicer of a Mortgage having written authority to act on behalf of and to bind the Mortgagee shall be deemed to be the Mortgagee for purposes of requesting and giving required notices, consents, or approvals under this Declaration. A "first" Mortgage or "first" Mortgagee is one having priority as to all other Mortgages or holders of Mortgages encumbering the same Condominium or other portions of the Development. An "Eligible Mortgage Holder" is an institutional first Mortgagee who has submitted to the Association a written request for notice of matters to which an Eligible Mortgage Holder is entitled to receive notice under this Declaration or of any proposed action requiring the consent of a specified percentage of Eligible Mortgage Holders, including with such request the Mortgagee's name, address for notices, and the address or Unit designation of the Condominium to which its Mortgage (or guaranty or insurance) applies.

10 INSURANCE

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

10.1 Authority to Purchase & to Adjust Losses. All insurance provided for in this Article (except where otherwise specifically provided) or otherwise deemed prudent by the Association shall be purchased, obtained, carried and maintained by the Association and the premiums shall be part of the Common Expenses to be paid out of Common Funds. All insurance policies shall show the following as the named insured: "Association of the Owners of the Westside Villas Condominium Association, Inc., for the use and benefit of the individual Owners." The Association shall be deemed for the purpose of this Article to be the agent, coupled with an interest, of all the Owners. The Association is authorized to negotiate and agree on the value and extent of any loss under any policy of insurance carried by the Association. The Association is granted full right and authority to compromise and to settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer. Prepaid casualty and/or liability insurance policies shall not exceed three years duration, provided that the policy permits short rate cancellation by the insured.

10.2 Compliance with Lender Requirements. It is the express intent of this Declaration that the Association shall obtain insurance which complies with the maximum insurance requirements imposed by lenders. "Lender Requirements" means the greater of the maximum requirements as to form, content, term of policy, endorsements and issuing company which are imposed: (a) by the Federal Home Loan Mortgage Corporation, ("FHLMC" or "Freddie Mac"); (b) by the Federal National Mortgage Corporation, ("FNMA" or "Fannie Mae"); or (c) by any institutional first mortgage represented in the Project. In the event that FHLMC and/or FNMA shall cease to exist, then the requirements shall be the maximum standards of any comparable agency which sets standards for the secondary mortgage market. In the event that the Lender Requirements exceed the minimum requirements set forth in this Declaration, the Lender Requirements shall control.

10.3 Casualty, Fire & Property. The Association shall purchase, obtain, carry and maintain a master or blanket policy consistent with the Lender Requirements as set forth in this Article. Such insurance shall name as insured the Association, its Board and officers, the Manager, if any, and his/her staff, employees of the Association and all Owners and their Mortgagees, as their interests may appear. All casualty, fire and property insurance proceeds, subject to Lender Requirements, shall name as trustee, a commercial bank or other financial institution with trust powers in Los Angeles County that agrees in writing to accept such trust for all of the Owners and for their Mortgagees as their interest may appear.

10.3.1 Coverage. The insurance shall contain, to the extent available, the standard extended coverage policy with the coverage set forth in this Article. The insurance shall provide coverage for all the Common Area, all Units (excluding the personal property, furniture and furnishings), and all alterations, equipment, machinery, supplies and fixtures which serve such Common Area and Units. Notwithstanding the definition of "Common Area" used elsewhere in this Declaration, the insurance purchased by the Association shall, include as "Common Area" for purposes of insurance coverage, all improvements in all Units, whether owned by an Owner or the Association, including but not limited to, cabinets, interior walls, wall coverings, plumbing fixtures, floor coverings, heating and/or cooling equipment, built-in appliances and all fixtures. All such Common Area, including but not limited to, buildings, all improvements and all personal property of the Association located on or within the Project shall be insured for or against the following:

10.3.1.1 Loss or damage by fire or other risks covered by the standard extended coverage endorsement.

10.3.1.2 "Use and occupancy coverage" for the payment of all Assessments attributable to any damaged Condominium during any period of repair or reconstruction.

10.3.1.3 Loss or damage to or a result of theft, vandalism, malicious mischief, plate glass, boilers, pressure vessels or pressure pipes, sprinkler leakage or water damage.

10.3.1.4 Such other risks, perils or coverage the Association may determine.

10.3.2 Other Policy Provisions. The master policy and the endorsements may provide for such deductibles from any amounts otherwise payable as the Association may determine, and shall also (i) specify that portion or percentage of the proceeds payable that are attributable to each Condominium in accordance with the Percentage Interest, (ii) provide that the insurer issuing the policy agrees to abide by

the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Area, (iii) contain no "escape" or "other insurance" clause that would cause the policy to become void in whole or in part or cause any proceeds to be reduced, set off, apportioned, prorated or otherwise brought into contribution with or by reason of separate insurance obtained by or for any Owner or his/her Mortgagee, (iv) provide that only improvements made or installed with the consent of the Association shall affect the valuation of any Building or Improvement on the Property for co-insurance purposes, (v) provide for at least a biennial insurance review which shall include an appraisal of all Buildings, Improvements, Personal Property of the Association and Common Area required to be insured located on or within the Project by a representative of the insurer issuing the master policy, (vi) contain a waiver by the insurer of any and all rights of subrogation against any Owner, the Association, its Board (and each member), its officers (and each of them), the Manager, if any, and each member of his/her staff or employee of the Association, (vii) provide that the master policy cannot be canceled, invalidated, suspended, substantially modified, terminated, avoided or expire in whole or in part by reason of any act, omission or breach of any Covenant contained in this Declaration by the Association, its Board, officers, Manager, if any, his/her staff or any one or more Owners without a prior written demand that the Association cure such breach, and that in no event shall the policy be canceled, invalidated, suspended, substantially modified, terminated, avoided or expire for any reason without ten (10) days prior written notice from the insurer to the Association and to any Owner or Mortgagee who shall have filed a written request with the insurer for such notice, (viii) provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses for the Association covered by the policy, (ix) provide that the insurance obtained pursuant to this Article shall not be prejudiced by any act or neglect of any of the insured when such act or neglect is not within the knowledge and control of the insured collectively, (x) provide that the insurance obtained pursuant to this Article shall not be prejudiced by failure of the insured collectively to comply with any warranty or condition with regard to any portion of the premises over which the insured collectively have no control, (xi) provide that the insurance obtained pursuant to this Article shall not be prejudiced by reason of the vacancy or non-occupancy of any one or more Units within the Project, provided that this Declaration (as the same may be amended from time to time) is in force and the Project is operating as a Condominium Project, (xii) provide that all insurance proceeds under the master policy shall be payable to the trustee as set forth in this Article to be held and expended as provided in this Declaration for the benefit of the Owners and their respective Mortgagees as their interests may appear, (xiii) provide that any Insurance Trust Agreement will be recognized; (xiv) provide that a determinable cash adjustment clause or a similar clause is included to permit cash settlement covering full value of improvements in case of partial destruction and a decision not to rebuild, (xv) provide that replacement cost endorsements are included and such other or special endorsements as will afford protection and insure, for 100% of the current replacement cost with inflation guard endorsement, when available and construction code endorsements for Demolition Cost, Contingent Liability from Operation of Building Laws Endorsements and Increased Cost of Construction endorsements (excluding foundations and excavations but without deduction for depreciation) and, (xvi) provide that the maximum deductible may not exceed Lender Requirements.

10.4 Earthquake Insurance. The Association shall purchase and maintain earthquake insurance, to the extent such insurance is commercially and reasonably available, in an amount that is customarily carried by projects of similar size, construction and value, and which are located in the Santa Monica area.

10.5 Public Liability. The Association shall purchase, obtain, carry, and maintain one or more comprehensive public liability and property damage policies naming as insured the Association, its Board (and each member), its officers (and each of them), the Manager, if any, his/her staff, all employees of the Association, and the Owners and occupants of Condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property. The policy or the endorsements shall provide immediate protection with minimum liability limits to be carried for injury or death to one person, for injury or death to more than one person in any one accident or occurrence and for property damage at such limits which are the greater of: (a) the maximum Lender Requirements; or (b) the limits customarily carried by projects similar in construction, location and use in the Santa Monica area. The insurance shall also contain: (1) a cross-liability endorsement so as not to prejudice the rights of a named insured against another named insured, (ii) "hired automobile" coverage, "non-owned automobile" coverage, theft and collision coverage, elevator liability coverage if the Project has an elevator, "off-premises employee" coverage, (iii) water damage, (iv) and any other liability or risk customarily covered with respect to projects similar in construction, location and use, and (v) provide for the same waivers of the insurers' rights of subrogation, "other insurance" provisions, loss adjustment clause, cancellation clause, "no control" clauses and insurance proceeds payment clause as contained in this Article under the Property insurance provisions. In order to comply with the FHLMC requirements as of the date of this Declaration, the insurer's limit of

liability per occurrence for personal injury or property damage under the terms of the coverage must be at least two million dollars (\$2,000,000).

10.6 Additional Insurance and Bonds. The Association may, and if required by Lender Requirements, shall, also purchase and maintain with Common Funds such additional insurance and/or bonds as may, from time to time, be necessary or desirable, including but not limited to: (i) demolition insurance in amounts adequate to cover demolition in the event of total or partial destruction of the Project and a decision not to rebuild, (ii) a blanket policy of flood insurance, and (iii) insurance to cover unpaid or uncollected Assessments.

10.7 Choice of Contractor. With respect to any repairs for which proceeds of insurance are paid or are payable to the trustee on behalf of the Association, the Board of Directors of the Association alone, subject to any Lender Requirements, shall designate the contractor to perform the repairs, provided that nothing in this Declaration shall be construed to prohibit the individual Owners from overseeing repairs done to their respective Units.

10.8 Choice of Insurance Company. All policies of insurance obtained by the Association or its Board of Directors as provided in this Article shall be obtained from an insurance company which meet Lender Requirements. As a minimum, such companies must be qualified to do and doing business in the State of California and holding a rating of "A/V" or better in **Best's Insurance Reports** where the insurer is reinsured by a company rated "B/VI" or better. In this case, both the insurer and reinsurer must execute an Assumption of Liability Agreement or a similar endorsement providing for 100 percent reinsurance of the insurer's policy and requiring the reinsurer to give the Association and the insurer 90-day written notice before canceling or otherwise terminating the reinsurance or else the coverage is underwritten by Lloyd's of London or by a Fair Access to Insurance Requirements (FAIR) or breach and windstorm plan. Insurance may be obtained from one or more companies.

10.9 Director and Officer Liability Insurance. The Association shall purchase and maintain, to the extent insurance is available, insurance in an amount that is customarily carried by projects of similar size, construction, value and which are located in the Santa Monica area on behalf of any Director, Officer, or Member of a Committee of the Association (collectively "agents") against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, regardless of whether the Association would have the power to indemnify the agent against such liability under applicable law.

10.10 Distribution to Mortgagees. Any Mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the Mortgage of such Mortgage subject to the provisions set forth in Article 9 concerning Lender Protection.

10.11 Expense of Collecting Insurance Proceeds. All costs and expenses incurred by the Association to collect or recover the proceeds of any insurance policy purchased by the Association as provided in this Article (including but not limited to any and all fees of attorneys, appraisers and adjusters) shall be part of the Common Expenses.

10.12 Owners' Insurance. Each Owner, and not the Association, has the responsibility and obligation to separately insure such Owner's real and personal property, including, without limitation, Unit betterments and improvements, and shall obtain and maintain personal liability and property damage liability insurance for the Owner's Unit or otherwise protecting his/her Condominium and his/her own interests. Each Owner is responsible for integrating such Owner's personal insurance with the Association's insurance to confirm that such Owner's property will be protected in the event of a loss.

All insurance individually carried by an Owner must contain a waiver of subrogation rights by the insurer and "other insurance" provisions required for the Association insurance as to other Owners, the Association, and institutional first Mortgagees of such condominium. Any diminution in insurance proceeds otherwise payable under policies described in this Article caused by the existence of the Owner's insurance will be chargeable to the Owner who acquired other insurance, and such Owner will be liable to the Association to the extent of any such diminution.

Notwithstanding anything to the contrary in this Declaration, although the Owner is obligated to purchase insurance as required herein, the Association shall not have the obligation to confirm that the Owners purchase the required insurance and/or to confirm the terms of any insurance purchased. The Association shall not be responsible to an Owner if the owner sustains damage to the Owner's Unit and/or collateral damage to other Units and/or the Common Area for which the Owner could be responsible for the cost to remediate or repair same and the Owner does not have or does not maintain the insurances required herein.

Owners are not required under this Declaration to maintain earthquake insurance policies providing coverage to their Units, but Owners are encouraged to do so, to the extent such coverage is commercially and reasonably available.

10.13 Worker's Compensation. The Association shall purchase, obtain, carry and maintain worker's compensation and employer's liability insurance to the extent necessary to comply with applicable laws.

11 DAMAGE OR DESTRUCTION; REBUILDING

11.1 Bids and Determination of Available Insurance Proceeds. As soon as practicable after damage or destruction of all or any portion of the insurable Common Areas, the Board of Directors of the Association shall (i) obtain bids from at least two (2) reputable contractors, licensed in California, which bids shall set forth in detail the work required to repair, reconstruct and restore the damaged or destroyed portions of the Common Area to substantially the same condition as they existed prior to such damage and the itemized cost of such work, and (ii) determine the amount of all insurance proceeds available to the Association, for the purpose of effecting such repair, reconstruction and restoration.

11.2 Sufficient Insurance Proceeds. In the event of damage or destruction to all or a portion of the Common Area and the insurance proceeds available to the Association, as trustee or otherwise, are sufficient (when added to any sums actually received by the Association as the result of any Special Assessments made in accordance with this Declaration) to effect the total repair, reconstruction and restoration of the damaged or destroyed Common Area, then the Association in accordance with the provisions of this Article and to the extent allowed by government zoning and building regulations, shall cause such Common Area to be repaired, reconstructed and restored to substantially the same condition as the same existed prior to such damage or destruction.

11.3 Insurance Proceeds Partially Sufficient. In the event of damage or destruction to all or any portion of the Common Area and the insurance proceeds available to the Association, are sufficient (when added to any sums actually received by the Association as the result of any Special Assessment made in accordance with this Declaration) to cover at least eighty-five percent (85%) of the cost of such repair, reconstruction and restoration, the Association shall promptly cause the Common Area to be repaired, reconstructed and restored to substantially the same condition as the Common Area existed prior to such damage, and the difference between the insurance proceeds available to the Association for such purpose and the actual cost of such repair, reconstruction and restoration shall be assessed against each Owner as a Special Assessment, provided that, notwithstanding anything contained in this Declaration to the contrary, no repair, reconstruction or restoration provided for in this Section shall be conducted if, within, sixty (60) days from the date of such damage or destruction, the Owners of at least seventy-five percent (75%) of the Condominiums determine that such repair, reconstruction and/or restoration shall not take place. Any Assessment shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of floor area of all Units to be assessed.

11.4 Insurance Proceeds Less Than 85% of the Cost to Restore. If the proceeds of insurance available to the Association, as trustee or otherwise, are insufficient (when added to any sums actually received by the Association as the result of any Assessments made in accordance with this Declaration) to cover at least eighty-five (85%) of the cost of repair, reconstruction and restoration to the damaged or destroyed Common Area, then the Owners of at least seventy-five percent (75%) of the Condominiums shall determine whether (i) to repair, reconstruct and restore the damaged or destroyed Common Area and assess all Condominium Owners as a Special Assessment in accordance with Article Seven for all additional funds needed for such purpose, or (ii) not to repair, reconstruct or restore the damaged Common Area but to distribute the insurance proceeds available for such reconstruction together with any other such sums otherwise available to the Association for such purpose to the affected Owners (including Declarant with respect to any retained or unsold condominium), each in proportion to the fair market value of each Unit affected, as compared to each other Unit in the Project at the time of the damage or destruction. Such sums shall be subject to rights of Mortgagees holding Mortgages encumbering Condominiums within the Project and to all unpaid Assessments together with any interest charges.

11.5 Fair Market Value as Appraisal Standard. Wherever in this Article reference is made to a determination of the value or fair market value of one or more Condominiums, it means the relative fair market value of each such Condominium as of a date immediately prior to the damage or destruction, as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The cost of the appraisal shall be paid for by the Association.

11.6 Duties of Board During Reconstruction. If repair, reconstruction and restoration are to take place in accordance with the provisions of this Article, the Board shall (i) enter into a written contract with a contractor licensed in California and submitting the lowest reasonable bid for such repair, reconstruction and restoration, (ii) disburse insurance proceeds available for the work and funds collected by reason of Assessments authorized in appropriate progress payments and (iii) take all steps necessary to ensure the commencement and completion of such repair, reconstruction and restoration in a lawful, workmanlike manner at the earliest possible date.

11.7 Certificate of Intention. After any vote of the Owners as provided in this Article with respect to whether to repair and restore or not to repair and restore all or any portion of the Common Area, the Board shall, within thirty (30) days after such vote, cause to be executed, acknowledged and recorded in the Office of the County Recorder for the County of Los Angeles, State of California a certificate setting forth the intention to repair and restore the Common Area or not to repair and restore the Common Area. Immediately upon the recordation of such a certificate setting forth the intention of the Owners not to repair and restore the damaged portions of the Common Area, the right of partition otherwise suspended by this Declaration shall be revived.

11.8 Revision of Condominium Documents; Reorganization. In the event it is the determination and vote of the Owners, as provided in this Article not to repair, reconstruct or restore any damaged portion of the Common Area, or not to repair the same, the Board shall, as soon as practicable, cause to be prepared, filed and/or recorded any revised subdivision map, condominium plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Project, including, without limitation, the elimination of all or part of one or more of the Units as a result of such damage. In the event of the elimination of all of a Unit, the Condominium containing that Unit shall cease to be part of the Project, the Owner shall cease to be a Member of the Association, and the undivided interest in the Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective Percentage Interests in the Common Area. In the event of the elimination of a part of a Unit, the Percentage Interest in the Common Area appurtenant to that Unit shall be reduced in direct proportion to the reduction in square footage of the Unit, and the Percentage Interests of Owners in Common Areas and the Assessment obligations of all Owners shall automatically be adjusted accordingly.

11.9 Interior Damage. Restoration and repair of any damage to the personal property, furniture, furnishings and decorations contained within a Unit, or any improvements which were added by the Owner to the Unit, shall be made by and to the extent not covered by the insurance purchased by the Association, shall be at the individual expense of the Owner of the Unit and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practicable and in a lawful and workmanlike manner.

12 CONDEMNATION

12.1 Common Area Awards. In the event that an action in eminent domain is brought to condemn all or any portion of the Common Area within the Project, if the award is not apportioned among the Owners by a court of competent jurisdiction or by agreement of the condemning authority and each Owner, then the award made for such taking shall be payable as follows:

12.1.1 If the award is for the acquisition of the entire Common Area, the amount payable shall be paid to the Association, as trustee, for distribution to the Owners, each according to the relative fair market values of the respective units, subject to (i) the rights of Mortgagees holding Mortgages covering each such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges.

12.1.2 If the award is for the acquisition of only part of the Common Area and is less than one-third of the previous year's total Regular Assessments, the entire amount shall be payable to the Association, as trustee, (subject to the rights of Mortgagees holding mortgages on Condominiums within the Project) and such amount, together with any interest earned, shall be held by the Association to reduce the Common Expenses for the next succeeding fiscal year.

12.1.3 If the award is for the acquisition of only part of the Common Area and is in excess of one-third of the previous year's total Regular Assessments, it shall be distributed to the Owners, according to the relative fair market values of the respective Units, subject to (i) the rights of Mortgagees holding Mortgages covering such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges.

12.2 Unit Awards. In the event that an action in eminent domain is brought to condemn all or any portion of one or more Units within the Project, the award made for such taking shall be payable to the respective Owners of the Units so taken, subject to (i) the rights of Mortgagees holding Mortgages covering such Units and (ii) all unpaid Assessments of each Owner taken together with interest charges.

12.3 Revision of Condominium Documents; Reorganization. In the event of any condemnation of a part of the Project, the Board shall, as soon as practicable, cause to be prepared, filed and/or recorded any revised subdivision map, condominium plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of

the project, including, without limitation, the elimination of all or part of one or more of the Units as a result of such condemnation. In the event all of a Unit is taken in condemnation, the Condominium containing that Unit shall cease to be part of the project, the Owner shall cease to be a Member of the Association, and the undivided interest in Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective Percentage Interests in the Common Area. In the event part of the Unit is taken in condemnation, the Percentage Interest in the Common Area appurtenant to that Unit shall be reduced in direct proportion to the reduction in square footage of the Unit, and the Percentage Interests of Owners in Common Areas and the assessment obligations of all Owners shall automatically be adjusted accordingly.

12.4 Fair Market Value as Appraisal Standard. Wherever in this Article reference is made to a determination of the value or fair market value of one or more Condominiums, it means the relative fair market value of each such Condominium as of a date immediately prior to the announcement of condemnation, as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from or reimbursed to the Association from the sale proceeds.

13 SUSPENSION OF RIGHT OF PARTITION

In accordance with the provisions of Section 4610 of the California Civil Code, the right of partition of the Common Area is suspended and no proceeding shall be brought for the partition of the Common Area, except (i) as provided by Section 4610 of the California Civil Code as may be amended from time to time or (ii) as specifically provided in this Declaration, where a Certificate of Intent not to restore is recorded, provided that nothing contained shall prohibit the partition or division of joint or common interest of any two or more Owners in any one Condominium within the Project.

14 PROHIBITION AGAINST SEVERANCE OF COMPONENT INTERESTS IN CONDOMINIUMS

No Owner of a Condominium within the Project shall have the right, for any purpose, to sever his/her Unit in any Condominium from his/her undivided interest in the Common Area. The undivided interests in the Common Area established and the fee title to the respective Units conveyed 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.

15 OBLIGATIONS OF OWNERS

15.1 Maintenance of Units.

15.1.1 Each Owner shall maintain, service and repair all plumbing fixtures, electrical equipment, lighting fixtures, refrigerators, heating and air conditioning equipment, water heaters, dishwashers, disposals, ranges, ovens, washers and dryers, within his/her Unit and serving same, and all glass doors and windows enclosing such Unit, together with such parts and equipment as are reasonably necessary to comply with the provisions of this Section, and the cost and expense shall be that of the Owner and not part of the Common Expenses. Each Owner shall keep clean and in good condition the interior and exterior of the windows of his/her Unit, and shall not alter the design or replace the glass or other components of a window except with glass or components of a similar color, type and quality to that which is supplied with the Unit.

15.1.2 All maintenance, repairs and/or replacement of interior surfaces of walls, floors, ceilings, doors, door frames and moldings within any Unit and all painting, papering, paneling, plastering, tiling and finishing of the interior surfaces shall be at the sole cost and expense of the Owner of such Unit. The interior surfaces and floor surfaces, including the waterproofing of the floor surfaces of balconies and patios, along with any balcony or patio enclosure or other improvement installed by the Owner, if any, shall be maintained, serviced and repaired by the Owner. The exterior common area surfaces and structural common area components adjacent to a balcony or patio, including without limitation, the painting and finishing of those surfaces, shall be the responsibility of the Association.

15.1.3 Each Owner shall be responsible for the control of ants, cockroaches, fleas and other pests within his/her Unit.

15.1.4 Notwithstanding anything contained in this Section to the contrary, each Owner shall promptly, upon the completion of any repairs or improvements (unless the same was performed by the Association in accordance with the provisions of this Declaration as part of the Common Expenses), notify the Association of the nature and extent of any such repairs or improvements made or caused to be made to his/her Unit, the cost of which exceeded Two Thousand Dollars (\$2,000.00).

15.2 Water Intrusion and Other Damage

15.2.1 Owner Responsibility and Liability. Each Owner shall be responsible to maintain his/her Unit and associated exclusive use common areas free of dirt, debris and moisture that can harbor mold; clean any mildew or mold that appears with an appropriate cleaner designed to kill mold, clean and dry any visible moisture on windows, walls and other surfaces, including personal property, as quickly as possible, use reasonable care to close all windows and other exterior openings when necessary to prevent outside water from entering the Unit, use exhaust fans or open windows in bathrooms and the kitchen when needed to reduce moisture, repair or replace any inoperative exhaust fans, notify the Association immediately upon discovery of any water intrusion, including but not limited to roof or plumbing leaks or drips or overflows from bathroom, kitchen or laundry facilities, and notify the Association as soon as possible of any significant mold growth. Notwithstanding any other provision of this Declaration, each Owner shall be solely responsible for repairing or replacing, and paying for cost of, any damage caused by water intrusion, including the abatement of mold, from whatever source to any and all interior items of such Owner's unit, including, but not limited to, any personal property, decorations, interior surfaces, floor and wall coverings, appliances, fixtures or other items.

15.2.2 Association Responsibility and Liability. The Association shall regularly inspect the common areas pursuant to "Annual Inspections" within Section 6.3 of this Declaration. However, the Association shall not be liable for damage, including mold, to Units resulting from water which may leak or flow from outside of any Unit, including water from any pipes, drains, conduits, appliances or equipment located within the Common Area or other Units, or from any other place or cause, or for any damage resulting from electrical sources or from other commonly provided utilities, in excess of the amount of insurance proceeds recovered from the Association's insurance policy, if any, unless caused by the gross negligence of the Association, its Board, officers, agents or employees.

15.2.3 Owner Insurance. Each Owner shall obtain and maintain insurance, to the extent commercially and reasonably available, at such Owner's sole expense, to protect against any damage or loss of property due to water intrusion (including mold), or the cost of repair or replacement of damaged items for which such Owner is responsible.

15.2.4 Owner-to-Owner Disputes. Nothing contained in this Section shall be construed to limit an Owner's ability to recover from another Owner or Owners any and all damages resulting from water which may leak or flow from a source inside such other Owner's or Owners' Unit(s), or for which such other Owner or Owners are otherwise responsible, into the damaged Owner's Unit.

15.3 **Mechanic's Lien.** No labor performed or materials furnished for use in connection with any Unit shall create any right to file a statement of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting such labor or materials or against any interest in the Common Area except the undivided Percentage Interest appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished. Each Owner shall indemnify and hold harmless each of the other Owners from and against liability or loss arising from the claim of any lien against the Unit of the Owner, or any part, for labor performed or for materials furnished in work on such Owner's Unit.

15.4 **Liability for Damage to Common Area.** Each Owner shall be liable to the Association for any damage to the Common Area or any of the Personal Property of the Association which may result from the willful or negligent act or neglect of the Owner, any member of his/her family, tenants, social guests, servants, employees, invitees, or agents, whether minor or adults. Any cost and expense incurred in connection with the repair of such damage shall be borne solely by the responsible owner to the extent that such damage shall not be covered or reduced by insurance proceeds paid to or received by the Association. Said cost may be assessed against such Owner and his/her Condominium as a Unit Special Assessment in accordance with the provisions of this Declaration.

15.5 **Personal Injury or Property Damage Sustained within a Unit.** In the event any personal injury or property damage is sustained by any person while physically within or on a Unit or any attached balcony, deck or patio and shall result in a claim or suit against any other Owner and/or the Association, any of its officers, Directors, the Manager, if any, or his/her staff, the Owner of such Unit or balcony, deck or patio within which such injury or damage occurred (i) shall and

does agree to fully indemnify and hold harmless such other Owner and the Association, any of its officers, Directors, Manager, if any, or members of his/her staff, against whom such claim or suit is brought and (ii) does agree to defend at his/her own cost and expense, any resulting litigation in which such other Owner and/or the Association, any of its officers, Directors, the Manager, if any, or members of his/her staff have been made a party; provided that no such obligation shall exist with respect to such other Owners, the Association, or the other Person whose negligence or willful misconduct caused or contributed to the cause of any such injury or damage. In the event of joint ownership of any Condominium within the Project, the liability of such Owners shall be joint and several.

15.6 Association Not Responsible for Loss. Neither the Association nor any Directors, its officers, Manager, if any, or any member of his/her staff shall be responsible to any Owner nor to any member of his/her family, social guests, servants, employees or invitees for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or thing which may be stored by such Owner or other Person in or on any portion of the Common Area.

15.7 Notice of Danger. In the event any Owner observes any equipment, furniture, structure, vehicle, conduct or activity within any portion of the Project which the Owner deems likely to cause or to result in serious injury to the health or safety of any resident or occupant within the Project unless immediate corrective action is taken, the Owner shall immediately notify an officer of the Association or a member of the Board or the Manager, if any, and its staff, if any, so that the appropriate action can be taken.

15.8 Notification of Sale of Condominium. Concurrently with consummation of the sale of any Condominium under circumstances whereby the transferee becomes an Owner or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth (i) the name of the transferee and his/her transferor, (ii) the street, address or unit number of the Condominium purchased by the transferee, (iii) the transferee's mailing address, and (iv) the date of sale. Prior to receipt of such notification, any and all communications required or permitted to be given shall be deemed to be duly made and given to the transferee if duly and timely made and given to the transferee's transferor.

16 TAXES AND GOVERNMENTAL ASSESSMENTS

16.1 Condominium Taxes Separately Assessed. Pursuant to an agreement made in accordance with the provisions of Section 2188.3 of the California Revenue and Taxation Code, each Condominium shall be separately assessed to the Owner and the tax on each such Condominium shall constitute a lien solely on that Unit.

16.2 Non-allocated Taxes. Any non-allocated taxes or assessments levied or assessed against the Common Area, the Association or the Personal Property of the Association, which taxes or assessments are not separately assessed pursuant to Article 7, shall be deemed part of the Common Expenses and shall be assessed against each Owner as part of the Regular Assessment.

17 TERM OF DECLARATION

Subject to the other provisions of this Declaration, the Covenants contained in this Declaration shall run with and benefit the land within the Project and shall be binding upon the Owners, the Association, its Board of Directors, its officers, its Manager, if any, and his/her staff and their successors or assigns and shall continue in full force and effect for a term of fifty (50) years from the date of recordation of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial fifty (50) year term or any ten (10) year extension period, a written agreement executed and acknowledged by the Owners of at least seventy-five percent (75%) of the Condominiums in the Project shall be placed on record in the Office of the County Recorder of Los Angeles County, State of California, terminating the effectiveness of the Declaration.

18 AMENDMENTS

18.1 Amendment. Subject to other provisions of this Declaration as to Amendments, this Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than sixty-seven percent (67%) of the total voting power of all Owners.

18.2 Mortgagee and Other Consents May be Required. If the consent or approval of any mortgagee pursuant to Article 9 or this Declaration, governmental agency or other person, firm, agency or entity is required under this Declaration

with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

18.3 Provisions May Provide Higher Percentages. If any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Owners in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Owners shall be required to amend or revoke such provision.

18.4 Certified Instrument of Amendment Revocation. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the office of the Los Angeles County Recorder.

18.5 Consent of City of Santa Monica - Article 20. Any amendment to Article 20 of this Declaration entitled "Local Provisions" must be submitted to, and approved by, the City of Santa Monica.

18.6 Amendments of a Material Nature. Amendments of a material nature to this Declaration shall require the written approval of Owners as stated hereinabove as well as the approval of holders of first mortgages representing at least seventy-five percent (75%) of the Units subject to mortgages. A change of any of the following shall be considered material:

18.6.1 Voting rights;

18.6.2 Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessment liens;

18.6.3 Reductions in reserves for maintenance, repair and replacement of Common Areas;

18.6.4 Responsibility for maintenance and repairs;

18.6.5 Reallocation of interests in the general or limited Common Area, or right to their use;

18.6.6 Redefinition of any Unit boundaries;

18.6.7 Convertibility of Units into Common Areas or vice versa;

18.6.8 Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;

18.6.9 Hazard or fidelity insurance requirements;

18.6.10 Imposition of any restrictions on the leasing of Units;

18.6.11 Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;

18.6.12 A decision by the Association of a Project that consists of fifty (50) or more units to establish self management if professional management has been required previously by an eligible mortgage holder;

18.6.13 Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents;

18.6.14 Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or

18.6.15 Any provisions that expressly benefit mortgage holders, insurers or guarantors.

18.6.16 Any action to terminate the requirements for initiating a Construction Defect Claim and or to terminate the requirement for binding arbitration and or in the alternative, if binding arbitration is ordered unenforceable, judicial reference of construction defect claims.

18.7 Non-Material Changes. If an addition or amendment is not considered as a material change -- such as the correction of a technical error or the clarification of a statement -- this Declaration shall provide for implied approval to be

assumed when an eligible mortgage holder fails to submit a response to any written proposal for an amendment within thirty (30) days after the proposal is made.

18.8 Termination of Project. When Unit Owners are considering termination of the legal status of the Project for reasons other than substantial destruction or condemnation of the Project, the eligible mortgage holders representing at least seventy-five percent (75%) of the votes of the mortgaged Units must agree.

18.9 Mortgagee Consent to Request. Any institutional first Mortgagee who receives a written request delivered by certified or registered mail, with a "return receipt" requested, to consent to or approve actions, additions or amendments requiring consent or approval under this Article who does not submit a written negative response to the requesting party within sixty (60) days after such receipt shall be deemed to have consented to or approved such request.

19 BREACH BY OWNERS

19.1 Remedy at Law Inadequate. Except for the non-payment of any Assessments provided for in this Declaration, it is expressly declared, stipulated and agreed that the remedy at law to recover damages for the breach, default or violation of any of the Covenants contained in this Declaration are inadequate and the failure of any Owner, tenant, occupant or user of any Condominium or any portion of the Common Area or facilities to comply with each and all of the terms and provisions of this Declaration, the rules, regulations, decisions, resolutions and Bylaws of the Association and its Board, all as lawfully amended from time to time, may be enjoined by appropriate legal proceedings instituted by an Owner, the Association, its Board, its officers, or the Manager, if any, or their respective successors or assigns.

19.2 Costs and Attorneys' Fees. In any proceeding arising because of any alleged breach or default under this Declaration, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the court.

19.3 Cumulative Remedies. The respective rights and remedies, provided by this Declaration or by law or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times of any other such rights or remedies for the same or different defaults or breaches or for the same or different failures of the Owners or others to perform or observe any provision of this Declaration.

19.4 Failure Not a Waiver. The failure any Owner, the Board of Directors of the Association, the Association its officers, Manager, if any, or his/her staff to enforce any of the Covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same.

19.5 Suspension of Voting Rights. In the event any Owner shall fail for a period of more than thirty (30) days to pay when due any Assessment, that Owner shall not be entitled to vote upon any matter put to a vote at any annual or special meeting of the Association for the period of time that Owner shall remain in default on payment of any such Assessments. For the purposes of this Section, the Association shall, immediately upon the expiration of the thirtieth (30th) day of default in payment of any such Assessment or Assessments, notify or cause to be notified that Owner in writing of such failure and suspension and also cause a copy of the notice to be sent to the secretary of the Association.

19.6 Right to Impose Sanctions for Violations of Declaration. In addition to any other enforcement rights described in this Declaration and the Bylaws, or authorized by law and subject to any restrictions on the Association's enforcement rights, including any due process requirements, imposed by this Declaration, the Bylaws, or by law, the Association may take any of the following actions against any person or entity whose act or failure to act violates or threatens to violate any provision of this Declaration, the Bylaws, or Association Rules:

19.6.1 Impose monetary penalties, including late charges and interest, subject to Association compliance with California Civil Code Section 5850 and more fully detailed in Section 22.1 of this Declaration, which provides procedures for Association establishment of monetary penalties and the regular distribution to Members of schedules of established monetary penalties;

19.6.2 Suspend voting rights in the Association;

19.6.3 Suspend use privileges for the Common area; and

19.6.4 Commence a legal action for damages, injunction relief, or both.

The determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Association. Any legal action may be brought in the name of the Association on its own behalf and on behalf of any Owner who consents, and the prevailing party in any such action shall be entitled to recover costs and reasonable attorneys' fees. The Association may take more than one of the foregoing enforcement actions against any one violation or threatened violation, provided that a suspension of use privileges shall not exceed thirty (30) days (unless the suspension is for delinquent assessments) and a reasonable monetary penalty (excluding late charges imposed for delinquent assessments) for any one violation. The Association, in its sole discretion, may resolve or settle any dispute, including any legal action, under such terms and conditions as it considers appropriate. The Association may not cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his/her Condominium except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments duly levied by the Association. In accordance with the Real Estate Commissioner's regulation 2792.26 (c), a monetary penalty imposed by the Association as a disciplinary measure for failure of an Owner to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas and facilities for which the Owner was allegedly responsible or in bringing the Owner and his/her subdivision interest into compliance with the governing instruments may not become a lien against the Owner's subdivision interest enforceable by a sale of the interest.

20 LOCAL PROVISIONS

20.1 Non-Discrimination. No Owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his or her unit on the basis of sex, AIDS, race, color, religion, ancestry, disability, national origin, age, sexual preference, sexual orientation, pregnancy, marital status, family composition, or the potential or actual occupancy of minor children. The Association shall not discriminate on the basis of sex, AIDS, race, color, religion, ancestry, disability, national origin, age, sexual preference, sexual orientation, pregnancy, marital status, family composition, or the potential or actual occupancy of minor children.

20.2 Destruction and Abolishment of Project. In the event of destruction or abolishment of the Project, reconstruction shall be in accordance with the Codes in effect at the time of such reconstruction.

20.3 Rights of City of Santa Monica - Common Area. The City of Santa Monica, California, or any authorized agent, shall have the right of entry onto and upon the Common Area of the Project for the purpose of performing maintenance in the Common Area in the event that the Association shall default in its obligation to maintain the Common Area as provided in this Declaration; and the City of Santa Monica, California shall be reimbursed by the Association for any and all costs incurred. The provisions of this section are for the sole and express benefit of the City of Santa Monica, California and may be enforced by it in any manner provided by law. The City shall give written notice to the Association at the address set forth in this Declaration unless an emergency situation exists.

21 NOTICES

Any communication or notice of any kind permitted or required may be delivered as provided in this Declaration and shall be in writing and may be served, as an alternative to personal service, by mailing same as follows:

If to the Association:

Westside Villas Condominium Association, Inc.
834 Sixth Street
Santa Monica, California 90403

With a copy to:

Law Offices of
PAUL C. DeSANTIS
1301 Montana Avenue, Suite D
Santa Monica, California 90403

If to the Owner of a Condominium:

To street address of his/her Condominium
or at such other address as the Owner
may from time to time designate in writing
to the Association.

If to Manager, if any, the Board of Directors, any member of the Board, or any officer of the Association:

To the person by his/her name or its title at the Association address or at the office of the condominium management company, if known.

All notices or demands to be served by mail shall be mailed by registered or certified mail, with postage fully prepaid. Service shall be deemed to be complete on the actual date of delivery as shown by the addressee's registered or certified mail receipt or at the expiration of two (2) business days after such mailing, whichever first occurs.

22 DISPUTE RESOLUTION AND ENFORCEMENT

22.1 Discipline and Monetary Penalties against Members

22.1.1. Schedule of Monetary Penalties against Members

(a) If the Association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any Association Member for a violation of the Governing Documents, including any monetary penalty relating to the activities of a guest or tenant of the Member, the Board shall adopt and distribute to each Member, in the Annual Policy Statement prepared pursuant to the California Civil Code Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for Member discipline contained in the Governing Documents.

(b) Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the Members individually, pursuant to the California Civil Code Section 4040.

(c) A monetary penalty for a violation of the Governing Documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation.

(d) The Association shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any Member upon request.

22.1.2 Board Notice to Member of Meeting to Impose Discipline or Penalty

(a) When the Board is to meet to consider or impose discipline upon a Member, or to impose a monetary charge as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area and facilities caused by a Member or the Member's guest or tenant, the Board shall notify the Member in writing, by either personal delivery or individual delivery pursuant to the California Civil Code Section 4040, at least 10 days prior to the meeting.

(b) The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined or the nature of the damage to the Common Area and facilities for which a monetary charge may be imposed, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Member.

(c) If the Board imposes discipline on a Member or imposes a monetary charge on the Member for damage to the Common Area and facilities, the Board shall provide the Member a written notification of the decision, by either personal delivery or individual delivery pursuant to the California Civil Code Section 4040, within 15 days following the action.

(d) A disciplinary action or the imposition of a monetary charge for damage to the Common Area shall not be effective against a Member unless the Board fulfills the requirements of this section.

22.1.3 Board Authority to Impose Monetary Penalties. Nothing in this Section 22.1, Penalties against Members, shall be construed to create, expand, or reduce the authority of the Board to impose monetary penalties on a Member for a violation of the Governing Documents.

22.2 Internal Dispute Resolution

22.2.1 Dispute between the Association and Member

(a) This section applies to a dispute between the Association and a Member involving their rights, duties, or liabilities under the Davis Sterling Act, under the Nonprofit Mutual Benefit Corporation Law [Part 3 (commencing with section 7110) of Division 2 of Title 1 of the Corporations Code], or under the Governing Documents of the Association.

(b) This Article supplements provisions in the Governing Documents relating to alternative dispute resolution as a prerequisite to an enforcement action.

22.2.2 Fair and Reasonable Dispute Resolution

(a) The Association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this Article 22.

(b) In developing a procedure pursuant to this Article 22, the Association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

(c) If the Association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in the California Civil Code Section 5915 applies and satisfies the requirement of Article 22.2.2 (a).

22.2.3 Standards for a Fair and Reasonable Dispute Resolution. A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy all of the following requirements:

(a) The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

(b) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the Association to act on a request invoking the procedure.

(c) If the procedure is invoked by a Member, the Association shall participate in the procedure.

(d) If the procedure is invoked by the Association, the Member may elect not to participate in the procedure. If the Member participates but the dispute is resolved other than by agreement of the Member, the Member shall have a right of appeal to the Board.

(e) A resolution of a dispute pursuant to the procedure, which is not in conflict with the law or the Governing Documents, binds the Association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the Governing Documents, binds the parties, and is judicially enforceable.

(f) The procedure shall provide a means by which the Member and the Association may explain their positions.

(g) A Member of the Association shall not be charged a fee to participate in the process.

22.2.4 Standards If Association Does Not Provide for a Fair and Reasonable Dispute Resolution

(a) In compliance with the California Civil Code Section 5915, the following applies to the Association if it does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in the California Civil Code Section 5915 is fair, reasonable, and expeditious, within the meaning of this Article 22.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A Member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

(3) The Board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

(c) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the Governing Documents of the common interest development or Association.

(2) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board.

(d) A Member may not be charged a fee to participate in the process.

(e) The Annual Policy Statement prepared pursuant to the California Civil Code Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this Article 22.

22.3 Alternative Dispute Resolution Prerequisite to Civil Action

22.3.1 Definitions. Pursuant to the California Civil Code Sections 5925 through 5965, as used in this Article 22:

(a) "Alternative Dispute Resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this Article 22 may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this Article 22.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the Governing Documents.

22.3.2 Limitation on Superior Court Enforcement

(a) Pursuant to the California Civil Code Section 5930, the Association, or a Member may not file enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this Article 22.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

22.3.3 Procedure for a Party to Initiate Dispute Resolution

(a) Any party to a dispute may initiate the process required in this Article 22 by serving on all other parties to the dispute a “Request for Resolution”. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the Member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

22.3.4 Completion of Dispute Resolution within 90 Days

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

22.3.5 Tolling of Time Periods. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, pursuant to the California Civil Code Section 5945 the time limitation is tolled during the following periods:

(a) The period provided in the California Civil Code Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided in the California Civil Code Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

22.3.6 Filing of Certificate with Initial Pleading

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

- (1) Alternative dispute resolution has been completed in compliance with this article.
- (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
- (3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with the California Civil Code Section 5950 would result in substantial prejudice to one of the parties.

22.3.7 Written Stipulation for Alternative Dispute Resolution

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

22.3.8 Attorney's Fees and Costs. In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

22.3.9 Annual Summary to Members.

(a) The Association shall annually provide its Members a summary of the provisions of the California Civil Code Section 5930 that specifically references Section 5930. The summary shall include the following language:

"Failure of a Member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the Member's right to sue the Association or another Member of the Association regarding enforcement of the Governing Documents or the applicable law."

(b) The summary shall be included in the Annual Policy Statement to Members prepared pursuant to the California Civil Code Section 5310.

22.4 Civil Action

22.4.1 Enforcement

(a) The covenants and restrictions in this Declaration shall be enforceable equitable servitudes and shall inure to the benefit of and bind all Owners of separate interests in the development. These servitudes may be enforced by any Owner of a separate interest or by the Association, or by both.

(b) A governing document other than this Declaration may be enforced by the Association against an Owner of a separate interest or by an Owner of a separate interest against the Association.

(c) In an action to enforce the Governing Documents, the prevailing party shall be awarded reasonable attorney's fees and costs.

22.4.2 Standing to Institute Civil Actions. Pursuant to the California Civil Code Sections 5675-5985, the Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Members, in matters pertaining to the following:

(a) Enforcement of the Governing Documents.

(b) Damage to the Common Area.

(c) Damage to a separate interest that the Association is obligated to maintain or repair.

(d) Damage to a separate interest that arises out of, or is integrally related to, damage to the Common Area or a separate interest that the Association is obligated to maintain or repair.

22.4.3 Damages Based Upon Percentage of Fault

(a) In an action maintained by the Association pursuant to subdivision 22.4.2 (b), (c), or (d) above, the amount of damages recovered by the Association shall be reduced by the amount of damages

allocated to the Association or its managing agents in direct proportion to their percentage of fault based upon principles of comparative fault. The comparative fault of the Association or its managing agents may be raised by way of defense, but shall not be the basis for a cross-action or separate action against the Association or its managing agents for contribution or implied indemnity, where the only damage was sustained by the Association or its Members. Comparative fault must be pleaded as an affirmative defense, rather than a separate cause of action, where the only damage was sustained by the Association or its Members.

(b) In an action involving damages described in 22.4.2 (b), (c), or (d) above, the defendant or cross-defendant may allege and prove the comparative fault of the Association or its managing agents as a set off to the liability of the defendant or cross-defendant even if the Association is not a party to the litigation or is no longer a party whether by reason of settlement, dismissal, or otherwise.

23 MISCELLANEOUS

23.1 Article, Section and Paragraph Headings. The headings of the several Articles, Sections and paragraphs of this Declaration are inserted solely for the convenience of references and are not a part of and are not intended to govern, limit or aid in the construction of any term or provision of this Declaration.

23.2 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the use, operation and maintenance of the Project. In case any term, covenant, provision, phrase, Section or other element contained in this Declaration or in any other Condominium Document for any reason shall be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or non-enforceability shall not affect, alter, modify or impair in any manner whatsoever any other term, covenant, provision, phrase, Section or other element contained in this Declaration or in any other Condominium Document, the provisions of which shall be carried out as if such invalid, illegal or unenforceable provision were not part of the affected writing. Whenever the context so requires, the singular number includes the plural, the plural includes the singular, the masculine gender includes the feminine and/or neuter and the neuter gender includes the masculine and the feminine. In the case of any conflict between the Declaration and the provisions of any other Condominium Document, the Declaration shall control.

23.3 No Dedication Implied. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Project to the general public or for any public use or purposes whatsoever.

23.4 Successors and Assigns. This Declaration shall inure to the benefit of and be binding upon the successors and assigns of Declarant, and to the heirs, personal representatives, grantees, lessees, licensees, successors, agents and assigns of the Owners.

23.5 Documents on File. A true and correct copy of all Condominium Documents, as the same may from time to time be amended, shall at all times be maintained within the Project by the Association or the Manager, if any, and the same may be inspected by any Owner at all reasonable times.

IN WITNESS WHEREOF, the undersigned hereby certify that they are the President and Secretary, respectively of the Westside Villas Condominium Association, Inc., ("Association"), and are authorized by the Board of Directors to execute this Restated Declaration.

President: _____

Print Name: _____

Secretary: _____

Print Name: _____

**CERTIFICATION OF PRESIDENT AND SECRETARY
OF
WESTSIDE VILLAS CONDOMINIUM ASSOCIATION, INC.**

We, _____, President of the Westside Villas Condominium Association, Inc. (“Association”) and _____, Secretary of the Association, hereby certify that:

The terms and provisions recited in the Restated Declaration of Covenants, Conditions and Restrictions for Westside Villas Condominium Association, Inc., attached hereto, were approved by secret ballot by not less than seventy-five percent (75%) of the Members of the Association and by the written consent of not less than seventy-five percent (75%) of the holders of first trust deeds on individual condominiums.

IN WITNESS WHEREOF, we, as President and Secretary of the Association, have executed the attached Restated Declaration of Covenants, Conditions and Restrictions for Westside Villas Condominium Association, Inc., this ____ day of _____, 20____.

_____, President

Print Name: _____

_____, Secretary

Print Name: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____, a Notary Public in and

for said State, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____, before me, _____, a Notary Public in and

for said State, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary _____ (Seal)