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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

117040178

FOR
2022 HARRIMAN LANE
HOMEOWNERS ASSOCIATION
(PARCEL 1, PARCEL MAP 74885)

ARTICLE 27 OF THIS DECLARATION INCLUDES AN ALTERNATE DISPUTE
RESOLUTION PROCESS IN THE EVENT OF CERTAIN DISPUTES BETWEEN
DECLARANT AND ANY OWNER AND/OR THE ASSOCIATION. PLEASE READ THIS
ARTICLE CAREFULLY AND CONSULT LEGAL COUNSEL IF YOU HAVE QUESTIONS.

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions is made this 18th day of December, 2018, by LAV Harriman, LLC, a California Limited Liability Company (hereinafter referred to as "Declarant") with reference to the following.

W I T N E S S E T H

Declarant is the Owner of all that certain real property located at 2022 Harriman Lane, in the City of Redondo Beach, County of Los Angeles, State of California, and more particularly described as follows:

Parcel 1 of Parcel Map No. 74885, in the City of Redondo Beach, County of Los Angeles, State of California, as per map filed in Book 398, Pages 61 and 62 of Parcel Maps, in the office of the County Recorder of said County.

WHEREAS, it is the desire and intention of Declarant to sell and convey portions of said property which have been divided into condominiums pursuant to a Condominium Plan recorded or to be recorded in the office of the County Recorder of said County, and to impose upon all portions of said property mutually beneficial restrictions under the general plan of improvement made for the benefit of all portions of said property and for the benefit of all future owners of any portions of said property; and

NOW, THEREFORE, Declarant hereby declares that all of said property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, limitations, reservations, liens, and charges hereinafter set forth, all of which are declared and agreed to be in furtherance of a plan for the improvement and sale of portions of said property as condominiums, established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of said property and every portion thereof and expressly and exclusively made for the benefit and use of said property and of each and every person or entity who now owns or in the future may own any portion or portions of said property. Said covenants, conditions and restrictions are expressly intended to and shall run with the land and shall inure to the benefit of and be binding upon all parties having or acquiring any right, title, or interest in all or any portion of said property and their respective successors and assigns. This Declaration is made pursuant to Sections 4250 and 5975 of the California Civil Code.

1. DEFINITIONS

1.1 "Association" shall mean an unincorporated Association consisting of all Owners of Condominiums in the Project, and known as 2022 HARRIMAN LANE HOMEOWNERS ASSOCIATION.

1.2 "Bylaws" shall mean the Bylaws of the Association.

1.3 "Common Area" shall mean the entire Project excepting all Units therein granted or reserved.

1.4 "Condominium" shall mean a Condominium as defined in Section 4125 of the Civil Code, consisting of an individual interest in common in a portion of a parcel of real property, together with a separate interest in space called a Unit; more particularly an estate in real property, consisting of an equal undivided fractional interest in the Common Area, as set forth in the Condominium Plan recorded for the Project, together with a separate interest in a Unit as defined herein.

1.5 "Condominium Plan" shall mean a plan prepared and executed by Declarant pursuant to Section 783 and Sections 4000 through 4610, inclusive, of the California Civil Code, in respect to the project and recorded in the Office of the County Recorder of Los Angeles County.

1.6 "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions, as it may be amended, changed, or modified from time to time.

1.7 "Exclusive Use Common Area" shall mean those areas designated to be Exclusive Use Common Area on the Condominium Plan consisting of balcony, driveway and/or yard areas. Said areas are portions of the Common Area for the restricted and exclusive use of the individual Unit as shown and defined on the Condominium Plan. The maintenance of said areas shall be the responsibility of the individual Unit Owners.

Furthermore, any shutters, awnings, window boxes, doorsteps, stoops, porches, exterior doors, door frames, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, are Exclusive Use Common Areas allocated exclusively to that separate interest.

1.8 "Member" shall mean a Member of the Association.

1.9 "Mortgage" shall mean a deed of trust as well as a mortgage.

1.10 "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust as well as a mortgage.

1.11 "Owner" or "Owners" shall mean the holder of record of fee title or the buyer in a land sale contract of one or more Units, including Declarant so long as any Units remain unsold.

1.12 "Project" shall mean and include the entire parcel of said real property divided or to be divided into condominiums, including all structures thereon.

1.13 "Unit" shall mean a separate interest in space and includes that spatial element of a Condominium which is not owned in common with Owners of other Condominiums in the Project the boundaries of which are shown on the Condominium Plan.

2. OWNERSHIP AND POSSESSION BY OWNERS

2.1 Units and Common Areas. Each Owner shall be entitled to exclusive ownership and possession of his Unit. An undivided equal interest in the Common Area shall appertain to each Unit. The undivided interest of each Owner in the Common Area shall have a permanent character and shall not be altered without the consent of all Owners expressed in an amended Declaration duly recorded. The undivided interest in the Common Area and the fee titles to the respective Units conveyed therewith shall not be separated or separately conveyed, encumbered or released, and each such undivided interest shall be deemed to be conveyed, encumbered or released with its respective Unit even though the description in the instrument of conveyance, encumbrance or release may refer only to the Unit. Each Owner may use the Common Area in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other Owners, and subject to rules for such use adopted by the Association. Each Owner shall receive as an incident of conveyance of his Unit, whether or not the instrument of conveyance so states, a nonexclusive easement appurtenant to his 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 the building within which his Unit is located.

2.2 Easements. If any portion of the Common Area encroaches upon the Units, a valid easement for the encroachments and for the maintenance of same, so long as it stands, shall and does exist. In the event any building or buildings containing a Unit is partially or totally destroyed, and then rebuilt, the Owners agree that minor encroachments of parts of the Common Area due to construction shall be permitted and that valid easements for said encroachment and the maintenance thereof shall exist. The Common Area is and shall always be subject to easements for minor encroachments thereof by the Units.

2.3 Easements in Favor of Declarant. Declarant, its employees, agents, sales agents, successors and assigns shall have a right to the use of the Common Area and the facilities thereon for construction, display, exhibit and sales purposes in connection with the construction and sale of Units in the project for access, ingress, egress and for construction improvements and sale of the Units within the Project. Such use shall not unreasonably interfere with or restrict the use or enjoyment of the Common Area by other Owners.

2.4 Association Right of Entry. For the purpose of performing the maintenance of the Common Area or for any other purpose reasonably related to the performance by the Association of its responsibilities under this Declaration, the Association shall have the right to enter upon any portion of the Common Area including those areas designated as Exclusive Use Common Area. In addition, the Association shall have the right to enter any Unit or upon any portion of the Common Area to effect emergency repairs (in which case advance notice is not required) and as provided in Article 4.7 hereof. Such entry shall be made with as little inconvenience to the Owner as possible, and any damage caused thereby shall be repaired by the Association.

2.5 Utilities.

(a) Whenever sanitary sewer, water, electricity, gas, telephone lines or connections, television cable or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Project, which connections, or any portion thereof, lie in or upon Units owned by other than the Owner of a Unit served by said connections, the owners of any Unit served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the Units in or upon which said connections, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when necessary. Entry into a Unit for emergency purposes may be immediate; provided, however, such entry shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party. Entry into a Unit for other than emergency repairs shall be made only after three (3) days notice has been given to the Owner and shall be made with as little inconvenience as possible to the Owner and any damage caused thereby shall be repaired by the entering party.

(b) Whenever sanitary sewer, water, electricity, gas, or telephone lines or connections, television cable or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Project, which connections serve more than one Unit, the Owner of each Unit served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as services his Unit.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the costs thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Association who shall decide the dispute, and the decision of the Association shall be final and conclusive on the parties.

3. UNINCORPORATED HOMEOWNERS ASSOCIATION

3.1 Homeowners Association. There shall be an unincorporated Association consisting of all Owners.

3.2 Purpose. The Association shall control the use, improvement and maintenance of the Common Area, commencing upon the sale of the first Condominium in the Project, for the benefit and enjoyment of the Owners.

3.3 Membership. Each Owner of a Condominium shall be a Member of the Association. If a given Condominium is owned by more than one Owner, all such Owners shall be Members of the Association; provided, however, that for the purposes of the representation of such Condominium with regard to the affairs of the Association and as provided in Section 3.7, such Owners shall be represented by and entitled to only one (1) vote which shall be exercised and cast in accordance with the provisions of this Declaration and the Bylaws.

The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from the ownership of any Condominium which is subject to assessment by the Association. The membership held by an Owner of a Condominium shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance 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 the Owner of any Condominium should fail or refuse to transfer the membership registered in his name to the purchaser of such Condominium, the Association shall have the right to record the transfer upon the books of the Association.

3.4 Regular Meetings of the Association. The Association shall meet not less frequently than once each calendar year at the Project site, or at any other time or place as shall be designated in writing to the Owners by the Secretary of the Association; provided, however, that the regular annual meeting shall not be more than thirty (30) days before or after the date set for the meeting. The Members shall transact such business as may be brought before the meeting.

3.5 Special Meetings of the Association. A special meeting of the Association shall be promptly called by the Association upon receipt of a written request therefore signed by any Member of the Association.

3.6 Quorum. The presence of the Owners representing sixty-six and two-thirds percent (66-2/3%) of the Condominiums, whether in person or represented by proxy, shall constitute a quorum at any meeting of the Association required or permitted to be held hereby. Unless otherwise expressly provided herein, any action may be taken at any meeting of the Association upon the affirmative vote of a majority of Members voting thereat.

If a quorum shall not be present or represented at any such meeting of the Association, those present in person or by proxy shall have the power to adjourn such meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed.

If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings.

3.7 Voting Rights. Those Owners appearing of record in the Office of the Los Angeles County Recorder at 8:00 am on the date of any meeting of the Association required or permitted to be held hereby, shall be entitled to select the Member to represent them at said meeting. There shall be one vote for each Member, provided that any Member that represents more than one Condominium shall be entitled to cast one vote for each Condominium which he may represent. The Declarant shall be entitled to one vote with respect to each Condominium owned by Declarant.

3.8 Proxies. Every Member entitled to vote or to exercise consents may do so either in person, or by one or more representatives authorized by an instrument in writing, filed with the Association. Any designation of a representative to act for a Member may be revoked at any time by written notice to the Association or by attendance in person by said Member at the meeting for which said designation was given.

4. MANAGEMENT AND OPERATION

4.1 Organization of the Association. The first annual meeting of the Association shall be held no later than six (6) months after the closing of the sale of the first Unit. Thereafter, all regular and special meetings of the Association shall be held at the Project or in such other suitable place as close thereto as practicable in the County of Los Angeles to be determined by them at the organizational meeting. The Bylaws to be adopted at said meeting shall also provide for special meetings of the Association.

4.2 Officers. At the organizational meeting, the Owners shall elect the officers of the Association by secret written ballot consisting of a President, Vice President, Secretary and Treasurer whose terms shall run concurrently, all of whom shall be Owners and may include Declarant or its representative. The officers shall serve a one-year term and shall serve without compensation; provided that an officer shall be reimbursed for expenses he incurs in carrying on the business of the Association. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Association, shall see that orders and resolutions of the Association are carried out, shall sign all written instruments authorized to be executed by the Association, and shall discharge such other duties as may be required of him by the Association.

(b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Association.

(c) Secretary. The Secretary shall record the votes and keep minutes of all meetings and proceedings of the Association, shall keep, or cause to be kept, appropriate current records showing the name of all Owners and their addresses, if not at the Project, and shall perform such other duties as may be required by the Association.

(d) Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all reasonable times be open to inspection by any Owner. The Treasurer shall deposit monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Association.

He shall disburse the funds of the Association as may be ordered by the Association, shall render to the President and Owners, whenever they request it, an account of all of his transactions, as Treasurer, and of the financial condition of the Association, and shall have such other powers and duties as may be prescribed by the Association or the Bylaws.

4.3 Adopt Bylaws. The Association is hereby authorized to adopt reasonable Bylaws to govern the affairs of the Owners with respect to the Project which shall not conflict with said covenants contained herein.

4.4 Acts of the Association. The Association shall have the power to enforce said covenants contained herein and to operate the Project on behalf of and for the benefit of the Owners. The Association shall have the exclusive right to contract for all services, goods, capital improvements, repairs and insurance, payment for which is to be made from the maintenance fund.

The Association has an affirmative obligation to maintain the Common Area and any additions which may be subsequently authorized in good, sanitary and attractive condition, order and repair. Without limiting the generality of the foregoing, this obligation includes the maintenance of the surface of any paved area, sidewalks and parking areas on the Project in a level, smooth and evenly covered condition. All landscaping shall be maintained in a good, sanitary and attractive condition, healthy and without deterioration, free of weeds and without waste or debris.

4.5 General Powers and Limitations.

(a) In general, the powers and duties of the Association shall normally include, but shall not be limited to, the following:

(1) Enforcement of applicable provisions of this Declaration, the Bylaws and other instruments for the ownership, management and control of the Project;

(2) Payment of taxes and assessments which are, or could become, a lien on the Common Area or a portion thereof;

(3) Contracting for casualty, liability and other insurance on behalf of the Association;

(4) Contracting for goods and/or services for the Common Area, facilities and interests for the Association subject to the limitations set forth below;

(5) Delegation of its power to any committees, officers or employees of the Association as expressly authorized by the governing instruments;

(6) Preparation of budgets and financial statements for the Association as prescribed in the governing instruments;

(7) Formulation of rules of operation of the Common Area and facilities owned or controlled by the Association;

(8) Initiation and execution of disciplinary proceedings against Members of the Association for violations of the provisions of the governing instruments in accordance with procedures set forth therein;

(9) Upon reasonable notice, and only at reasonable times, enter upon any privately owned Unit as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area of the Owners in common; and,

(10) Election of officers of the Association.

(11) Adoption of rules in accordance with Civil Code Sections 5100 through 5135 et seq. regarding selection of the board of directors (should the Association decide to create a board to govern this Project), amendments to the governing documents, including this Declaration, and grant of Exclusive Use Common Area to any Owner to be held by secret written ballot. The Association shall comply with Civil Code Sections 5115(a), 5120(a) and (b), 5125 and 5105(b) as to voting procedures, including distribution of ballots, tabulation, reporting, recordation, custody and storage of votes.

(b) The Association shall ordinarily be prohibited from taking any of the following actions, except with vote or written assent of a majority vote of the Association residing in Members other than the Declarant, or his representatives:

(1) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions: (A) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

(B) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; and (C) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the policy permits for short-term cancellation by the insured;

(2) Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

(3) Selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year;

(4) Paying compensation to Members or officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Association may cause a Member of officer to be reimbursed for expenses incurred in carrying on the business of the Association;

(5) Filling of an officer vacancy of the Association created by the removal of an officer.

4.6 Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and distributed to each Owner regardless of the number of Owners of the amount of assets of the Association pursuant to California Civil Code as follows in part:

(a) A proforma operating statement (budget) for the immediately ensuing fiscal year consisting of at least the following information shall be distributed thirty (30) to ninety (90) days before the end of its fiscal year;

(1) Estimated revenue and expenses on an accrual basis;

(2) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to paragraph (e) below, which shall be printed in bold type and include all of the following:

(A) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component;

(B) As of the end of the fiscal year for which the study is prepared: the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain major components; and, the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components;

(C) The percentage that the current amount of accumulated cash reserves actually set aside is equal to the current estimate of the amount of cash reserves necessary as set forth in (B) above.

The summary of the Association's reserves disclosed pursuant to this section shall not be admissible in evidence to show improper financial management of an Association, provided that other relevant and competent evidence of the financial condition of the Association is not made inadmissible by this provision;

(3) A statement as to whether the Association has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore;

(4) A general statement setting forth the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components for which the Association is obligated to maintain;

(5) A statement as to whether the Association has any outstanding loans with an original term of more than one year;

(6) A summary of the Association's property, general liability, earthquake (if any), flood (if any), and fidelity insurance policies;

(b) The Association shall do the following not less frequently than quarterly:

(1) Review a current reconciliation of the Association's operating accounts;

(2) Review a current reconciliation of the Association's reserve accounts;

(3) Review the current year's actual reserve revenues and expenses compared to the current year's budget;

(4) Review the most current account statements prepared by the financial institution where the Association has its operating and reserve accounts; and,

(5) Review an income and expense statement for the Association's operating and reserve accounts;

(c) Withdrawal of funds from the Association's reserve account shall require the signatures of two (2) members of the Association;

(d) The Association 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 which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

However, the Association may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash flow requirements or other expenses, provided the Association has made a written finding explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Association may, upon making a finding supported by documentation that a delay would be in the best interests of the Project, temporarily delay the restoration. The Association shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is not subject to the limitation imposed by a special assessment required by an emergency situation as set forth hereinbelow. Notwithstanding the foregoing, the right of the Association to expend funds designated as reserve funds shall be limited to those purposes set forth in Section 5500 et seq of the Civil Code.

(e) At least once every three (3) years the Association shall cause a study of the reserve account requirements of the Project to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half (1/2) of the gross budget of the Association for any fiscal year. The Association shall review this study annually and shall consider and implement necessary adjustments to the analysis of the reserve account requirements as a result of that review. This study required by this section shall at a minimum include:

(1) Identification of the major components which the Association is obligated to repair, replace, restore, or maintain which, as of the date of this study, have a remaining useful life of less than thirty (30) years;

(2) Identification of the probable remaining useful life of the components identified in (a) above as of the date of the study;

(3) An estimate of the cost of repair, replacement, restoration, or maintenance of each major component identified in (A) above during and at the end of its useful life;

(4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the study;

(5) As used in this section, "reserve accounts" means monies that the Association has identified for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain; and "reserve account requirements" means the estimated funds which the Association has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Association is obligated to maintain.

4.7 Right of Association to Maintain and Install. In the event that an Owner fails to accomplish any maintenance or installation required by this Article, the Association or its agents may, but shall not be obligated, to cause such maintenance or installation to be accomplished as hereinafter set forth:

(a) Upon a finding by the Association of a deficiency in such maintenance or installation, the Association shall give notice of such deficiency to the Owner which shall briefly describe the deficiency to the Owner and which shall set forth a date for a hearing for each purpose. Such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said notice.

(b) Such hearing shall be conducted according to such reasonable rules and procedures as the Association shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. If the Association renders a decision against the Owner, it shall further set a date by which the deficiency is to be corrected by the Owner.

(c) If the deficiency continues to exist after the time limitation imposed by the Association, the Association may cause such maintenance or installation to be accomplished.

(d) In the event the Association elects to cause such maintenance or installation to be accomplished, the following shall apply:

(1) The Owner shall have no more than ten (10) days following the receipt of written notice of such election from the Association to select a day or days upon which such maintenance or installation work shall be accomplished;

(2) The date which said Owner selects shall be not less than fifteen (15) nor more than forty-five (45) days following the last day of said ten (10) day period; and

(3) If said Owner does not select such day or days within said ten (10) day period, the Association may select a day or days upon which such work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of said ten (10) day period.

(e) If the Association pays for all or any portion of such maintenance or installation, such amount shall be a special assessment to the affected Owner and his Condominium. Upon failure of any Owner to pay said special assessment within thirty (30) days of its due date, the Association may resort to all remedies of the Association for the collection thereof, including those set forth in Article 8 hereof. The assessment provided herein shall be a personal obligation of the Owner.

(f) Provided that the Association, its agents, servants and/or employees shall have exercised due care in the performance of said repairs and/or maintenance, they shall not be liable to the Owner in connection therewith.

4.8 Architectural and Design Control. No building, fence, wall, or other structure shall be commenced, erected, maintained or altered upon the Project, nor shall any exterior addition or alteration therein be made including the landscaping thereof without the approval of the Association being first had and obtained.

5. ASSESSMENTS AND MAINTENANCE FUND - LIEN

5.1 Assessments. Each Owner shall be obligated to pay to the Association assessments to be fixed, established and collected from time to time as hereinafter provided.

The assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and a continuing lien upon the condominium against which each such assessment is made, which lien shall be created and enforced in accordance with the provisions of this Declaration and the Bylaws of the Association. Each such assessment, together with late charges, interest, costs, penalties and reasonable attorney's fees, as provided for by this Declaration and the Bylaws of the Association, shall also be the joint and several personal obligation of each person who was an Owner of such Condominium at the time when such assessment fell due. No owner may waive or other-wise escape liability for the assessments otherwise provided for herein by non-use of the Common Area or abandonment of his Unit.

5.2 Maintenance Fund. The Association shall collect and retain a maintenance fund sufficient to meet all authorized expenditures of the Association and to provide adequate reserves for the repair and replacement of such portions of the Project as may become in need or repair and replacement.

5.3 Procedure. Not less than sixty (60) days prior to the beginning of each fiscal year, or within thirty (30) days following the organizational meeting, the Association shall prepare a budget estimating the net charge to be paid during such year, including reasonable provisions for contingencies and replacements, with adjustments made for any expected income or surplus from the prior year's fund; and a copy of the budget shall be distributed to all Owners. All assessments shall be fixed in the same proportionate share as the Owners' respective interests in the Common Area.

If the regular monthly assessment budgeted for any fiscal year exceeds by more than twenty percent (20%) the regular monthly assessment assessed during the next preceding fiscal year, the Association shall call a special meeting for the purpose of approving the budgeted regular monthly assessment, at which time said budgeted assessment must be approved by a majority of the Owners other than the Declarant. In lieu of a meeting, the budgeted assessment may be approved in writing.

The Association shall provide notice by first-class mail to all Members of any increase in the regular or special assessments of the Association, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due.

5.4 Use of Funds. All funds collected hereunder shall be expended for purposes designated herein or in the Bylaws of the Association. Assessments collected shall be properly deposited in a commercial bank account in a bank to be selected by the Association.

The Association shall have control of said account, and shall be responsible to the Owners for the maintenance of accurate records thereof at all times. No withdrawal shall be made from said account except to pay the charges and expenses for the common benefit of all Owners.

5.5 Commencement of Assessments. Assessments against all Units in the Project shall commence on the first day of the month following the closing of the first sale of a Unit. Said assessments shall be paid in equal monthly installments (or any other pay term determined by the Association), in advance, on the first day of each month. Declarant shall pay its full prorata share of assessments on all unsold Condominiums.

5.6 Special Assessments. In the event the regular monthly assessment is insufficient for any reason, the Association shall have the authority to levy a special assessment to defray the costs of any action or undertaking on behalf of the Association provided such general special assessment shall be levied upon the same basis and in the same proportion for the levying of regular assessments. Provided further, that in any fiscal year, the Association may not, without the vote or written assent of a majority of the Association residing in Members other than the Declarant, levy special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. The within limitation as to special assessments shall not apply (1) where the special assessment against a Member is a remedy utilized by the Association to reimburse the Association for costs incurred in bringing the Member and his Unit into compliance with provisions of this Declaration and the Bylaws, or (2) where the special assessment is to raise funds for the rebuilding or major repair of the structural Common Area housing Units of the Project.

5.7 Special Assessments for Emergencies. Increases in assessments are not limited in the case of emergency situations which are any of the following: (1) an extraordinary expense required by court order; (2) an extraordinary expense necessary to repair or maintain the Project, or any part of it for which the Association is responsible where a threat to safety of persons is discovered; or (3) repairs to or maintenance of the Project for which the Association is responsible that could not have been reasonably foreseen by the Association in preparing and distributing the proforma operating budget pursuant to section 4.6(a) hereinabove. However, prior to the imposition or collection of an assessment under this Article 5.7, the Association 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 resolutions shall be distributed to the Members with the notice of assessment.

5.8 Delinquencies. Any assessment which is not paid when due, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Association shall require the Owner to pay a "late charge" in a sum to be established by the Association, but not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater, or as otherwise amended by Civil Code Section 5650(b) (or its successor statute). A late charge may not be imposed more than once on any delinquent assessment, but it shall not eliminate or supersede any charges imposed on prior delinquent assessments. If any such assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate of ten percent (10%) per year, and the Association may, at its option, bring an action at law against the Owner personally obligated to pay the same, or upon compliance with the notice provisions set forth herein and after the expiration of thirty (30) days following recordation thereof, foreclose the lien (provided in Article 8 hereof) against the Condominium, and there shall be added to the amount of such assessment the late charge, the costs of filing the complaint in such action, interest, and a reasonable attorneys' fee, together with costs of action. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosures against such Owner or other Owners for the collection of such delinquent assessments.

6. SUSPENSION OF VOTING RIGHTS

The Association shall have the right to suspend the voting rights of any Member or Members of the Association for the period during which any assessment against the Condominium owned by such Member or Members and giving rise to such membership remains unpaid and delinquent. The Association shall also have the right to suspend such voting rights for a period not to exceed thirty (30) days for any breach of this Declaration, the Bylaws or of any rules and regulations of the Association, committed by any Owner of the particular Condominium as to which such rights are being suspended, or his guests, servants, family members, tenants or invitees. Any suspension of voting rights, except for a suspension due to failure to pay assessments, shall be made by the Association only after a meeting of the Association, at which a quorum is present, duly called and held for such purpose in the same manner is provided for the noticing, calling and holding of a special meeting of the Association. Written notice of such meeting, which shall state the reasons for taking suspension action and which shall set forth the provisions of this Article 6, shall be given to the Member whose voting rights are being sought to be suspended at least fifteen (15) days prior to the holding of such meeting. Said member whose voting rights are being sought to be suspended shall be entitled to appear at such meeting, personally or in writing, to present his case as to why such voting rights should not be suspended.

The decision as to whether such rights should be suspended in accordance with the provisions of this Article shall be made by a majority of the Members of the Association present at such meeting and shall be binding upon all Members of the Association. No suspension shall take effect prior to the sixth day after the meeting.

7. EXPENDITURES

The Association shall collect the maintenance fund herein provided for and shall contract, make expenditures, acquisitions and payments therefrom for the following:

7.1 To enforce the provisions of said covenants and to employ attorneys, accountants and other persons in connection therewith whenever it deems it necessary or proper to do so.

7.2 To maintain such policy or policies of insurance on the Project as the Association shall, in its discretion, deem proper. Such policy or policies shall include, but are not limited to, the following:

(a) Fire insurance with extended coverage endorsement for one hundred percent (100%) of the current replacement cost of the Units and the Common Area in a form acceptable to the holders of all first trust deeds on the Condominiums, payable as provided in Article 12 hereof, or such other fire and casualty insurance as the Association shall determine gives substantially equal or greater protection to the Owners and their trust deed holders, as their respective interests may appear, which said policy or policies shall contain a separate loss payable endorsement in favor of the trust deed on each Condominium;

(b) Liability insurance insuring the Association and the Owners against any liability to the public or to the Owners or to invitees or tenants of the Owners incident to the ownership, occupancy or use of the Common Area of the Project and including the personal liability exposure of the Owners for any incidents occurring within the Common Areas. Such insurance shall be in such amounts as the Association shall select but shall be for not less than two million dollars (\$2,000,000) combined single limit liability for bodily injury to any one person, or property damage, for any single occurrence, and shall provide cross-liability endorsements wherein the right of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured;

(c) Workman's Compensation insurance to the extent reasonably deemed necessary to comply with any applicable laws.

(d) The Association shall annually review all insurance pursuant to the above and shall make such adjustments

thereto as may be required. The Association may consider obtaining other insurance such as earthquake or flood as it deems necessary.

7.3 To obtain a fidelity bond naming such person, persons, firms or corporations as the Association may designate as principals and the Owners as obligees in such form and amount as the Association shall from time to time determine, so long as the amount meets or exceeds FNMA requirements.

7.4 To obtain the services of a manager or personnel as the Association shall determine are necessary or proper for the operation and maintenance of the Project.

7.5 To obtain any other items including, but not limited to, materials, supplies, furniture, labor, services, maintenance, repairs, renovations, gardening, utilities, landscaping and structural alterations which the Association deems necessary or proper for the operation, maintenance, contribution or benefit of the Project, or to comply with any law or to implement or enforce the within covenants, conditions and restrictions.

7.6 To pay any taxes or special assessments which in the opinion of the Association become or may become a lien upon the Common Area and to discharge any lien or encumbrance levied thereon.

(a) The Owners shall execute such instruments and take such action, if any, as may be reasonably required or as may be specified by the Association to obtain separate real property tax assessments of their own Condominiums. Each Owner shall pay prior to delinquency the taxes or assessments levied by the County Assessor or the City against any of their own Units or personal property, or interest in the Project.

(b) If any taxes and/or assessments may, in the opinion of the Association, nevertheless be a lien on the entire Project or any part of the Common Area, they may be paid by the Association and assessed by the Association to the Owners. Each Owner shall be obligated to pay an assessment by the Association for the portion of any taxes or assessments, if any, levied by the County Assessor or the City against the entire Project or any part of the Common Area, in proportion to his interest in the Common Area, as set forth in his grant deed thereto, such payment to be made to the Association at least thirty (30) days prior to delinquency of such tax or assessment.

8. DEFAULT IN PAYMENT OF ASSESSMENTS

8.1 Lien. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owners of the Condominiums against which the same are assessed. The amount of any such assessment assessed to the Owner of any Condominium, including interest, late charges as established by the Association, and reasonable collection costs, including reasonable attorneys' fees, shall become a lien upon such Condominium when a notice of delinquent assessment as provided in Section 5600 et seq of the California Civil Code is duly recorded. A certificate executed and acknowledged by a majority of the Association stating the indebtedness secured by a lien on any Condominiums created hereunder shall be conclusive upon the Association, the Owners and all persons who rely thereon in good faith, as to the amount of such indebtedness on the date of the certificate, and such certificate shall be furnished any Owner upon request at a reasonable fee not to exceed \$15.00.

At least thirty (30) days before recording a lien upon a Unit, the Association shall notify the Owner by certified mail of the following: (1) a general description of the Association's collection and lien enforcement procedures 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"; (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 collection costs, reasonable attorney's fees, any late charges, and interest, if any; (3) A statement that the Owner shall not be liable to pay the charges, interest, and collection costs, if it is determined the assessment was paid on time; (4) The right to request a meeting with the Association as provided by Civil Code Section 5915; (5) The right to dispute the assessment by submitting a written request for dispute resolution to the Association in accordance with Civil Code Section 5915 and (6) The right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925 through 5965 before the Association may initiate foreclosure, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure. Reasonable attorneys' fees and expenses in connection with collection of the debt secured by such lien or foreclosure thereof shall be paid by the Owner against whom such notice of delinquent assessment is recorded.

Any Owner may submit a written request to meet with the Association to discuss a payment plan for the delinquent assessments pursuant to Civil Code Section 5665, and the Association shall meet with the Owner within forty-five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the postmark date. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede the Association's ability to record a lien on the Unit to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the plan's terms. If the Owner defaults on any payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

Any such lien may be foreclosed by an appropriate action in court or in the manner provided by law for the foreclosure of a Mortgage under power of sale; provided, that either: (1) the amount of delinquent assessments exceeds one thousand eight hundred dollars (\$1,800), not including late charges, interest, fees or collection costs; or (2) the assessments have been delinquent for longer than twelve (12) months. Prior to initiating a foreclosure, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's "meet and confer" program pursuant to Civil Code Sections 5900 through 5920. The decision to foreclose shall be made by majority vote of the Association and be recorded in the meeting minutes. The Association's majority vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale.

The Association shall provide notice by personal service to an Owner who occupies the Unit or to the Owner's legal representative, if the Association votes to foreclose upon the Unit. If the Owner does not occupy the Unit, the Association shall provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the Owner, the Unit address may be treated as the Owner's mailing address.

Any such sale provided for above is to be conducted in accordance with the provisions of Sections 2924, 2924b, and 2924c of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association, after a vote by Members holding at least sixty-six and two-thirds percent (66-2/3%) of the membership, may, through its duly authorized agents, bid on the Condominium at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. A nonjudicial foreclosure by the Association to collect upon a debt for delinquent assessments shall be subject to a ninety (90) day right of redemption by the Owner after the sale.

Upon the timely curing of any default for which a notice of claim of lien was recorded by the Association, the officers of the Association shall record an appropriate release of such notice.

The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments.

The provisions of this Article 8 relative to the creation of a lien for assessments and the enforcement of assessments shall apply to regular and special assessments levied pursuant to this Declaration, and any charges imposed by the Association for the reimbursement of costs incurred in the repair of damage to the Common Areas for which the Member or the Member's guests or tenants were responsible.

8.2 Subordination of Assessment Liens. A lien for regular or special assessments against an Owner shall be subordinate to any prior recorded first Mortgage against the Owner's interest in the Unit to which the lien appertains. The lien for assessments shall not be affected by any sale or transfer of a Unit (or interest therein) to which it appertains except that a sale or transfer pursuant to the exercise of a power of sale or judicial foreclosure because of a default of the first Mortgage shall extinguish a subordinate lien for assessments which become payable before the sale or transfer. No sale or transfer of a Unit (or interest therein) as the result of a foreclosure or exercise of power of sale shall relieve the new Owner, whether it be the former Mortgagee of the first Mortgage or another person, or the Unit from liability for any assessments thereafter becoming due, or the lien thereof.

9. LIMITATIONS ON THE USE OF UNITS AND COMMON AREA

In addition to regulations established by law, and regulations which may from time to time be promulgated by the Association, the following restrictions shall be observed by the Owners:

9.1 Units. Restrictions relating solely to the use of the Units are as follows:

(a) Each Unit shall be used for single family residential purposes only. "Residential purposes" shall be construed to include lease or rental of a Unit for a minimum period of thirty (30) days. No Unit shall be used for any business or commercial use, except those uses expressly permitted by local zoning ordinances which are considered to be "home occupation" types of uses (as defined by the applicable local jurisdiction) and may be subject to a business license. Such uses are expressly

declared to be customarily incidental to the principal residential use.

(b) Each Owner shall have the exclusive right at his sole cost and expense to paint, repair, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his own Unit and the surfaces of bearing walls and partitions within his Unit, and to, at his sole cost and expense, substitute new finished interior surfaces in place of those existing on said walls, floors, partitions or ceilings.

(c) Each Owner shall be responsible for the maintenance, repair and replacement of landscaping in his or her exclusive use yard area. Said landscaping shall be maintained in a clean, well-kept and attractive manner consistent with the original condition designed by Declarant.

(d) If available, underlying fire and hazard coverage for individual Units shall be written as part of, or in conjunction with, the Association's master policy where necessary to protect individual lenders. If such coverage is not available, each Owner shall purchase, at such Owner's own expense, and maintain fire and hazard insurance coverage as may be required by such Owner's individual lender. Any such underlying coverage shall contain a replacement cost endorsement, and to the extent available, such other endorsements as may be a part of the master policy. Such insurance shall also contain a loss-payable endorsement to the Mortgagees of individual Units, as their interests shall appear. It is each Owner's responsibility to obtain liability insurance for his Unit. Each Owner may, in addition, maintain such other insurance upon his furnishings and other personal property situated within his Unit, together with any so-called "homeowners" or other type of personal insurance coverage upon his Unit or his interest in the Project.

(e) Each Owner shall maintain in an open and unobstructed condition all sewer and drainage pipes and lines serving his own Unit between the points at which same enters his Unit and the points at which same join other sewer and drainage pipes and lines serving other Units.

9.2 Common Area. Restrictions relating solely to the use or occupancy of the Common Area are as follows:

(a) There shall be no obstruction of the Common Area nor shall anything be stored in the Common Area without the prior written consent of the Association except as hereinafter expressly provided.

(b) Nothing shall be altered or constructed in or removed from the Common Area, except upon the written consent of the Association. No wall, fence, gate, hedge or obstruction

shall be permitted adjacent to the driveway to the Project that will obstruct driver visibility entering and exiting the site.

(c) Each Owner shall be liable to the Association for any damage to the Common Area or to any improvements, landscaping or equipment thereon, which may be sustained by reason of the negligence or willful misconduct of said Owner, his family, guests, tenants, servants or invitees. The Association shall have the power to enforce that liability by civil suit against the Owner, his family, guests, tenants, servants and invitees.

(d) Each parking space shall be used solely by the Owner of the Unit to which it is conveyed, members of his family, his guests or lessees of the Unit. Garages shall be used solely for the purpose of parking motor vehicles as defined by the Vehicle Code of the State of California or bicycles. Nothing shall be stored within nor shall any activity occur within any garage which restricts the parking of two (2) standard sized motor vehicles. Parking shall be prohibited in the common driveway areas. No trailer, camper, mobile or motor home, recreational vehicle, commercial vehicle, truck (other than standard size pickup truck), inoperable vehicle, boat or other watercraft, motorcycle or similar equipment shall be parked on any parking space or other designated parking area in the Project. Vehicles shall be stored in the garages at all times while on the site. Where required by local ordinance, all guest parking spaces shall be labeled "guest parking" and shall be for the exclusive use of guests for short term parking only.

(e) Except as otherwise provided herein, the Association shall have the sole and exclusive right and duty to manage, operate, control, repair, replace or restore all of the Common Area or any portion thereof, together with the improvements, trees, shrubbery, plants and grass thereon, all as more fully set forth in this Declaration and the Bylaws. The entire site, all walls and fencing, and all building walls shall be maintained at all times free and clear of litter, rubbish, debris, weeds and graffiti.

9.3 General. Restrictions governing the use of the Project generally and certain obligations of Owners are as follows:

(a) Nothing shall be done or kept in any Unit or in the Common Area which will increase the rate of insurance on the Common Area without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Unit or in the Common Area which will result in the cancellation of any insurance referred to above or any portion thereof or which would be in violation of any law.

(b) No Owner shall separately insure his Unit against loss by fire, liability or other casualty covered by insurance obtained by the Association if doing so causes a diminution in the insurance proceeds otherwise payable under policies acquired by the Association; and any Owner whose violation hereof results in such a diminution shall be liable to the Association for the amount of such diminution.

(c) No sign of any kind shall be displayed to the public view on or from any Unit or the Common Area without the prior written consent of the Association, except that a "For Sale" or "For Rent" sign of reasonable size may be displayed as provided in Section 712 of the California Civil Code, except by Declarant as provided in Article 9.3(j). No provision herein shall be read or construed to prohibit the posting or displaying of noncommercial signs, posters, flags, or banners on or in an Owner's Unit (not Common Area), except as required for the protection of public health or safety, or if the posting or display would violate a local, state, or federal law.

However, no such sign or poster shall exceed nine (9) square feet in size and no such flags or banners shall exceed fifteen (15) square feet in size. Such signs, posters, flags, or banners may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the yard, window, door, balcony, or outside wall of the separate Unit, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative material or component, or involve the painting of architectural surfaces. All such signs, posters, flags, or banners shall be permitted only so long as they are in good presentable condition. The Association shall have the right and power to impose reasonable restrictions on the duration of the posting or displaying of such signs, posters, flags or banners.

(d) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit or in the Common Area, except that dogs, cats or other household pets may be kept in a Unit, subject to any rules and regulations adopted by the Association and provided that they are not kept, bred or maintained for any commercial purpose. The Association shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Association, a nuisance to any other Owner. Animals must at all times be within an enclosed area of the Unit or on a leash when accompanied by the Owner within the Common Area. Notwithstanding the foregoing, nothing herein contained shall be construed in such a manner as to permit the maintenance of any animal contrary to local ordinance.

(e) No noxious or offensive activity shall be carried on in any Unit or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners.

(f) No drilling or mining operations of any kind shall be permitted upon or in any Unit or the Common Area.

(g) Each Owner of a Unit shall be obligated to pay any and all assessments for water, sewage, gas, electricity, other utilities, taxes and other charges assessed individually against such Unit.

(h) Trash, rubbish, trash bins and trash receptacles shall not be permitted to remain on any portion of the Common Area except on the day(s) scheduled for trash collection and must be stored in an appropriate container suitably placed and in an area as designated by the Association so as not to detract from the physical appearance of the Common Area or the Project.

(i) No Owner may exempt himself from liability for his specified contribution to any assessments or charges which may be made under this Declaration or the Bylaws of the Association.

(j) Notwithstanding any other provision set forth in this Declaration, Declarant shall have the express right and privilege during the period of sale and improvements upon the Project to use such facilities as may be reasonably required, convenient or incidental to the sale of said improvements, including, but without limitation, a business office, storage areas, signs, model units and sales offices, all or portions of which may be within the Common Area of the Project. The foregoing right shall continue and be effective until the original sale of all Units has been completed. In exercising his rights hereunder, Declarant will not unreasonably interfere with the use of the Common Area by Owners.

(k) Except as otherwise provided in this Declaration, no Owner shall, at his own expense or otherwise, make any structural alterations, additions or modifications to the Unit or any alterations, additions or modifications to any part or portion of the Common Area, nor decorate any exterior portion of the Unit or Common Area, without the prior written approval of the Association. With respect to the installation of awnings, sunshades, screen doors, and other minor installations to any Units, the prior written approval of the Association shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the Project as a whole. Any written request for the Association's approval for such alterations, additions, modifications or decoration which is not acted upon by the Association within ninety (90) days after it is submitted to the Association, shall be deemed granted as of the 90th day after its submittal, provided that the request includes at least all of the following:

- (1) the identity of the Owner;
- (2) the identity of the Unit or a description of the Common Area to be altered, added to, modified or decorated;
- (3) a detailed description of the proposed alteration, addition, modification, or decoration;
- (4) a copy of the architect's, contractor's or vendor's plans for the alteration, addition, modification or decoration; if there are none, a statement to that effect;
- (5) the identity of the persons who will perform the proposed alteration, addition, modification or decoration.

(1) In the event that the Association shall determine that an Owner of a Unit has failed to maintain his Unit, or any portion or element thereof, in accordance with the general standards of the Project, as may be fixed by the Association from time to time, or as required in the judgment of the Association to preserve and protect the attractive appearance and the value of the Project, the Association shall exercise its rights in accordance with Section 4.7 herein to remedy the violation.

(m) No Owner shall park his automobiles or any other vehicles (including bicycles) or permit his tenants, servants or the members of his family to park their automobiles or any other vehicles (including bicycles) in any space other than garages or other such designated parking spaces as permitted by City ordinance, whichever is applicable. The Association shall enforce this restriction through its rules and regulations. Any Owner parking in any area other than those areas which are permitted may be subject to fines and/or vehicle towing as permitted by the California Vehicle Code.

(n) No power equipment, hobby shops, or carpenter shops shall be maintained on the Project, except with the prior approval of the Association. No automobile overhaul or maintenance work, other than emergency work shall be permitted in the Project.

(o) Pursuant to Civil Code Section 4725, the Association may impose reasonable restrictions on the installation or use of a video or television antenna, including a satellite dish, that has a diameter or diagonal measurement of 36 inches or less. Reasonable restrictions mean those restrictions that do not significantly increase the cost of the video or television antenna system, including all related equipment, or significantly decrease its efficiency or performance. Any antenna or dish exceeding 36 inches shall be prohibited as well as radio pole or antenna or other fixture which does not conform to the requirements of the Association and City requirements.

(p) No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed from any portion of Unit visible from the Common Area or public right-of-way.

(q) Only curtains, drapes, blinds, shutters and shades may be installed as window covers. No window shall be permanently covered by paint, foil, sheets or similar items.

(r) Leasing. No Unit Owner may lease a Unit for transient or hotel purposes or for a period less than thirty (30) days. Any lease agreement between a Unit Owner and a lessee shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Association Bylaws, and any rules and regulations adopted by the Association, and that any failure by a lessee to comply with the terms of such documents shall be a default under the lease. It is the Owner's responsibility to provide copies of said documents to any lessees of Owner's Unit, and each Owner shall be responsible for his or her lessees' compliance with the governing documents. No Unit Owner may lease less than his or her entire Unit and all such leases shall be in writing.

9.4 Mold.

(a) Notice and Mitigation Regarding Water Intrusion and Mold. Presence of certain biological organisms, such as mold, fungi, spores, pollen, or other allergens (collectively, "Mold"), naturally occur within the air of all Units. As Mold tends to proliferate in warm wet areas, it is each Owner's responsibility to maintain the Unit to avoid leaks and the accumulation of moisture, and to monitor and maintain the Unit to mitigate and avoid conditions likely to lead to the presence of Mold. Owners shall perform each of the following steps: (i) inspect the Unit (both exterior, to the extent that it is accessible, and interior) not less frequently than once each quarter to check for water leaks or other breaches of the watertight integrity of the Unit and for the presence of Mold; (ii) if any water leaks and/or Mold are detected, immediately take appropriate corrective steps to repair the leak and/or remove the Mold and notify Declarant and the Association; (iii) maintain proper ventilation (particularly in bathrooms) and humidity levels to reduce the risk of Mold growth; (iv) periodically inspect any water-retaining appliances for the presence of Mold; (v) replace heating and air conditioning filters not less frequently than quarterly or as recommended by the manufacturer; and (vi) take such other prudent steps as may be appropriate to prevent Mold growth or eliminate any existing Mold.

Upon notification of the existence of Mold, Declarant and the Association shall thereafter have the right to inspect the condition, including the right to assess the likelihood of mold and mildew, and to offer recommendations for mitigation of mold or mildew.

Nothing herein shall obligate Declarant or Association to take any action, nor shall any rights of Declarant or Association under this Section constitute an admission or acknowledgment that any causes of any water intrusion are the result of defective construction. Further, failure of any Owner to timely notify Declarant and Association of any such water intrusion shall be cause to deny future claims against Declarant and Association relating thereto, which claims could have been mitigated had earlier action been taken.

(b) Mold Inspections. At its option, at least annually and upon notice to each Owner of at least three (3) days, the Association may arrange for a mold remediation expert certified by the State of California to inspect each Unit as part of a complete water intrusion/mold prevention program. Said inspections shall be at the expense of the Association.

If the certified mold remediation expert determines that water intrusion, water leaks or any other adverse condition exists in any Unit, then the Association shall notify the Owner of the finding and shall require the Owner to remedy the problem within thirty (30) days of said notification. At the Owner's expense, the Owner shall have the right to challenge the findings of the Association's expert by obtaining the opinion of an independent certified mold remediation expert. Any disagreement between the Association's and Owner's respective certified mold remediation experts shall be reconciled by them in a single opinion, for which the Association and the Owner shall equally share the expense.

In the event of any water leak or overflow from any Unit that damages any Common Area or other Unit, the Owner and occupants of the Unit that is the source of the water leak or overflow (the "Responsible Owner") shall cooperate with the Association in the inspection and correction of the problem. Cooperation shall include access to the Unit to inspect and to correct the problem and/or repair any damage. The Responsible Owner shall reimburse the Association for its repair cost to the extent the cost is not paid through insurance maintained by the Association, and the Association may levy a reimbursement assessment to recover the cost. If the damage may be covered by insurance maintained by the Association, the Association shall submit an appropriate claim. Any deductible amount shall be paid by the Responsible Owner.

9.5 Recovery of Costs. In the event that the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder is caused through the willful or negligent acts of an Owner, his or her family, guests,

tenants, or invitees, and is not covered or paid for by Association insurance policies or any liability insurance maintained by the responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Association through the imposition of a reimbursement assessment against the offending Owner.

In the event that an Owner fails to perform maintenance functions for which he or she is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within 15 days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under this Declaration to enter the Owner's Unit and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 4.7 hereof.

10. RIGHTS OF INSTITUTIONAL HOLDERS OF MORTGAGES

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

10.1 Written Notification of First Mortgagees. A first Mortgagee, upon request, is entitled to written notice from the Association of any default in the performance by an individual unit mortgagor of any obligation under this Declaration and the Bylaws which is not cured within sixty (60) days. It shall be the responsibility of each Owner of a Unit to notify the Association within thirty (30) days of the close of his escrow to purchase his Unit of the name and address of the holder of his first mortgage on his particular Unit. In addition, timely written notice shall be given of:

(a) Any condemnation or casualty loss that affects either a material portion of the Project or the Unit securing its mortgage;

(b) A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(c) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

10.2 Exemption from Right of First Refusal. Any first Mortgagee which comes into possession of the Unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage or by deed or assignment in lieu of foreclosure, shall be exempt from any right of first refusal.

10.3 Subordination of Assessment Lien to Mortgages.

Any holder of a first mortgage or any third party purchaser who comes into possession of the Condominium pursuant to the remedies provided in the mortgage or foreclosure of the mortgage shall not be liable for more than six (6) months of the Unit's unpaid regularly budgeted dues or charges accrued before acquisition to the title to the Unit by the Mortgagee. If the Association's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of the unpaid dues. The lien for assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed on the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or trustee's sale. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

10.4 Prior Approval of First Mortgage Holders.

The Association shall give written notice to each institutional holder of a first mortgage lien on Units in the Project of any material amendment to this Declaration and/or the Association Bylaws; including but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Project. Unless seventy-five percent (75%) of the holders of first mortgages on Units in the Project have given their written approval, neither the Association nor the Owners shall:

(a) By act or omission seek to abandon or terminate the Condominium regime;

(b) Change the prorata interest or obligation of any Unit for purposes of levying assessments or charges, or allocating distributions of hazard insurance proceeds or condemnation awards; and for determining the prorata share of ownership of each Unit in the Common Area;

(c) Change, waive or abandon, by act or omission, any scheme of regulation or enforcement thereof pertaining to the architectural design or exterior appearance of any Units, exterior maintenance of Units, maintenance of driveways or upkeep of landscaping in the Project;

(d) Partition or subdivide any Condominium;

(e) Subject to the provisions of California Corporations Code Section 8724, attempt to abandon, partition, subdivide, encumber, release, hypothecate, sell or transfer, by act or omission, the Common Area; the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Project shall not be deemed a transfer within the meaning of this subsection;

(f) Fail to maintain fire and extended coverage on insurable Project Common Area property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs); or

(g) Use hazard insurance proceeds for losses to any Project Common Area property for other than repair, replacement or reconstruction of such improvements.

For purposes of any section in this Declaration that requires written approval from any mortgagee, provided the Association notifies the mortgagee in writing that failure to return the ballot will be deemed "consent" to the proposed action, then the mortgagee's signature on a return receipt shall qualify as that mortgagee's written approval.

10.5 Examination of Books and Records. The holders of first mortgages shall have the right to examine the books and records of the Association.

10.6 Taxes, Assessments and Charges. All taxes, charges and assessments which may become liens prior to first mortgages under local law, shall relate only to the individual Units and not to the Project as a whole. First Mortgagees of Units may jointly and singly pay taxes or other charges which are delinquent and which may or have become a charge against the common property, and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such property, and first Mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

10.7 Reserves for Replacement. An adequate reserve fund for replacement of the Common Area property and facilities must be established by the Association and must be funded by regular monthly assessments, and not by special assessments.

10.8 No Priority Over Rights of First Mortgages. No provision herein shall give a Unit Owner or any other party priority over any rights of first Mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or the Common Area. Such first Mortgagees shall be entitled to timely written notice of such damage or destruction, if such loss or taking exceeds \$10,000.00 for the Project as a whole or damage to any single Unit exceeds \$1,000.00. Additionally, if any Unit or portion thereof, or the Common Area and facilities, or any portion thereof, is made the subject matter of any condemnation or eminent domain proceeding, no provision herein shall entitle the Owner of a Unit or any other party to priority over a first Mortgagee of a Unit with respect to any distribution to such Unit of the proceeds of any award or settlement. Such first Mortgagees shall be entitled to timely written notice of any such proceeding or proposed acquisition.

10.9 Further Notice to Lenders.

(a) Upon request, the Association shall give written notice to any first Mortgagee of all meetings of the Association. Each such first Mortgagee shall have the right to be represented at such meeting, but shall have no voting rights unless it has succeeded to title to one or more of the Units by foreclosure or otherwise.

(b) Upon request, the Association shall deliver to each such first Mortgagee, a copy of the Association's annual statement within ninety (90) days after the end of the Association's fiscal year.

10.10 Professional Management of Project. Any agreement for professional management of the Project shall provide that management contracts may be terminated, with or without cause, upon thirty (30) days, or less, written notice. The term of any such contract shall not exceed one (1) year. In the event the Association first hires professional management and assumes self-management of the Project, each institutional holder of a first mortgage on Units in the Project shall be entitled to timely written notice thereof.

10.11 Conflict. If there is any conflict between any provisions of this Article 10 and any other provisions in this Declaration of the Association Bylaws, the language contained in this Article 10 shall control.

10.12 Amending Article. Notwithstanding the foregoing, any amendment to this Article shall require the written consent of at least seventy-five percent (75%) of the holders of first Mortgages which may then be of record as valid encumbrances against the Project or any portions thereof.

11. PARTITION

Except as provided by Section 4610 of the California Civil Code, there shall be no judicial partition of the Project or any part thereof, nor shall Declarant or any person acquiring an interest in the Project or any part thereof seek any judicial partition; provided, however, that if any condominium shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants.

Except as provided in Section 4610 of the California Civil Code, the unanimous consent of Owners, other than Declarant, and the approval of seventy-five percent (75%) of the eligible holders of first Mortgages on all Units subject to a Mortgage shall be required to terminate the condominium regime.

12. DAMAGE AND DESTRUCTION

The provisions of this Article 12 shall govern the repair and rebuilding of the Project if any part thereof is damaged by fire or other casualty, and shall also apply to the collection, holding, application, and disposition of the proceeds of any insurance policy or coverage obtained pursuant to this Declaration or the Bylaws of the Association, or under which the insurance proceeds are to be paid to or for the account of the Association or under which the Association has control of the disposition of such proceeds. Where provision is made herein for the payment and distribution of all or any portion of any insurance proceeds to all the then Owners, the payment to each of said Owners shall be in the same proportion that the fair market value of their respective Units bears to the total fair market value of the Project immediately prior to the damage or destruction; but if an Owner's interest in the Project is subject to one or more Mortgages the share of said Owner shall be paid to the various Mortgagees thereunder, in order of priority, to the extent necessary to satisfy the obligations secured thereby, rather than to the Owner. The balances of an Owner's share, if any, remaining after such payment shall be paid to such Owner.

12.1 Damage to Units. If the Project is damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Owner or Owners, Mortgagee or Mortgagees of the Owner or Owners, as their respective interests may appear, and such Owner or Owners, Mortgagee or Mortgagees, shall use the same to rebuild or repair such Unit in accordance with the original plans and specifications therefore.

12.2 Damage to Common Area. If all or any part of the Common Area is damaged by fire or other casualty, the following provisions shall govern the repair and rebuilding thereof as well as the collection, holding, application and distribution of the proceeds of any insurance policy payable to or for the account of the Association on account of such damage.

(a) If the estimated costs of repairing or rebuilding the damaged portions of the Common Area does not exceed the amount of insurance proceeds available therefore by more than ten percent (10%) of such amount, such proceeds shall be deposited with a bank or a savings and loan institution as trustee of the Owners by the Association, and such proceeds shall be held, used and disbursed to rebuild and repair such damage as the work progresses or on completion, pursuant to such contract as shall be entered into by the Association. The Association shall thereupon contract to repair or rebuild the damaged portions of the Common Area. If the insurance proceeds actually received exceed the cost of rebuilding and repairing such damage, the excess shall be paid and distributed to all the then Owners of the Common Area.

The repair or rebuilding contemplated by this Article 12.2(a) shall restore the Common Area to its condition existing immediately prior to such damage, and shall be commenced within one hundred twenty (120) days following receipt of the proceeds of any such insurance by the Association or such trustee. In the event that the repair or rebuilding of the damaged portions of the Common Area is not commenced within said one hundred twenty (120) day period, then such proceeds shall be paid and distributed to the then Owners that are affected by the damaged portions of the Common Area.

(b) Notwithstanding Article 12.2(a) hereof;

(1) if the estimated cost of repairing or rebuilding the damaged portions of the Common Area exceeds that amount of insurance proceeds available therefore by more than ten percent (10%) of such amount, or

(2) if three-fourths (3/4) or more of the Project has been destroyed or substantially damaged, then the proceeds from such insurance policies shall be deposited by the Association with a bank or savings and loan institution selected by the Association as trustee for the Owners. Within thirty (30) days following the delivery of such proceeds to the Association or to such trustee, the Association shall properly call and hold a special meeting of the Owners. A vote of the Owners shall be held to determine whether to rebuild and repair the Common Area or not to repair and rebuild. In the event Owners representing a majority of the Association to vote to repair and rebuild the damaged portion of the Common Area, the Association shall proceed in accordance with the procedure set forth in Article 12.2(a) hereof and such rebuilding and repair shall commence within ninety (90) days of such vote. In the event Owners representing a majority of the Association do not vote to rebuild and repair the damage, the proceeds of the insurance policies shall be distributed to the Owners and their respective lenders as their respective interests appear in the same proportion that the fair market value of their respective Units bears to the total fair market value of the Project immediately prior to the damage or destruction. Such a vote to not rebuild and repair shall constitute a valid election by the Owners to waive any prohibition against partition.

12.3 Bids for Repair of Common Area. As soon as is practicable following damage to the Common Area on account of fire or other casualty, the Association shall obtain firm bids from two (2) or more reputable contractors to rebuild and repair the Common Area so as to restore them to their condition existing immediately prior to such damage. Such bids shall be used by the Association in estimating the cost of repairing and rebuilding the damaged portions of the Common Area and shall be presented to any meeting of the Owners, where one of the purposes of such meeting is to determine whether or not to rebuild and repair such damage.

12.4 Special Assessments. In the event Owners representing a majority of the Association vote to rebuild and repair the damaged portions of the Common Area, and the proceeds from insurance are not sufficient to cover the cost of rebuilding, the Association shall make a special assessment of the Owners upon the basis of the ratio of the square footage of the floor area in each Unit to be assessed to the total square footage of floor area of all units to be assessed, in order to raise any additional amount necessary to so rebuild and repair. Such funds shall be deposited with the trustee appointed by the Association in the manner set forth in Article 12.2(a) hereof along with such insurance proceeds.

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

12.6 Determining Fair Market Value. For purposes of distributing insurance proceeds as provided in this Article 12, the fair market values of the Units, if not otherwise determined (for example, by agreement or court judgment), shall be determined by independent appraisal conducted at the expense of the Association by an MAI appraiser familiar with the residential condominium market in the locality of the Project.

12.7 Recordation of Certificate Not to Rebuild; Revival of Right to Partition. The Association shall promptly execute, acknowledge and record a certificate setting forth the determination of Owners not to rebuild if such determination is made pursuant to this Article 12, and upon recordation the right of the Owner of a Unit which was destroyed and not rebuilt to partition his Condominium shall revive. The Association also shall promptly cause to be prepared and filed with the County Recorder of Los Angeles such revised maps and other documents as may be necessary to show the conversion of the Project (or the portion destroyed) to the status of unimproved land or to show the elimination of one or more of the Units as the result of the destruction.

12.8 Amendment. This Article 12 shall not be deleted or amended without the written consent or vote of all Owners.

13. CONDEMNATION

The provisions of this Article 13 shall govern the distribution of the proceeds received upon condemnation of the whole or any part of the Project by any governmental or other agency having or claiming eminent domain powers with respect to the Project.

13.1 Negotiation for Compensation. If the entire Project is condemned, the Association shall have the exclusive authority to negotiate the amount of money or other consideration to be paid by the condemning agency in compensation for the taking. Any settlement agreed to by the Association shall not be binding on the Owners until it is approved by Owners representing a majority of the Association, the Association shall, in the name of the Association, commence or join litigation to determine the amount of compensation for the taking; provided that at the time the Association so approves, it shall also approve a special assessment for the costs of such litigation.

13.2 Distribution of Compensation. Consideration other than money received in compensation of a taking by a condemning agency shall be liquidated. Unless apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners, the compensation shall be distributed among the Owners in the same proportion that the fair market value of their respective Units bears to the total fair market values of the Units, if not otherwise determined (for example, by court judgment or by agreement) shall be determined by independent appraisal conducted at the expense of the Association as close in time to the condemnation date as is practicable by an MAI appraiser familiar with the residential condominium market in the locality of the Project.

13.3 Partial Compensation. If only a part of the Project, containing Units, is condemned, and which part is physically severable from the remainder of the Project, which remainder also contains Units, then each Owner of a Unit in the condemned part of the project shall have exclusive authority to negotiate the compensations for the condemnation of his Unit and his undivided interest in the Common Area, and to commence or join litigation of the same. The Association shall seek a partition of the interests in the Common Area, but only between the Owners of the Units not condemned and each Owner of a Unit which is condemned.

14. AMENDMENT

14.1 Approval of All Record Owners Required. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees pursuant to Article 10 hereof, the provisions of this Declaration and the Bylaws may be amended only by an instrument in writing, signed and acknowledged by all record Owners which amendment shall be effective upon recordation in the Office of the Recorder of Los Angeles County.

14.2 Amendments of a Material Nature. Amendments of a material nature to this Declaration or the Bylaws shall require the approval of all Owners as stated hereinabove as well as the written approval of institutional holders of first mortgages representing at least fifty-one percent (51%) of the Units subject to mortgages. A change of any of the following would be considered material:

- (a) Voting rights;
- (b) Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens, or the priority of assessments liens;
- (c) Reductions in reserves for maintenance, repair and replacement of Common Areas;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or restricted Common Area, or right to their use;
- (f) Redefinition of any Unit's boundaries;
- (g) Convertibility of Units into Common Areas or vice versa;
- (h) Expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- (i) Hazard or fidelity insurance requirements;
- (j) Imposition of any restrictions on the leasing of Units;
- (k) Imposition of any restrictions on a Unit Owner's right to sell or transfer his Unit;
- (l) A decision by the Association to establish self-management when professional management has been required previously by an eligible mortgage holder;
- (m) Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in this Declaration;
- (n) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs; or,
- (o) Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

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 sixty-seven percent (67%) of the votes of the mortgaged Units must agree.

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 sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

15. NOTICES

Any notice permitted or required to be delivered as provided herein or by the Bylaws of the Association may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in a regular depository of the United States Postal Service, postage prepaid, addressed to each person at the address given by such notice or to the Association for the purpose of service of such notice or to the Unit of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association. Wherever herein or in the Bylaws of the Association notice is required to be given to the Association, notice may be given to any Member of the Association (other than the person giving notice if he is a member of the Association).

16. SEVERABILITY

The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

17. INTERPRETATION

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

18. LIMITATION OF LIABILITY

The liability of any Owner for performance of any of the provisions hereof shall terminate upon sale, transfer, assignment, or other divestiture of said Owner's entire interest in his or her Condominium with respect to obligations arising hereunder from and after the date of such divestiture.

19. JOINT AND SEVERAL LIABILITY

In the case of joint ownership of a Condominium, the liability to the Association and its Members of each of the Owners thereof, in connection with the liabilities and obligations of Owners set forth or imposed by this Declaration, the Bylaws or any rules and regulations of the Association, shall be joint and several.

20. CONTINUING APPLICABILITY OF MORTGAGE LIEN

No breach of the covenants, conditions and restrictions herein contained nor the enforcement of any lien provisions herein shall defeat or render invalid the lien of any Mortgage made in good faith and for value.

21. CONTINUING APPLICABILITY OF COVENANTS, CONDITIONS AND RESTRICTIONS

All covenants, conditions or restrictions shall be binding upon and valid against any Owner whose title is derived through foreclosure or trustee's sale or otherwise.

22. PROVISION OF GOVERNING DOCUMENTS TO FUTURE PURCHASERS

Pursuant to California Civil Code Section 4525, the Owner of a Unit shall, as soon as practicable before transfer of title to the Unit or execution of a real property sales contract therefore, provide the prospective purchaser with the Association's governing documents, a current financial statement, a statement of the Association's current regular assessments, and any other statement required by law.

23. TERM OF DECLARATION; COMPLIANCE WITH RULE AGAINST PERPETUITIES AND RESTRAINT OF ALIENATION

The Covenants contained herein shall run with the land and shall be binding on all parties and all persons claiming under then until January 1, 2050, after which time, the covenants shall be automatically extended for successive periods of twenty-one (21) years unless an instrument, executed by the Owners of all of the Units, shall be recorded, canceling or terminating this Declaration.

24. AUTHORITY TO ENFORCE

The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, rules, liens and charges now or hereinafter imposed by or pursuant to the provisions of the Bylaws or the Declaration. Failure by the Association or any Owner to enforce any covenant, condition or restriction applicable to the Project shall in no event be deemed a waiver of the right to do so thereafter. A waiver of any such right shall be only pursuant to an instrument in writing signed by the party to be charged with such waiver and shall be limited to the particular covenant, condition or restriction which is expressly set forth as being waived in such writing.

25. ARBITRATION PROVISIONS

25.1 Notwithstanding anything to the contrary contained in this Declaration, it is expressly declared, stipulated and agreed except as set forth below, that upon the occurrence of any of the following events, the matter shall be resolved by binding arbitration, pursuant to the procedures set forth below:

(a) In the event of a tie vote, or any breach, default, violation or dispute by or between any Owner(s) and/or the Association, regarding any provision of this Declaration, the Bylaws, or the rules and regulations;

(b) The failure of the Association or any Owner to comply with any requirement or restriction set forth in the Declaration, the Bylaws, or the rules and regulations;

(c) Any dispute between Owner(s) and the Association with respect to any matter related to any portion of any Property covered by this Declaration;

(d) Nothing contained herein shall apply to any action taken by or on behalf of the Association to seek to collect any assessment(s) due and owing from an Owner, as well as any and all costs and expenses associated therewith, and nothing contained herein associated therewith, and nothing contained herein shall apply to any action taken by or on behalf of the Association to seek any immediately necessary equitable relief or similarly urgent remedy, such as temporary restraining order, ex parte temporary protective order or writ of attachment, order to show cause, hearing for preliminary injunction and the like.

25.2 Any claim or dispute described above shall be settled and finally determined by arbitration in accordance with the Rules of Commercial Arbitration of the American Arbitration Association (or its successors) and the provisions of the California Code of Civil Procedure Section 1283.05 (or any successor amended statute or law containing similar provisions shall be applicable in any such arbitration.

25.3 In any case where the American Arbitration Association (or its successor) is not in existence or fails or refuses to act within a reasonably prompt period of time (but in no event exceeding ninety (90) days from the date a request for arbitration is filed), the arbitration shall proceed in accordance with the laws relating to arbitration then in effect in the State of California (including but not limited to Sections 1280 through 1294.2 of the California Code of Civil Procedure, as the same may be amended or superseded from time to time).

25.4 Any such arbitration shall be conducted by one (1) or three (3) arbitrators but if the parties cannot agree then by three (3) arbitrators. The judgment upon the award rendered in any such arbitration shall be final and binding upon the parties and may be entered in any court having jurisdiction thereof.

25.5 The prevailing party of the arbitration shall be entitled to receive as part of the award in its favor, all costs, fees and expenses (including actual attorney's fees and arbitrator fees) incurred with respect to the arbitration, plus interest at the highest rate permitted by law, from and as the date of the alleged breach or violation. In the event it is determined by the arbitrator that there is no prevailing party, then all costs, fees and expenses excluding attorney's fees incurred where there are no prevailing parties shall be the sole responsibility and obligation of the respective parties who incurred such fees.

26. RIGHT OF PUBLIC ENTRY TO COMMON AREA

The City, the County, the State of California, and the Government of the United States, and any department, bureau or agency thereof, shall have the right of immediate access to all portions of the Common Area not assigned for the exclusive use of the Owner of a particular Unit at all times, for the purpose of preserving the public health, safety and welfare, except in those instances where a Common Area is accessible only through a private Unit.

27. DISPUTE RESOLUTION THIS ARTICLE 27 CONTAINS PROVISIONS REQUIRING BINDING ARBITRATION FOR ALL DISPUTES WITH DECLARANT WITH NO JURY TRIAL.

27.1 Non-Adversarial Procedure for Statutory Construction Claims. Any claims or disputes for construction defects pursuant to California Civil Code Sections 895, et seq., with the exception of any claims brought under any warranty provided by Declarant shall, prior to the initiation of any mediation, arbitration or other proceeding, be subject to the non-adversarial procedures set forth in Civil Code Section 910 through 938 ("Non-Adversarial Procedures"). These procedures impact the legal rights of Owners with respect to the Project. According to the terms of the Civil Code, the non-adversarial procedures will not apply if Declarant does not or cannot comply with the requirements set forth therein if a claim arises. If the non-adversarial procedures provided by Civil Code Sections 910 through 938 fail to resolve any claim of construction defect, such claim shall be resolved in accordance with the procedures set forth in Section 27.2 below.

(a) Obligation to Follow Maintenance Recommendations and Schedules. All Owners and the Association are obligated to follow Declarant's maintenance recommendations and schedules, including the maintenance recommendations and schedules for manufactured products and appliances provided with such Owner's Unit or the Common Area, or any improvements thereon, as well as all commonly accepted maintenance practices (collectively, "Maintenance Recommendations"). Failure to follow the Maintenance Recommendations may reduce or preclude Owner's and the Association's right to recover damages relating to such Unit or Common Area, which could have been prevented or mitigated had the Maintenance Recommendations been followed.

(b) Obligation to Retain Documents and Provide Copies to Successors. All Owners, who originally purchased a Unit from Declarant were provided copies of certain documents in conjunction with the purchase of their Unit, including, without limitation, copies of this Declaration, Bylaws, Maintenance Recommendations, a fit and finish one year limited warranty pursuant to Civil Code Section 900. All Owners are required by California Civil Code Sections 895, et seq. to retain these documents and provide copies of such documents to their successors in interest upon the sale or transfer of such Owner's Unit.

27.2 Dispute Notification and Resolution Procedures (Disputes with Declarant). Any disputes between the Association (or Owners) and Declarant, or any director, officer, partner, employee, manager, contactor, subcontractor, or agent of Declarant relating to the Declaration or the use or condition of the Project, and/or the construction and installation of any Improvements located thereon not otherwise subject to the provisions of California Civil Code Section 6000, shall be subject to the following claim resolution provisions:

(a) Notice. Any person with a claim ("Claimant" herein) against Declarant or any director, officer, partner, manager, employer, subcontractor or agent thereof (collectively the "Declarant" for purposes of this Section), shall notify the Declarant in writing of the claim which shall describe the nature of the claim and the proposed remedy ("the Claim Notice").

(b) Right to Inspect and Take Correction Action. Within a reasonable period of time after receipt by Declarant of the Notice of Alleged Defect, which period shall not exceed sixty (60) days, Declarant and the Claimant shall meet at a mutually acceptable location within or approximate to the Project to discuss the claim. Declarant shall have full access to the property that is subject to the claim for purposes of inspecting the property. The parties shall negotiate in good faith in an attempt to resolve the claim.

If Declarant elects to take any corrective action, Declarant shall be provided full access to and through the Project to take and complete such corrective actions.

(c) Civil Code Section 5985, 6000 and 6100. Nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code Section 5985, 6000 or 6100.

(d) Nonbinding Mediation. If the parties cannot resolve the claim pursuant to the procedures described in subparagraph b. above, then, if the parties agree, the matter may be submitted to nonbinding mediation pursuant to commercial mediation procedures adopted by the American Arbitration Association or any other entity offering mediation services that is mutually acceptable to the parties. No person who has any financial or personal interest in the Project may serve as the mediator, except by written consent of all parties. Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that remain unresolved. The party's pre-mediation memorandum may not be disclosed by the mediator to the other party without consent of the party submitting the same. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediations shall be commenced within ten (10) days following the submittal of the pre-mediation memorandum. The mediation shall be held in Los Angeles County, California, or such other place as is mutually acceptable to the parties. The mediator shall have the discretion to conduct the mediation in such manner which the mediator believes is most appropriate for concluding a settlement of the claim. The mediator may conduct joint and/or separate meetings with the parties and to make oral or written recommendations for settlement. The mediator shall not, however, have the authority to impose a settlement on the parties. Prior to the commencement of the mediation session, the mediator and all parties to the mediation shall execute an agreement pursuant to California Evidence Code 1152.5 in order to exclude any information, testimony, admission or evidence produced in conjunction with the mediation and any subsequent dispute resolution forum. The expenses for witnesses of either party shall be paid by the party producing such witnesses. If the mediation involves Declarant, the Declarant shall advance fees necessary to initiate the mediation. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the expenses of any witnesses, or the cost of any proofs or expert advice produced at the direct request of the mediator shall be borne equally by the parties unless they agree otherwise.

(e) Judicial Reference. Any unresolved disputes under subparagraph d. above shall be resolved by general judicial reference pursuant to California Code of Civil Procedure Sections 638 and 641 through 645.1, or any successor and companion statutes thereto. The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding. Declarant shall not be required to participate in the judicial reference proceeding unless it is satisfied that all necessary and appropriate parties will participate. The parties shall share equally in the fees and costs of the referee, unless the referee orders otherwise.

The general referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. The parties shall use the procedures adopted by American Arbitration Association ("AAA") for judicial reference and selection of a referee (or any other entity of offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties), provided that the following rules and procedures shall apply in all cases unless the parties agree otherwise:

(1) The proceedings shall be heard in Los Angeles County, California;

(2) The referee must be a retired judge or a licensed attorney with substantial experience in relevant real estate matters;

(3) Any dispute regarding the selection of the referee shall be resolved by AAA or the entity providing the reference services, or, if no entity is involved, by the court with appropriate jurisdiction;

(4) The referee may require one or more pre-hearing conferences;

(5) The parties shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;

(6) A stenographic record of the trial shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and any appeals;

(7) The referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable; and

(8) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

The statement of decision of the referee upon all of the issues considered by the referee is binding upon the Parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the parties.

(f) Arbitration. In the event the provisions herein for judicial reference should be ruled invalid, unenforceable or inapplicable, then all unresolved disputes shall be submitted to binding arbitration in accordance with the rules adopted by AAA and which shall be adopted and enforced in accordance with the philosophy and intent of the Federal Arbitration Act (United States Code Sections 1 through 16) which encourages the use of alternative dispute resolution procedures, and federal court decisions which have found that the Federal Arbitration Act: (i) is a Congressional declaration of a federal policy favoring arbitration agreements notwithstanding state policies or substantive or procedural requirements to the contrary; (ii) requires that federal and state courts rigorously enforce agreements to arbitration; (iii) requires the scope of alternative dispute resolution agreements to be interpreted broadly in favor of alternative dispute resolution (as opposed to a court or jury trial); and (iv) requires that disputes over whether an issue is arbitratable or not be resolved in favor of arbitration. Any references to California Civil Code sections found in any limited warranty or other applicable alternative dispute resolution provision shall not waive any of the rights created by the Federal Arbitration Act.

(g) Exceptions to Mediation and Judicial Reference. The procedures set forth in this Article 27 shall apply only to disputes and shall not apply to any action taken by the Association against Declarant or any Owner for delinquent assessments, or in any action involving any surety bond posted by Declarant to secure its obligations for the payment of assessments or for the completion of the Common Area or the Project. Further, nothing in this Article shall be considered to toll, stay, reduce or extend any applicable statutes of limitation; provided, however, that the Association or any Owner shall be entitled to commence a legal action which, in the good faith determination of the Board or an Owner, is necessary to serve the Association's or the Owner's rights under any applicable statute of limitations, provided that neither the Association nor any Owner shall take further steps in prosecuting the action until it has complied with the procedures set forth in subparagraphs e. and f. herein.

(h) WAIVER OF JURY TRIAL AND RIGHT TO APPEAL. DECLARANT, AND BY ACCEPTING A DEED FOR ANY PORTION OF THE PROPERTY, THE ASSOCIATION AND EACH OWNER AGREE (i) TO HAVE ANY CONSTRUCTION DISPUTE DECIDED BY NEUTRAL JUDICIAL REFERENCE PROCEEDINGS IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT; (ii) TO GIVE UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE CONSTRUCTION DISPUTE LITIGATED IN A COURT OR JURY TRIAL; (iii) TO GIVE UP THEIR RESPECTIVE RIGHTS TO APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE APPLICABLE ARBITRATION RULES OR STATUTES. IF ANY PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT.

(i) Use of Award Proceeds. In order to assure that sufficient funds are available to effect the proper construction, reconstruction, rehabilitation, repair and/or replacement of improvements with the Project, in the event any litigation, mediation, arbitration, judicial reference, settlement, administrative proceeding or other form of dispute resolution ("Proceeding") results in a settlement, award or monetary judgment ("Award") in favor of the Association against any contractor, sub-contractor, architect, materialmen or any other person or entity, including Declarant, involved in the planning, development, construction, sale and disposal of the Project, or any part thereof, the Award must be utilized by the Association solely and exclusively for the construction, reconstruction, rehabilitation, repair or replacement of those improvements in the Project which were the subject of such proceeding, less costs of suit, including reasonable attorney's fees, if any, as may be determined by the judge, arbitrator, mediator, referee or other person who administered the Proceeding. Notwithstanding the foregoing, such Award proceeds may be used for such other purposes as may be determined by the vote or written assent of (1) seventy-five percent (75%) of the total voting power of the Association, other than Declarant, and (2) seventy percent (70%) of the Owners of those Units, if any, where improvements within such Units require construction, reconstruction, rehabilitation, repair or replacement.

(j) Standing. Declarant shall have the right to enforce the provisions of this Article regardless of whether Declarant holds any right, title or interest in and to the Property or any portion thereof.

28. REQUIREMENTS OF THE CITY OF REDONDO BEACH

28.1 Private Open Space. Each Unit shall contain appurtenant private balconies, patios, decks and/or yard areas as set forth by Municipal Code and as further shown and defined on the Condominium Plan recorded in the Office of the County Recorder of Los Angeles County.

28.2 Maintenance of Sound Attenuation Structures. Each Unit has been constructed in accordance with impact insulation class ratings required by the City of Redondo Beach and to the extent floor and wall coverings shall not be removed except for cleaning or replacement, and in the event of replacement, the replacement covering shall furnish the same or greater degree of impact insulation as that originally installed.

28.3 Veto Right of the City. The City of Redondo Beach shall have the right to veto any action of the Association which would tend to decrease the amount of the regular assessment upon a finding by the City that such a decrease would adversely affect the long-term maintenance of the Project, including both structures and Common Area. The Association shall notify the City in writing of the passage of any such action, and such action shall not be effective until sixty (60) days after such notice.

28.4 Guest Parking. The Project shall provide for guest parking per the City of Redondo Beach Municipal Code condominium development standards. All guest parking spaces shall be for the joint use of all Owners within the Project.

28.5 Amendments. The provisions of this Article as well as the provisions of Articles 3.7, 5, 11, 12 and this Article 28 shall not be amended, modified or changed without first obtaining the written consent of the City of Redondo Beach.

IN WITNESS WHEREOF, Declarant has executed this Declaration for Parcel No. 74885 on the day and year indicated hereinabove.

LAV HARRIMAN, LLC, a California Limited Liability Company

Anatoly Ioda,
as Manager

~~Member~~

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 Los Angeles

On December 18, 2018 before me, Mark Trevor Conrad a Notary Public, personally appeared Anatoly Ioda 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 Mark Trevor Conrad

