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SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR THE GLEN-FELIZ CONDOMINIUMS

(A Condominium Project)

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SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS RESTRICTIONS AND RESERVATION OF EASEMENTS FOR THE GLEN-FELIZ CONDOMINIUMS

THIS SUPERSEDING DECLARATION is dated (for reference purposes) this 23rd day of March, 1999, and signed by the following, collectively referred to as "Declarant":

CHARLOTTE F. HOWELL;
STEPHEN K. SHARP and VALERIE R. WALLACE;
ROBERT ALAN FRANK and KIMBERLY B. FRANK;
LEE K. CHRISTENSEN, and JEAN L. KREINER;
PATRICIA A. FOSTER;
SUSAN LEVEN;
ANYA SCHNUG, and HEINZ SCHNUG;
T.J. CRUME and DANIELLE CRUME;
DEAN L. POPEK;
DONALD E. WATKINS;
MYUNG HOON LEE;
GOARIG SANDALDJIAN;
HAROLD B. BELFER;
BARBARA JEAN KNIGHT, CHARLENE ANN KNIGHT, GARY WAYNE KNIGHT;
RUTH D. CAMPETT;
FREDRICK MICHAEL FOSTER;
VICKI INJIJIAN;
JOSEPHINE SUTHERIN;
ZEVART KHATCHIKIAN, Trustee of THE ZEVART KHATCHIKIAN FAMILY TRUST, U/T/D/ September 21, 1984;
INDALECIO LOPEZ;
KELMAR PROPERTIES, a general partnership;
GRETCHEN WIGTON;
BILLY A. GEMPELER and GRACIELA P. GEMPELER;
RICHARD PARLOW;
EDWARD MELLA;
AMALIE K. SCHEYER;
JOSE C. TORRES, MARIANA TORRES and JOE TORRES; and
DAWN PELL.

R E C I T A L S :

A. Declarant is the owner in fee of that certain real property ("Property") in the City of **Los Angeles**, County of **Los Angeles**, State of California, legally described in attached Exhibit "A".

B. Declarant intends to convert the Property into a Condominium project ("Project") under the provisions of California Civil Code Section 1351(f).

C. The following Declarations of Covenants, Conditions and Restrictions, contained in the original conveyance deeds covering said property, were recorded as follows in the Office of the County Recorder of said County, State of California, all of which are collectively referred to herein as the "Original Declaration":

Recorded in Book 6137, Page 387;
Recorded on February 25, 1960, in Book D-759, Page 882;
Recorded on December 5, 1980, as Instrument No. 80-1226826;
Recorded on August 24, 1990, as Instrument No. 90-1475464;
Recorded on October 25, 1994, as Instrument No. 94-1931440;
Recorded in Book D752, Page 39;
Recorded on July 20, 1960, as Instrument No. 766;
Recorded in Book D-1630, Page 305;
Recorded on April 22, 1960, as Instrument No. 2013;
Recorded on November 20, 1973, as Instrument No. 2965;
Recorded on February 17, 1960, in Book D753, Page 32;
Recorded on February 24, 1960, as Instrument No. 1739;
Recorded on November 20, 1973, as Instrument No. 2963;
Recorded on August 17, 1960, in Book D-947, Page 466;
Recorded on May 29, 1962, as Instrument No. 2040;
Recorded on August 15, 1960, as Instrument No. 1562;
Recorded on February 16, 1960, as Instrument No. 702;
Recorded on November 30, 1973, as Instrument No. 3965;
Recorded in Book D1219, Page 792; and
Recorded on April 4, 1961, as Instrument No. 3286.

D. Declarant declares that the Original Declaration is hereby terminated, rescinded and canceled in all respects and that the Original Declaration be of no further force and effect and all rights, duties and obligations which may exist or may arise by virtue of the Original Declaration shall terminate and be superseded by this Superseding Declaration of Covenants, Conditions, Restrictions and Easements.

E. The conversion of this Project from a community apartment project to a condominium project is exempt from the Subdivision Map Act pursuant to California Government Code Section 66412(g)(3) and the City of Los Angeles has no ordinance for certification pursuant to said Government Code Section. (See Exhibit "B" attached hereto.)

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, Mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, liens, charges and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the improvement of the Property and division thereof into Condominiums. All of the limitations, covenants, conditions, restrictions, and easements shall constitute equitable servitudes in accordance with Civil Code Section 1354 and shall be binding upon Declarant and its successors and assignees, and all parties having or acquiring any right, title or interest in or to any part of the Property.

ARTICLE I
DEFINITIONS

The following definitions apply unless otherwise required by the context:

"**Alternative Dispute Resolution" ("ADR")** - Non-judicial (non-court) procedure to resolve disputes. Such procedures include Mediation, Binding Arbitration and Non-binding Arbitration. All three types of procedures (set forth below) are conducted by a neutral third party, such as an arbitrator or a retired judge.

(a) "**Mediation**" is an informal settlement procedure aided by a neutral third party.

(b) "**Binding Arbitration**" is a formal non-judicial procedure wherein the parties have agreed that any decision or award rendered by the arbitrator may be entered as an enforceable judgment by any party in a court having jurisdiction. The decision or award rendered in Binding Arbitration is final.

(c) "**Non-binding Arbitration**" is a formal non-judicial procedure wherein after an award or decision by arbitration, the matter may be heard and decided anew by a court of law having jurisdiction.

"**Approval**" - Prior written approval.

"**Articles**" - The Articles of Incorporation of the Association, including any amendments.

"**Assessments**" - All types of Association charges and Assessments levied against the Owners. The three (3) types of Assessments are Regular, Special, and Compliance Assessments.

"**Association**" - **THE GLEN-FELIZ CONDOMINIUMS ASSOCIATION, INC.**, a California nonprofit mutual benefit corporation formed (or to be formed) to govern the Project. The term includes its agents, the Board or any committee as applicable.

"**Board**" **or** "**Board of Directors**" - The Board of Directors of the Association.

"**Bylaws**" - The Bylaws of the Association, including any amendments.

"**Code Section**" - Any reference to "Code Section" (e.g "Civil Code", "Vehicle Code") refers to Codes of the State of California. *Reference to any specific Code Section shall include any future* successor Code Sections.

"**Common Area(s)**" - The entire Property (including structures, land and improvements) other than the Units described in this Declaration and the Condominium Plan.

"**Common Expenses**" - The actual and estimated expenses of the Association in performing its duties as set forth in the Governing Documents.

"**Compliance Assessment**" - An Assessment imposed against a particular Owner in order to reimburse the Association for any costs incurred in connection with that Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents.

"**Condominium**" - An estate in real property (defined in Sections 783 and 1351(f) of the California Civil Code) consisting of both a separate interest in space called a "Unit",and an undivided interest in the Common Area.

"**Condominium Plan**" - The recorded diagrammatic floor plan of the Units built or to be built on the Property which identifies each Unit and shows its dimensions pursuant to California Civil Code Section 1351(e).

"**Compliance Assessment**" - An Assessment imposed against a particular Owner in order to reimburse the Association for any costs incurred in connection with that Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents.

"**Declaration**" - This instrument and any amendments.

"**Deed of Trust**" - A three party security instrument conveying title to land as security for the performance of an obligation. Also called "Trust Deed".

"**Eligible First Mortgag**[illegible]" - Holders of First Mortgages who [illegible]ve requested the Association to notify them of specified proposals and changes to the Governing Documents and other Association matters.

"**Exclusive Use Common Area**" - Those portions of the Common Area designated by the Declaration, and/or Condominium Plan or by law for the exclusive or restricted use of the Owners of particular designated Units.

"**First Mortgage**" **or** "**First Mortgagee**" - A Mortgage or Mortgagee that has priority over all other Mortgages or Mortgagees encumbering the same Condominium or any other portion of the Project, including a First Mortgagee's blanket Mortgage recorded prior to the recording of this Declaration.

"**Governing Documents**" - All documents governing the Property, including this Declaration, the Articles, Bylaws, Condominium Plan and any Rules and Regulations.

"**Grant Deed**" - A written instrument transferring title to real property.

"**Institutional Mortgagee**" - Any bank, savings and loan association, insurance company, real estate investment trust, retirement fund trust, or other financial institution holding a recorded First Mortgage on any Condominium.

"**Member**" - Any person who is an Owner based upon the provisions of the Governing Documents.

"**Mortgage**" - A two party security instrument pledging land as security for the performance of an obligation. Reference to Mortgage includes the Deed of Trust.

"**Mortgagee**" - The party entitled to performance by a Mortgagor. Reference to Mortgagee includes any beneficiary under a Deed of Trust on any portion of the Property, recorded prior to the recording of this Declaration.

"**Mortgagor**" - The party executing a Mortgage. Reference to Mortgagor includes the Trustor under the Deed of Trust.

"**Occupant**" - An Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person in possession.

"**Owner**" **or** "**Owners**" - The person(s) or legal entity holding a recorded fee simple interest in a Condominium, or the purchaser(s) of a Condominium under an installment land sales contract. "Owner" does not include any person or entity having an interest in a Condominium merely as security for the performance of an obligation.

"**Project**" or "**Property**" - The real property described in Paragraph "A" of the Recitals to this Declaration. The Project is a "Condominium Project" as defined in Section 1351(f) of the California Civil Code. The Property is a "Common Interest Development" as defined in Section 1351(c) of the California Civil Code.

"**Protected Mortgagees**" - (1) First Mortgagees, irrespective of the date of recordation of their trust deeds; and (2) junior Mortgagees whose trust deeds are of record as of the date of recordation of this Declaration.

"**Regular Assessments**" - Assessments used to meet the Association's normal operating expenses and to establish necessary reserves.

"**Rules and Regulations**" - The rules as established and adopted from time to time by the Board as provided for in this Declaration.

"**Special Assessments**" - Assessments levied on an as-needed basis to meet expenses of an extraordinary or capital nature.

"**Total Voting Power**" - One hundred percent (100%) of the votes by Association Members which may potentially be cast. (Even if any Owner's voting rights have been suspended, the number of votes constituting the Total Voting Power would include any suspended vote(s).)

"**Trustor**" - The person conveying property in trust.

"**Unit**" - The elements of a Condominium not owned in common with other Owners as defined in California Civil Code Section 1351(f). Each Unit is designated as a Unit in the Condominium Plan for the Property and is separately identified.

ARTICLE II

DIVISION, MAINTENANCE AND INSURANCE OF PROPERTY

2.01 **Units.**

Existing physical Unit boundaries (re)constructed in substantial accordance with the original plans will be the presumed boundaries (rather than the figures in the deed or Condominium Plan) regardless of a building's settling, lateral movement or other minor variance.

2.02 **Common Area(s).**

Each Owner will receive the following undivided interest in the Common Area: **one/twenty-ninth (1/29)**.

2.03 **Exclusive Use Common Area(s).**

(a) As set forth in Civil Code Section 1351(i), "Exclusive Use Common Area(s)" are portions of the Common Area(s) for the exclusive use of the Owner(s) of the Unit to which the Exclusive Use Common Area is appurtenant.

(b) As shown and designated on the Condominium Plan, the Declarant hereby reserves Garage Spaces, designated as "G", to be Exclusive Use Common Areas for the exclusive use of the Unit to which it is conveyed by Grant Deed.

(c) As set forth in Civil Code Section 1351(i)(1), 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 particular Unit but located outside the boundaries of the Unit, are Exclusive Use Common Areas allocated exclusively to that Unit, whether or not they are designated and shown as such on the Condominium Plan.

(d) Use of the Exclusive Use Common Area(s), if any, are subject to reasonable restrictions contained in any Governing Documents.

2.04 **Repair and Maintenance of the Property by Owner.**

(a) In accordance with the Governing Documents, each Owner must maintain, repair and replace all of the following, except as otherwise specifically stated herein:

- (1) All of the Owner's Unit, (see the Condominium Plan for a detailed description) i.e., the space contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors and door frames, exterior screens and screen doors, garage doors and openers, interior surfaces of any balcony;
- (2) The Unit's Exclusive Use Common Area(s), as shown and designated on the Condominium Plan, if any, in a clean, sanitary and attractive condition;
- (3) Resurfacing the floor of any balcony as needed;
- (4) Utility installations, or portions thereof, located within the Unit, that the Owner has exclusive use of, including, without limitation: Hot water heaters, space heaters, plumbing fixtures and pipes, electrical and lighting fixtures which are located entirely within the Unit;

(5) Any damage to the Common Area(s) caused by an Owner or an Owner's occupants or invitees, even if the damage is to an area otherwise maintained by the Association. All the repairs shall be subject to prior approval of the Board.

(b) Any exterior alteration or improvement or change to the exterior of a Unit or any interior improvement that may impact structural integrity or mechanical systems must first be approved in writing by the Board.

(c) Complete plans and specifications must be submitted in writing to the Board showing plot layout, materials, sizes, color, design and landscaping, and with the signature of the Owner.

2.05 <u>Repair and Maintenance of the Property by Association</u>.

(a) Except as otherwise specifically stated, the Association (not individual Owners) is responsible for maintaining Common Areas, making necessary repairs, modifications and improvements.

(b) The Association is also responsible for maintaining and repairing the following specific items if they exist on the Property:

(1) Bearing walls, except for the finished surfaces thereof;

(2) Garage or parking structures;

(3) Soffits and exposed beams in ceilings, and areas within dropped ceilings;

(4) Chimneys and flues; and

(5) Finished surfaces and structural components of balconies (except resurfacing the floors), balcony railings, patios, storage spaces, parking spaces, and/or garages.

2.06 <u>Association Insurance</u>.

(a) The Board must maintain the following specified (or equivalent) insurance coverages subject to the Section entitled, "Government Financing Programs:

(1) Fire insurance for one hundred percent (100%) of the full insurable value of all improvements in the Common Area(s), as long as the improvements are replaced without deduction for depreciation or coinsurance naming as insured the Owners, their Mortgagees, and/or the Association.

(2) Extended coverage for replacement costs of damage to the Common Area(s) that arises out of vandalism or malicious mischief.

(3) Comprehensive public liability insurance in an amount specified by Section 1365.7, which at the time of recording of this declaration is TWO MILLION DOLLARS ($2,000,000) that covers the Association, Board, Managing Agent, Owners, Occupants and any other agents or employees incident to the ownership or use of Common Area(s) against physical injury, death and property damage arising out of a single occurrence.

(4) If available, an extended coverage endorsement clause known as "special form".

(5) There shall be a deductible of no more than five thousand dollars ($5,000.00).

(6) Each hazard insurance policy must be written by a carrier who meets FNMA requirements for a "Best Rating".

(7) A fidelity bond that insures the Association for the estimated maximum amount (or at least three (3) months aggregate Assessments on all Condominiums and reserve funds) that could be affected by the dishonest act of any Association employee or Board member who handles funds for the Owners' benefit. (Mandatory for a Property with more than twenty (20) Condominiums, and at the option of the Association for a Property with less Condominiums).

(8) Workers' compensation insurance, in compliance with all applicable laws (if there are any employees or any worker hired to work in the Common Areas).

(b) The Board may elect to adopt an insurance policy with extended fire insurance coverage including any of the following types of property contained within a Unit: fixtures, improvements and alterations that are a part of the building or structure; and appliances, such as those used for refrigeration, ventilating, cooking, dishwashing, laundering, security or housekeeping, as long as the improvements are replaced without deduction for depreciation or coinsurance naming as insureds the Owners, their Mortgagees, and/or the Association.

(c) Association insurance policies shall contain the following provisions, ("Special Condominium Endorsements") as appropriate:

(1) A waiver of the carrier's right of subrogation against any Owner, the Association, the Board and any of their agents or employees;

(2) Inflation Guard Endorsement, if obtainable at a reasonable cost;

(3) If a construction code requires changes to undamaged portions of a building when any part of the building is destroyed by an insured hazard, then a Construction Code Endorsement, typically including endorsements for demolition cost, increased cost of construction, and contingent liability from building operation laws;

(4) Standard Mortgage clause and name as Mortgagee the holder of the First Mortgage, FNMA, servicers (if any), or Mortgagees under any First Deeds of Trust, as their interests may appear.

(d) All fire insurance proceeds payable for losses to real property and improvements, and all casualty insurance proceeds, may be paid to a Trustee, to be held and expended for the benefit of the Owners, the Association, Mortgagees, and others, as their respective interests shall appear. The Trustee shall be a commercial bank or other financial institution with trust powers in the County in which the Project is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.

(e) Insurance and fidelity bonds must provide for a ten (10) day written notice of modification or termination to any insurance trustee, and to each FNMA servicer who has filed a written request with the carrier for such notice.

(f) At least annually, the Board must review the Association's insurance policies.

2.07 **Owner Insurance.**

(a) It is each Owner's responsibility, if desired, to obtain:

(1) Insurance for the personal property or potential liability occurring within a Unit;

(2) Loss assessment coverage for certain future special assessments;

(3) Any other available insurance.

(b) If an Owner obtains insurance for personal property or liability occurring within the Unit, the policy must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, Declarant and any Institutional Mortgagee of the Owner's Condominium.

(c) An Owner shall not obtain any insurance that potentially may cause a reduction in the Association's insurance proceeds. If an Owner violates this provision, the Owner shall be liable to the Association for any reduction in the Association's insurance proceeds.

(d) An Owner shall notify the Association of any substantial improvements to the Unit and Exclusive Use Common Area(s), if any. If an Owner fails to do so, the Owner is liable to the Association for any damages pertaining to the Association's insurance coverage, if any, including any reduction in coverage.

ARTICLE III
OWNERS GENERAL USE RESTRICTIONS

3.01 Unit Use.

(a) Each Unit shall be used solely as a private residential dwelling and for no other purpose.

(b) An Owner may rent a Unit for residential purposes subject to the provisions of this Article, provided:

(1) There is a written agreement;
(2) The rental term is one (1) year or longer;
(3) The lease states it is subject to all the provisions of the Governing Documents;
(4) A copy of the Governing documents must be given to each tenant and explained to them by the Owner prior to signing any rental agreement;
(5) Owners must give the Board the names and telephone numbers of all occupants, tenants, and their roommates; and
(6) The Association and each Owner shall have a right of action directly against any tenant/occupant for any breach of any provision of the Governing Documents.

(c) Occupations and businesses that do not interfere with the residential nature or character of the Property or quiet enjoyment by other Owners may be carried on within a Unit, provided that all applicable laws, ordinances, zoning regulations and rules are satisfied and that there is no external evidence of any such occupation, such as an unreasonable increase in visitors, or an increase in the sound or smell emanating from the Unit.

(d) In no event shall a Unit be occupied by more individuals than permitted by applicable zoning laws or governmental regulations.

(e) Each Owner and occupant shall be accountable to the remaining Owners and occupants, their families, visitors, guests and invitees, for the conduct and behavior of their children and any children temporarily residing in or visiting the Unit, and for any property damage caused by such children.

(f) Except in Condominiums located on the ground floor, no water furniture (including waterbeds) shall be permitted at any time in a Condominium.

3.02 **Common Area Use.**

(a) Common Area(s) and Exclusive Use Common Area(s), if any, may only be used for purposes which are compatible with usages customarily associated with common areas located within residential developments in California, and subject to the limitations described in this Declaration and other Governing Documents.

(b) Any Owner may delegate his/her rights of use and enjoyment of any Common Area facilities to the members of his/her immediate family, and guests and invitees. If an Owner has rented or leased his/her Condominium, such rights shall be automatically delegated to the tenants or lessees for the duration of their tenancy, and the Owner shall forfeit any rights to use and enjoy any such facilities for the duration of such tenancy. With respect to an installment land sales contract, the seller under the contract shall be deemed to have delegated his/her rights to use and enjoy any such facilities to the purchaser under the contract.

3.03 **Nuisances.**

(a) Illegal, offensive, obnoxious actions, or noxious odors that interfere with any Occupant's quiet enjoyment are not permitted anywhere on the Property.

(b) An Occupant may not cause the level of noise or sound from the Unit to interfere with the quiet enjoyment of an Occupant of another Unit (i.e., loud music or television, shouting, slamming of doors, and other such actions.)

(c) The Board shall have the right to determine if any unreasonable situation, action, odor, noise or other conduct constitutes a nuisance, and to appropriately deal with the situation.

(d) There shall be no barbecuing anywhere on the Property, including on any balconies or front yard areas.

3.04 **Signs.**

(a) Subject to Civil Code Sections 712 and 713, and any local ordinance, an Owner may advertise a Condominium for sale or lease with sign(s) with a size, format, and location previously approved by the Board.

(b) No other sign, poster, display, or advertising device may be displayed anywhere on the Property visible outside a Unit without the prior written consent of the Board.

3.05 **Animal Regulations.**

No animals or pets are permitted in any Unit or anywhere on the Property.

ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.01 **Membership.**

Every Owner is automatically an Association Member.

4.02 **Voting Rights.**

(a) Each joint Owner has an indivisible interest in a single Membership.
(b) Each Unit is entitled to one (1) vote, cast as a single unit, without fraction.
(c) If joint Owners cannot unanimously agree how to cast their vote, they forfeit their right to vote on the matter in question.
(d) If a joint Owner casts a vote representing a certain Condominium, it will be presumed for all purposes to be a vote with the authority and consent of all other joint Owners of the Condominium.
(e) After Notice and Hearing as provided herein, the Association has the right to suspend the voting rights of any Owner delinquent in the payment of Assessments.

4.03 **Transfer of Membership.**

(a) Membership of each Owner shall be appurtenant to the Condominium owned, and may only be (and is automatically) transferred upon conveyance of title to a Condominium to the new Owner.
(b) In connection with any transfer or change of ownership of any Condominium, the Association and each Owner must comply with Civil Code Section 1368.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

5.01 **Specific Association Duties and Powers.**

The duties and powers of the Association are those set forth in the Governing Documents, together with its general and implied powers as a nonprofit mutual benefit corporation, generally to do all things which are necessary or proper for the peace, health, comfort, safety and general welfare of its Owners, including the following:

(a) Enforce the applicable provisions of the Governing Documents and other instruments for the ownership, management and control of the Project.
(b) Contract for goods and/or services for the Common Areas, facilities, and interests, or for the Association subject to the limitations set forth below.
(c) Borrow money with the assent of sixty-seven percent (67%) of the voting power, and/or to mortgage, pledge, or otherwise hypothecate any of its real or personal property as security for money borrowed or debts incurred.
(d) Exercise any powers normally exercised by residential homeowner associations under the laws of the State of California.

5.02 **<u>Board Powers and Limitations</u>.**

(a) Except as to matters requiring the approval of Owners, the affairs of the Association shall be managed and conducted by the Board and the Association's officers consistent with the law.

(b) The Board is authorized to adopt and enforce reasonable rules and regulations concerning the Property.

5.03 **<u>Budget, Financial Statements and Governing Documents</u>.**

The Board of Directors of the Association must comply with all current requirements of California Civil Code Sections 1354, 1365 and 1365.5, or successor statutes pertaining to financial records, governing documents, etc.

5.04 **<u>Penalties for Non-Compliance</u>.**

(a) In recognition of the need for a reasonable means of encouraging and insisting upon compliance with the provisions of the Governing Documents without resorting to suits for injunctive relief, the Board is authorized to do the following:

 (1) Establish a reasonable policy of reasonable penalties, including monetary penalties (which specifies the amounts of potential monetary penalties);

 (2) Assess such penalties against any Owner found to be in violation of any provision of the Governing Documents;

 (3) Temporarily suspend an Owner's voting rights as a Member of the Association and/or rights to use Common Area facilities for as long as the violation continues; and

 (4) Record a Notice of Non-Compliance in the Office of the County Recorder, stating any breach or violation of any of the restrictions, conditions and covenants hereby established. Such Notice must be executed by two (2) officers of the Association within a reasonable time after the occurrence of such breach, violation or failure to comply. A copy of such Notice shall be forwarded to the Owner responsible for such breach of violation or, or failure to comply with, any of said restrictions, conditions or covenants.

(b) Notice and Hearing relating to the imposition of any penalties in this Section must be made in the following manner and at a minimum:

 (1) Notice must be given to the relevant Owner's most recent address in the Association's records at least fifteen (15) days before the proposed effective date of the penalty;

 (2) Notice must set forth details of the violation itself, the proposed penalty, and the date, time and place of the Hearing;

 (3) The Owner may be heard (either orally or in writing) at a Hearing held at least five (5) days before the effective date of the proposed penalty;

 (4) Hearing will be held by the Board of Directors, and their decision is final and binding upon the Owner;

 (5) The Board shall meet in executive session if requested by the member being disciplined, and the Owner shall be entitled to attend the executive session.

 (6) Following the Hearing, the Board must decide whether or not the Owner should in fact be penalized, and the nature of the penalty.

(c) If the Board establishes adopts a policy imposing any monetary penalty, including any fee on any member for a violation of the Governing Documents or rules of the Association, including any monetary penalty relating to the activities of a guest or invitee of a member, the Board shall adopt and distribute to each member by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the Governing Documents. (The Board shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the members.)

(d) If an Owner fails to comply with a penalty imposed pursuant to the provisions of this Section, the Board may seek judicial enforcement of the penalty in any court of competent jurisdiction, with the Owner liable for all costs (collection costs, court costs, attorney's fees, etc.).

(e) Notwithstanding the foregoing, the Owner shall be given, at a minimum, the rights set forth in Corporations Code Section 7341 or any successor statute.

5.05 **Right of Entry.**

(a) The Association has the right to enter any Unit or Exclusive Use Common Area(s) to determine compliance with the Governing Documents and to perform its duties.

(b) In case of emergency, or by Court order, a Unit may be entered immediately. Otherwise, a Unit or its Exclusive use Common Area(s) may only be entered at reasonable hours after the Owner has received three (3) days notice, and if the Occupant does not physically attempt to stop the entry.

(c) Entry must be made with as little inconvenience as possible to the Owner/Occupant.

ARTICLE VI
COVENANTS FOR ASSESSMENT

6.01 **Assessments.**

(a) Assessments may be levied by the Association for improvement and maintenance of the Common Area(s), administration of the Property, and to promote the recreation, safety, and welfare for the common good of all the Owners.

(b) Each Owner, by acceptance of a deed to a Condominium, whether or not it shall be so expressed in any deed, covenants and agrees to pay all Assessments to the Association.

(c) Assessments and related interest, collection costs, and reasonable attorneys' fees are the personal obligations of the Owner, and are not the personal obligation of successors in title unless expressly assumed by them. The Condominium does remain subject to any Assessment liens of record, except upon foreclosure of a First Mortgage, as stated in the Article entitled "Mortgagee Protection".

(d) The Association may not collect an Assessment fee in excess of the amount needed for the purpose levied.

6.02 **Assessment Rate.**

All Assessments, both Regular and Special, shall be charged to and divided among the condominiums as set forth in attached Exhibit "C".

6.03 **Assessment Duties of the Board of Directors.**

Regular and Special Assessments shall be levied, collected, and increased in compliance with Civil Code Section 1366.

6.04 **Effect of Nonpayment of Assessments: Delinquency and Remedies of the Association.**

(a) An Assessment is delinquent ("Delinquent Assessment") if not paid within fifteen (15) days after the due date. A Delinquent Assessment includes:
   (1) A late charge imposed by the Board to the maximum amount in accordance with California Civil Code Section 1366 (or any successor statutes);
   (2) Reasonable collection costs and attorney's fees; and
   (3) Interest on all costs and charges at the maximum permissible rate, commencing thirty (30) days after the Assessment is due.

(b) Delinquent Assessments and related costs will be a continuing lien on the relevant Condominium when a "Notice of Delinquent Assessment" is recorded against an Owner's fee interest in a Condominium.

(c) Notwithstanding the foregoing, any Compliance Assessments imposed against a particular Owner in order to reimburse the Association for any costs incurred in connection with that Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents, may not become a lien against the Owner's fee interest in a Condominium. However, this does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest or for costs reasonably incurred including attorney's fees in its efforts to collect other delinquent assessments.

(d) In addition to all other legal rights and remedies, the Association may:
   (1) Bring legal action against an Owner who is personally obligated to pay the Assessment and charges (without foreclosing or waiving any lien security);
   (2) Judicially foreclose the lien against the Condominium, including the Assessment, interest, collection costs and late charges;
   (3) Foreclose the lien by power of sale in accordance with California Civil Code Sections 2924-2924h, or any other lawful manner;
   (4) Bid on the Condominium through authorized agents at the foreclosure sale, to acquire and thereafter to hold, lease, Mortgage or convey; or
   (5) Temporarily suspend the voting rights of the Owner in accordance with the provisions of this Declaration.

(e) Foreclosure action may not proceed until thirty (30) days after a Notice of Claim of Delinquent Assessment is duly recorded with the relevant County Recorder that meets the requirements of Civil Code Section 1367.

(f) A copy of the Notice of Claim of Delinquent Assessment must be sent by certified or registered prepaid United States mail, addressed to the Owner or his designated agent previously given in writing to the Association at the Condominium (or an address that the Owner has previously given in writing to the Association which address must be within the United States).

(g) Upon an Owner's timely payment of a default and all related fees, Association officers may prepare and record (at the Owner's cost) a release of the Notice of Delinquent Assessment.

(h) No transfer of an Owner's interest in a Condominium as a result of a foreclosure or exercise of a power of sale shall relieve the new Owner whether it be the former beneficiary of the First Mortgage or another person, from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE VII
MORTGAGEE PROTECTION

7.01 Subordination of Lien and Foreclosure

(a) Any lien created or claimed in this Declaration:
   (1) Is subject and subordinate to the rights of any first Mortgage and/or Protected Mortgage that encumbers any part of the Property made for value in good faith; and
   (2) May not in any way impair or invalidate the obligation or priority of a first Mortgage and/or Protected Mortgage unless expressly subordinated in writing by the Mortgagee.

(b) Foreclosure of any Assessment lien created by any provision of this Declaration shall not operate to impair any lien encumbered by a first Mortgage and/or Protected Mortgage made for value in good faith.

(c) Upon foreclosure of a first Mortgage and/or Protected Mortgage, the purchaser:
   (1) Will take the Condominium title free of any Assessment lien accrued up to the time of the foreclosure sale (provided that nothing herein is intended to impair the rights of the Association to receive payment on any Assessment lien in the event the net sale proceeds are in excess of what is owed on all encumbrances prior to the Assessment lien); and
   (2) Is only obligated to pay Assessments or other Association charges accruing after the title to the Condominium is acquired.

(d) Where the Mortgagee obtains title with a deed in lieu of foreclosure, any Assessment lien for that Condominium shall be extinguished upon recordation of the deed.

7.02 Mortgagees Are Not Required to Cure Certain Breaches.

A first Mortgagee and/or Protected Mortgagee who acquires title by foreclosure or by a deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure an existing breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

7.03 **Exemption From Right of First Refusal.**

(a) No right of first refusal or similar restriction may be placed on an Owner's right to sell, transfer, or otherwise convey a Condominium, unless all Protected Mortgagees of the Property grant written consent to the Association.

(b) Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other party) may not impair the rights of a Mortgagee to do any of the following:

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

  (2) Accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage; or

  (3) Sell or lease a Condominium acquired by the Mortgagee.

7.04 **Restrictions on Certain Changes.**

At least sixty-seven percent (67%) of Owners and at least fifty-one percent (51%) of the votes of First Mortgagees and/or Protected Mortgagees must give written approval before the Association may, by act or omission, do any of the following:

(a) Abandon, partition, subdivide, encumber, sell or transfer any portion of a Common Area (other than granting easements as specified in this Declaration);

(b) Alter the method of determining Assessments or other charges levied against an Owner;

(c) Partition or subdivide any Condominium;

(d) Seek to abandon or terminate the Property, (except as provided by statute in case of substantial loss to the Units or Common Areas);

(e) Use hazard insurance proceeds for losses to the Property (Unit or Common Area) for other than repair, replacement or reconstruction of the relevant Property (except as provided by statute in case of substantial loss to the Units or Common Areas);

(f) Change, waive or abandon any regulations or enforcement pertaining to the architectural design, the exterior appearance or the maintenance of the Units or the Common Area(s).

(g) Fail to maintain Fire and Extended Coverage on insurable Common Area(s) as specified in this Declaration.

(h) Amend any provision of the Governing Documents concerning:

  (1) Voting rights;

  (2) Rights to use the Common Area(s), and reallocation of interests in the Common Area (including Exclusive Use Common Areas);

  (3) Reserves and responsibility for maintenance, repair and replacement of the Common Property;

  (4) Unit boundaries;

  (5) Owners' interests in the Common Area;

  (6) Convertibility of Common Area into Units or Units into Common Area;

  (7) Unit leasing;

  (8) Establishment of self-management by the Association where professional management has been required by any beneficiary, insurer or guarantor of a first Mortgagee and/or Protected Mortgagee;

  (9) Annexation or deannexation of real property;

  (10) Assessments, Assessment liens, or the subordination of such liens;

  (11) Casualty and liability insurance (or other insurance or fidelity bonds);

(12) Imposition of a right of first refusal or similar restriction of an Owner's right to sell, transfer or otherwise convey the Unit;
(13) Restoration or repair of the Property after hazard damage or partial condemnation;
(14) Action to terminate the legal status of the Property after substantial destruction or condemnation; and
(15) Any provisions that are for the express benefit of first Mortgagees and/or Protected Mortgagees, insurers or governmental guarantors of first Mortgages and/or Protected Mortgages.

(i) Change, waive or abandon the provisions of this Declaration (and their enforcement) pertaining to architectural design and control of the exterior appearance of structures, maintenance of the Common Area(s), walks, fences, driveways, lawns and plantings on the Property.

(j) When Owners are considering termination of the legal status of the Project for reasons other than substantial destruction or condemnation of the Property, written approval of at least sixty-seven percent (67%) of Eligible First Mortgagees and/or Protected Mortgagees must be given.

(k) An Eligible First Mortgagee's (and/or Protected Mortgagee's) approval will be considered granted if a negative response is not delivered to the Board within thirty (30) days after it receives notice of the proposed amendment, provided notice was delivered personally or by certified or registered mail, return receipt requested.

7.05 **Inspection of Association Books and Records.**

Any first Mortgagee and/or Protected Mortgagee holder has the right to examine the books and records of the Association at a reasonable time scheduled by the Association. The Association may charge the Owner and/or requesting Mortgagee a reasonable fee for all costs incurred by such examination.

7.06 **Condemnation Awards and Insurance Proceeds.**

(a) First Mortgagees and/or Protected Mortgagees have priority over any other party (including the Owner) pursuant to their Mortgage in a case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units or Common Areas. Any provision to the contrary in this Declaration, the Bylaws, or other Governing Documents is to such extent void.

(b) All applicable fire, physical loss or extended coverage insurance policy must contain loss payable clauses acceptable to the affected first Mortgagee and/or Protected Mortgagee, naming them Mortgagees as their interests may appear.

7.07 **Mortgagee's Right to Attend Meetings.**

Any First Mortgagees and/or Protected Mortgagees may appear at Association and Board meetings, but is not eligible to vote.

7.08 **Payments by Mortgagees.**

(a) First Mortgagees and/or Protected Mortgagees may pay the following jointly or severally:
(1) Taxes or other charges in default which may be a charge against any part of the Common Area(s); and

(2) Overdue premiums on hazard insurance policies, or to secure new hazard insurance coverage on the lapse of a policy for the Common Area(s).

(b) Upon making such payments, the Association:

(1) Owes immediate reimbursement to first Mortgagees and/or Protected Mortgagees making such payments; and

(2) Must, upon Mortgagee's request, execute an agreement that reflects the first Mortgagees' and/or Protected Mortgagees' entitlement to such reimbursement.

7.09 **Loss Payable Endorsement.**

All applicable fire, physical loss or extended coverage insurance policies must contain loss payable clauses naming the Mortgagees who encumber the Condominiums.

7.10 **Notices to Mortgagees.**

(a) Each Eligible First Mortgage Holder is entitled to timely written notice of:

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

(2) Any sixty-day delinquency in the payment of Assessments or charges owed by the Owner of any Condominium on which it holds the mortgage;

(3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(4) Any proposed action that requires the consent of a specified percentage of Eligible First Mortgage Holders and/or Protected Mortgage Holders.

(b) To obtain the information above, the mortgage holder, insurer or guarantor must send a written request to the Association, stating both its name and address and the Condominium number or address of the Condominium it has the mortgage on.

ARTICLE VIII
DESTRUCTION OF IMPROVEMENTS

8.01 **Restoration of the Property.**

If there is damage or destruction of improvements to the Common Area:

(a) If insurance proceeds cover at least eighty-five percent (85%) of restoration costs, the Association shall cause Common Area damage to be repaired unless seventy-five percent (75%) of the Total Voting Power elect not to repair.

(b) If insurance proceeds cover less than eighty-five percent (85%) of restoration costs, then the vote (or written assent) of seventy-five percent (75%) of the Owners and First Mortgagees must approve proceeding with restoration and a Special Assessment to be levied by the Board.

(c) If the estimated cost of repair does not exceed ten thousand dollars ($10,000.00), the Board must cause the repair to occur without the consent of Members irrespective of the available amount of insurance proceeds. The Board is empowered to levy a Special Assessment if necessary as described herein.

(d) If the Owners decide to rebuild, then within six (6) months from the date of destruction, the Board shall record with the County Recorder a certificate of resolution authorizing such construction, or it shall be presumed that the Owners have determined not to rebuild.

(e) If the Owners (and Mortgagees, if applicable) decide to rebuild the Board shall levy a Special Assessment against all Owners to raise the remaining funds required for repair of such damage. Said Special Assessment shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of floor area of all Units to be assessed.

(f) If the Owners and Mortgagees determine that restoration costs would be substantial and reconstruction would not be in their best interests, the Owners may proceed as provided below.

8.02 **Sale of Property and Right to Partition.**

(a) If the Association elects not to rebuild, an independent M.A.I. (Member Appraisal Institute) appraiser (or an appraiser of comparable experience) shall determine the relative fair market values of all condominiums as of a date immediately prior to any damage or destruction and the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to such values.

(b) An Owner may not partition his or her interest in the Condominium, and there may be no judicial partition of the Property, except:

   (1) If a certificate of a resolution to rebuild has not been recorded within six (6) months of the destruction; or

   (2) If restoration has not begun within six (6) months, then conditions for partition as set forth in Subdivision (4) of California Civil Code Section 1359(b) will be deemed satisfied.

(c) In case of partition, the Association (acting through a Board majority) must promptly record a certificate that states:

   (1) That a Board majority has irrevocable power of attorney to sell the Property for the Owners' benefit (except the VA) and for whatever documents are necessary for the Association to sell the Property for the best price, either in its damaged condition, or after damaged structures have been razed; and

   (2) That the certificate is conclusive evidence of authority for any person relying upon it in good faith.

(d) Net proceeds from sale, condemnation award (affecting all or a part of the Structural Common Area which is not apportioned among Owners by court judgment or by agreement between condemning authorities and each of the Owners) and/or Association insurance must be divided proportionately among the Owners according to an appraised fair market value of the Condominiums (as of a date immediately prior to destruction or condemnation), computed by dividing the value of each Condominium by the total value of all Condominiums. Appraiser(s) hired by the Board for this purpose will be paid as an Association Common Expense.

(e) The balance due on any valid encumbrance of record will be paid in order of priority before the distribution of any proceeds to the relevant Owner.

8.03 **Notice to Owners and Listed Mortgagees.**

Immediately upon learning of any material damage or destruction to the Common Property or any Unit, the Board must notify all Owners, and Beneficiary, insurer or guarantor of any relevant Mortgage who have filed a written request for Board notice (see "Mortgagee Protection" Article).

ARTICLE IX

CONDEMNATION

9.01 Representation by the Board in Condemnation Proceedings.

In case any Condominium is taken by condemnation or sale by eminent domain the Board will be the representative of all Owners in any action to recover awards and all aspects of condemnation proceedings (subject to Mortgagees who have requested to join the Board in the proceedings).

9.02 Distribution of Award.

(a) In case of condemnation or sale by eminent domain, the Board must distribute any award according to these provisions (after deducting fees and expenses related to the condemnation proceedings).

(b) Any award must first be applied toward payment of any balance due on any Mortgages of record, in order of priority.

(c) If condemnation judgment apportions the award among the Owners and Mortgagees, the Board will distribute the remaining amount (after deductions above) according to the terms of the judgment allocation.

(d) If by sale under threat of condemnation (or if the judgment of condemnation fails to apportion the award), the Board will distribute the award based upon relative values of the affected Condominiums as determined by an independent M.A.I. appraiser(s) hired by the Board and approved by fifty-one percent (51%) of the Mortgagees. If said percentage of Mortgagees do not approve, then any Mortgagee may hire an M.A.I. appraiser at their own cost, and the award amount will be calculated based upon the average of all appraisals obtained.

(e) The determination of the appraiser(s) of each Condominium's value and degree of affect by the proceedings will be final and binding on all Owners and Mortgagees.

(f) An Owner does not have priority over a Mortgagee for the condemnation award allocated to the Condominium.

(g) An award may not be distributed to an Owner or Mortgagee in excess of the allocated amount.

9.03 Inverse Condemnation.

The Board may bring an inverse condemnation action, in which case these provisions apply with equal force.

9.04 Revival of the Right to Partition.

(a) If condemnation or sale by eminent domain renders more than twenty percent (20%) of the Units incapable of substantial restoration to prior condition (of at least ninety-five percent (95%) of the floor area):

(1) The Board must call an Owners' meeting within sixty (60) days by mailing notice to each Owner at the address in the Association records; and

(2) The Owners may permit sale and partition of the entire Property (by a sixty-seven percent (67%) vote or written consent of the Owners, based on one (1) vote per Condominium), in which case an Owner's right to partition through legal action is revived.

(b) The Board will determine whether Condominiums partially taken are capable of being restored, and their decision is final and binding.

9.05 **Awards for Members' Personal Property and Relocation Allowances.**

(a) In case of condemnation or sale by eminent domain, each Owner has exclusive right to claim:

(1) All of the award made for the Owner's personal Property: and

(2) Relocation and moving expenses.

(b) The Board shall represent each Owner in an action to recover awards regarding the Owner's personal property, and must allocate the proportional amount of any award attributable to the appropriate portion of each Owners' personal property.

9.06 **Notice to Members.**

As soon as the Board learns of any potential condemnation or sale by eminent domain, it must notify all Members and First Mortgagees who have filed a written request for notice (see "Mortgagee Protection" Article).

9.07 **Change of Condominium Interest.**

(a) In case of condemnation or sale by eminent domain, the Board may amend the Condominium Plan to reflect changes (subject to this Declaration).

(b) If the Board records such an amendment, all relevant Owners and security interest holders must:

(1) Execute and acknowledge the amendment in compliance with California Civil Code Section 1351 (or any similar statute in effect); and

(2) Execute other documents and take other actions required to make the amendment effective.

(c) The Board must send a notice of Condominium Plan change to each Owner and Mortgagee within ten (10) days after the amendment is filed in the relevant County Recorder's Office.

ARTICLE X
COVENANT AGAINST PARTITION AND RESTRICTION ON SEVERABILITY OF CONDOMINIUM COMPONENT INTEREST

10.01 **No Partition; Exceptions; Power of Attorney.**

(a) The right of partition is hereby suspended (except that the right to partition revives and the Property may be sold as a whole when the provisions of this Declaration concerning Destruction and Eminent Domain are met).

(b) Upon prior written approval of the First Mortgagee, an Owner may bring an action for partition by sale as provided in California Civil Code Section 1359 (or any similar statute in effect at the time).
(c) These provisions do not prevent a judicial partition between co-tenants of a Condominium.
(d) Subject to obtaining the prior approval by vote or written consent of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of all Institutional First Mortgagees, the Association (through its Board) has irrevocable power of attorney not applicable to the VA for the following circumstances:
    (1) To sell the Property for the benefit of Owners and Mortgagees when partition takes place under California Civil Code Section 1359;
    (2) Only after a certificate executed by a majority of Board Members is recorded which states that power of attorney is duly exercisable under the circumstances.

10.02 **Proceeds of Partition Sale.**

(a) Whenever an action is brought for partition by sale, the Owners will share the proceeds in the same proportion as the relative values of each Condominium, determined by comparing its fair market value on partition date (established by an M.A.I. Appraiser selected by the Association) to the total assessed value of all Condominiums in the Property on that date.
(b) Distribution of partition sale proceeds must be adjusted to reflect prior condemnation awards or insurance proceeds paid to Owners and Mortgagees.
(c) In case of partition and sale, provisions of all Mortgages and Assessment liens extend to each Owner's interest in the resultant proceeds.
(d) An Owner's interest may only be distributed upon prior payment of any Mortgage or Assessment encumbering the proceeds.

10.03 **No Separate Conveyance of Condominium Components.**

(a) An Owner may not sever, sell, convey or encumber a Condominium's component interests (such as the undivided interest in the Common Area from the Unit).
(b) The provisions of this Section terminate when a partition is decreed (either judicial or in accordance with this Article).

ARTICLE XI
EASEMENTS

11.01 **Certain Easements for Owners.**

Declarant grants nonexclusive easements for enjoyment, ingress, egress, pedestrian walkway and general recreation purposes over and upon the Common Area (except Exclusive Use Common Areas, if any) to all Owners, subject to Governing Documents.

11.02 **Certain Easements for Association.**

Declarant/Owners grant(s) to the Association nonexclusive easements over the Common Areas and Units to the Association to discharge its obligations as described in this Declaration.

11.03 **Encroachment.**

The Association and Owners of contiguous Units have a reciprocal easement appurtenant to each of the Units and Common Areas for the following purposes:

(a) Accommodating any existing encroachment of a wall or structure; and

(b) Maintaining any structure and accommodating authorized construction, reconstruction, repair, shifting, movement or natural settling.

11.04 **Creation of Easements.**

(a) Easements referred to herein are established upon the recordation of the first deed conveying a condominium in the Project, and the provisions hereof with respect to such easements shall be covenants running with the land for the use and benefit of Units and Property superior to all other encumbrances.

(b) Individual grant deeds to Units shall state that the grant is made subject to the provisions of this Declaration, and may set forth reference to these easements, but are not required to do so.

11.05 **Utility Easements.**

The Association may grant easements and rights of way through the Common Area(s) and Units for water, sewer, telephone and cable lines, storm drains, underground conduits, sprinkler systems, and other purposes intended to maintain the health, safety, convenience and enjoyment of the Units and Common Area(s).

ARTICLE XII
AMENDMENT

12.01 **Amendment.**

(a) This Declaration may only be amended in the following ways (and subject to the Article entitled "Mortgagee Protection"):

  (1) A signed, written instrument from Owners representing sixty-seven percent (67%) of the total number of Condominiums; or

  (2) A signed, written instrument by two Association officers certifying that the relevant amendment has been approved by Owners representing at least sixty-seven percent (67%) of the total number of Condominiums.

(b) Any amendment must be properly recorded in the relevant County Recorder's Office.

(c) The percentage of Owners needed to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the relevant provision.

(d) An Owner or the Association may petition the Superior Court for an order reducing the percentage of affirmative votes needed to amend this Declaration (pursuant to Civil Code Section 1356, or any successor statutes).

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.01 **Enforcement: Resolution of Disputes.**

(a) An Owner or the Association may enforce by legal action any restrictions, conditions, covenants, reservations, liens, Assessments, fees and penalties imposed by this Declaration or other Governing Documents for violations committed by any offending party, or with respect to any dispute related to any portion of any property covered by the Declaration.

(b) Failure to take action does not constitute a waiver of the right to take action.

(c) Reference is hereby made to California Civil Code Section 1354, which sets forth pre-filing requirements, or arbitration proceedings and other procedures for certain types of enforcement actions.

(d) It is recommended, although not required, that the Board and Owners consider diversion of the prosecution or defense of any civil action to Alternative Dispute Resolution proceedings, including, but not limited to Mediation, Non-binding Arbitration, or Binding Arbitration.

13.02 **Enforcement: Binding and Non-Binding Arbitration.**

(a) It is recommended that any claim or dispute referred to Binding or Non-binding Arbitration, shall be settled and determined in accordance with the rules of either the American Arbitration Association ("AAA"), or its successor, or the Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or its successor, 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).

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

(c) Any such arbitration should be conducted by one (1) arbitrator. If the parties cannot agree on one (1) arbitrator, there should be three, as follows:

  (1) Each party should choose an arbitrator and the two arbitrators shall choose the third.

  (2) The parties should name their respective choices within five days after demand for arbitration is made.

  (3) If either party neglects or refuses to participate in the appointment of the arbitrator(s), or to furnish the arbitrator(s) with any papers or information demanded, the arbitrator(s) may proceed *ex parte*.

  (4) If Binding Arbitration is chosen, 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.

13.03 **Term of Declaration.**

(a) This Declaration is binding upon all parties for sixty (60) years after the recording date.

(b) After sixty (60) years, the Declaration will automatically be extended for successive ten (10) year periods, unless the Owners (heirs, successors, representatives) of a majority of subject Condominiums record a signed, written instrument:

(1) At least one (1) year before the beginning of any ten (10) year period; and

(2) Agreeing to change or terminate this Declaration.

13.04 **Notices.**

Any required notice must be given in writing by:

(a) Personal delivery to the location of the address of the recipient of the Notice; or

(b) Mailing by first-class, registered or certified pre-paid U.S. mail (deemed given five (5) days after deposit in the mail);

(c) Delivery by a reputable overnight courier service such as Federal Express, United Parcel Service, etc. (deemed given upon delivery to the location of the address of the recipient of the Notice); or

(d) Facsimile transmission (deemed given upon date of transmission upon confirmation of receipt).

13.05 **Attorneys' Fees.**

In any legal action by an Owner(s) or the Association to enforce any provision of the Governing Documents, the prevailing party shall be awarded reasonable costs (including attorney's fees).

EXHIBIT "A"

PROPERTY

Lots 20, 21, and 22, in Block "B" of Tract 9050, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 123, Pages 84 to 97 of Maps, in the Office of the County Recorder of said County.

CITY OF LOS ANGEL_S
CALIFORNIA

DEPARTMENT OF
CITY PLANNING
221 N. FIGUEROA STREET
LOS ANGELES, CA 90012-2601

CITY PLANNING
COMMISSION

PETER M. WEIL
PRESIDENT
ROBERT L. SCOTT
VICE-PRESIDENT
MARNA SCHNABEL
NICHOLAS H. STONNINGTON
ANTHONY N.R. ZAMORA

COMMISSION
EXECUTIVE ASSISTANT
(213) 580-5234

RICHARD J. RIORDAN
MAYOR

EXECUTIVE OFFICES
16TH FLOOR

CON HOWE
DIRECTOR
(213) 580-1160

FRANKLIN P. EBERHARD
DEPUTY DIRECTOR
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GORDON B. HAMILTON
DEPUTY DIRECTOR
(213) 580-1165

ROBERT H. SUTTON
DEPUTY DIRECTOR
(213) 580-1167

FAX: (213) 580-1176

INFORMATION
(213) 580-1172

Date: NOV 17 1998

Timothy Murakami
11755 Wilshire Boulevard, #1400
Los Angeles, CA 90025

Department of Real Estate
107 South Broadway
Room 7111
Los Angeles, CA 90012

RE: CONVERSION OF COMMUNITY APARTMENT BUILDING TO CONDOMINIUMS LOCATED AT 3407 HUXLEY STREET

Gentlemen:

The City of Los Angeles has no ordinance for certification as noted in Section 66412(g)(3) of the Subdivision Map Act.

Sincerely,

DAVID KABASHIMA
Division of Land Section
Department of City Planning

DK:oss

a:ccabc.wpd

EXHIBIT "B"

EXHIBIT "C"

ASSESSMENT ALLOCATION

Unit No.	Percentage Allocation
10	5.00039
11	4.23110
12	2.23094
13	3.92338
14	2.88484
15	2.26941
16	2.45403
17	2.80791
18	4.60805
20	5.30810
21	4.38495
22	2.34633
23	4.07724
24	3.00023
25	2.19248
26	2.53866
27	2.92330
28	4.76190
29	2.65405
30	5.46196
31	4.53881
32	2.45403
33	4.23109
34	3.11562
35	2.23094
36	2.65404
37	3.03870
38	4.91576
39	2.76175