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GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION
FIRST AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

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EXHIBIT "A" Legal Description

EXHIBIT "B" Condo Plan

**FIRST AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
OF GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION**

THIS FIRST AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS (Declaration or CC&Rs) is made by GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION a non-profit mutual benefit corporation, hereinafter referred to as ("Association") with reference to the following facts.

WHEREAS, the Association is a non-profit mutual benefit corporation organized under the laws of the State of California, and consisting of the Owners of Association, the owners of that certain tract of land located at 816 W Naomi Ave, in the City of Arcadia, County of Los Angeles, State of California, and more particularly described as follows:

All of Tract No. 37952, in the City of Arcadia, County of Los Angeles, State of California, as per map filed in Book 938, Page 92293 of Maps in the office of the County Recorder of Los Angeles County.

The above property shall hereinafter be referred to as the "Property."

NOW, THEREFORE, the Association hereby certifies, agrees and declares that it does hereby amend, revise and restate, the declaration that was recorded as the Declaration of Covenants, Conditions, and Restrictions of GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION, A California Non-profit Corporation recorded as Instrument Number 81-295829 on March 24, 2981 in the office of the Los Angeles County Recorder and any other amendments, recorded or not, executed on or thereafter. This FIRST AMENDED and Restated Declaration of Covenants, Conditions, Restrictions and Easements ("Declaration") is intended to and shall replace and supersede the aforementioned earlier Covenants, Conditions and Restrictions and any and all amendments thereto, whether or not recorded.

The Declaration shall run with the Property and shall be binding upon all parties having or acquiring a right, title or interest in the Property, or any portion thereof, or in any of the improvements thereon, and shall inure to the benefit of and bind each Owner thereof and the respective successors in interest and are imposed upon Property and each and every portion thereof as a servitude in favor of Property and each and every portion thereof. Any conveyance, transfer, sale, assignment, lease or sublease made by any Owner, or by the Association (as hereinafter defined) of a Unit in the Property shall and hereby is deemed to incorporate by reference the provisions of this Declaration, which provisions shall be enforceable by Association, any Owner or the Owner's successor and shall also be enforceable by the Association, its Board of Directors or any person, firm, or corporation authorized by the Association.

ARTICLE I DEFINITIONS

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

Section 1.01 Articles. "Articles" shall mean the Articles of Incorporation of the Association filed in the Office of the Secretary of State of the State of California as such Articles may be amended from time to time.

Section 1.02 Assessment. "Assessment," whether regular, special, reimbursement or utility or shall mean that portion of the cost of maintaining, improving, repairing, operating, and managing the Property which is to be paid by each Condominium owner as determined by the Association and this Declaration.

Section 1.03 Association. "Association" shall mean GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION, a California Non-profit Corporation (formed pursuant to the Nonprofit Mutual-Benefit Corporation Law of the State of California) its successors and assigns. Each Owner of a Condominium shall automatically become an Owner of the Association, contemporaneously with the acquisition of the owner's Condominium without further documentation of any kind.

Section 1.04 Board or Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 1.05 Balcony. "Balcony" shall mean and refer to a balcony which is attached to the dwelling area of a Unit and accessible only through the Unit of which it is a part, all as more particularly described as a balcony in the Condominium Plan.

Section 1.06 Bylaws. "Bylaws" shall mean the Bylaws of the Association as originally adopted by the Membership, and as amended on may be amended from time to time.

Section 1.07 Close of Escrow. "Close of Escrow" shall mean the date on which a deed is recorded conveying a Condominium to a purchaser.

Section 1.08 Common Area. "Common Area(s)" shall mean and include all areas on the Property, as it may exist from time to time, except the Units, title to which is held by all of the Owners in common, and including all annexed property listed in this Declaration. Each Owner has an undivided interest in the Common Area according to the schedule attached hereto as Exhibit "A" and incorporated by reference herein. The Common Areas include, without limitation, all the land of the Property, all parking and driveway areas, patios, balconies, and storage areas except to the extent that those areas are included within the Units as depicted in the Condominium Plan; bearing walls, columns, girders, unfinished ceilings, joists, sub-floors, unfinished floors, roofs, foundations, slabs, pipes, ducts, chutes, conduits, wires and other utility installations (except the outlets thereof when located within the Unit and excepting utility installations located within a Unit), required to provide power, light, telephone, gas, water, sewerage, drainage, heat, and air-conditioning, and other built in fire protection devices and equipment; exterior sprinklers

and sprinkler pipes; central television antenna or cable television installation; and landscaping areas which are not designated on the Condominium Plan as part of a Unit.

Section 1.09 Common Expenses. "Common Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Areas including unpaid Regular or Special Assessments; the costs of any and all utilities metered to more than one Unit and other commonly metered charges for the Property; the costs of any common trash collection, recycling and removal; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other vendors or employees; the costs of all gardening, security and other services benefiting the Common Areas; the costs of fire, casualty and liability insurance, workers' compensation insurance, and other insurance covering the Property and the directors, officers and agents of the Association, including deductibles; the costs of bonding of the Owners of the Board; taxes paid by the Association, including any blanket tax assessed against the Property; amounts paid by the Association for discharge of any lien or encumbrance levied against the Property or portions thereof; adequate reserves for maintenance, repairs and replacement of the Common Areas and common facilities and the costs of any other item or items designated by, or other expenses incurred by, the Association, for any reason whatsoever in connection with the Property, for the common benefit of the Owners.

Section 1.10 Condominium. "Condominium" shall mean the estate in the Property, as defined in California Civil Code Section 4100 or any successor statute which shall include a separate interest in a Unit (and/or such other easements as may be appurtenant thereto) and an undivided interest in the Common Areas.

Section 1.11 Condominium Plan. "Condominium Plan" shall mean the Condominium Plan recorded concurrently herewith, in the Office of the County Recorder of Los Angeles County, state of California ("Condominium Plan" herein).

Section 1.12 Deed of Trust. "Deed of Trust" shall mean a mortgage or a Deed of Trust or other conveyance of a Condominium or other portion of the Property to secure the performance of an obligation, which conveyance will be reconveyed upon the completion of such performance.

Section 1.13 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean and refer to those portions of the Common Area designated for the exclusive of the Owner of a Unit and which is appurtenant to the Unit. by the Condominium Plan as exclusive use common area by the Civil Code or any successor statute. Exclusive Use Common Areas include exterior patios, balconies, exterior or entry doors and windows. Equipment, plumbing and other utility lines servicing a single Unit, including individual furnaces, fireplaces and attached flues and chimneys, individual central air conditioning and heating equipment, individual water heaters, shutters, awnings, window boxes, exterior doors, porches, door frames, screens, windows are

Exclusive Use Common Area. In addition, fixtures designed to serve a single Unit but located outside the boundaries of the Unit are al Exclusive Use Common Area.

Section 1.14 Garages. "Garages" shall constitute parts of the Units.

Section 1.15 Governing Documents. "Governing Documents" for the Association shall include the Condominium Plan, these restated Covenants, Conditions and Restrictions, any later recorded amendment duly enacted, By-Laws and any later amendments duly enacted, and rules and regulations as may be duly enacted and published by the Association.

Section 1.16 Improvements. "Improvements" shall mean all structures and appurtenances thereto of every type and kind existing on the Property, including but not limited to, buildings, outbuildings, trash enclosures, walkways, sprinkler pipes, roads, driveways, parking areas, loading areas, fences, screening walls, retaining walls, stairs, landscaping, hedges, windbreaks, the exterior surfaces of any visible structure, planted trees and shrubs, poles, signs, and equipment.

Section 1.17 Institutional Holder of First Mortgage shall mean a bank, savings and loan association or mortgage company chartered or licensed under federal or state laws whose principal business is lending money on the security of real property, or any insurance company or any federal or state agency. A "first mortgage" or first mortgagee, is one having priority as to all other mortgages or holders of mortgages encumbering the same condominium or other portions of the project.

Section 1.18 Manager. "Manager" shall mean the Person or entity employed by the Association and delegated certain Association authority and responsibility as limited by the provisions of this Declaration, or applicable law.

Section 1.19 Member, Membership. "Member" shall mean every person and entity who is an Owner of record of a Condominium Unit in the Property holds Membership in the Association. There shall be only one Membership for each Condominium. Membership of a Condominium in the Property shall be the sole qualification for Membership in the Association. All Memberships in the Association are hereby specifically made appurtenant to the Condominiums, and Memberships shall be effective immediately upon the recording of the grant deed transferring the Condominium Membership. Membership may not be separated from the Membership of any Condominium.

Section 1.20 Mortgage. "Mortgage" shall mean and refer to a deed of trust as well as a mortgage.

Section 1.21 Mortgagee. "Mortgagee" shall mean and refer to a beneficiary under a holder of a mortgage or a deed of trust.

Section 1.22 Owner. "Owner" shall mean the record owner, whether one or more Persons, of a fee simple interest in a Condominium, and including sellers under executory contracts of sale, but excluding those Persons holding title as security for the performance of an obligation.

Section 1.23 Person. "Person" shall mean a natural individual, a corporation or any other entity with the legal right to hold title.

Section 1.24 Property. "Property" shall mean the land described in this Declaration which is divided into Condominiums including the Common Areas and the Units and all improvements thereon.

Section 1.25 Unit. "Unit" shall mean the elements of a Condominium not owned in common with the Owners of other Condominiums in the Property. Each of the Units shall be a separate feehold estate, as separately shown, numbered and designated in the Condominium Plan. Each such Unit consists of a space or spaces bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, and doors, as shown and defined in the Condominium Plan. In interpreting deeds, declarations and plans, the existing physical boundaries of the Unit or a Unit constructed or reconstructed in substantial accordance with the Condominium Plan and the original plans thereof, if such plans are available, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Condominium Plan or Declaration, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries, as shown on the Condominium Plan or defined in the deed and Declaration, and the boundaries of a building as constructed or reconstructed.

**ARTICLE II
PROPERTY RIGHTS**

Section 2.01 Undivided Interest In Common Area. Each Owner, together with Owner's respective Unit, owns a 1/18th undivided interest in the Common Area, in accordance with the schedule attached as Exhibit "C". The undivided interest in the Common Area and the interests in the respective Units conveyed therewith shall not be separately conveyed, and each such undivided interest shall be deemed to be conveyed or encumbered with its respective Unit, even though the description in the instrument of conveyance or encumbrance may refer only to the interest in the Unit.

Section 2.02 Rights In the Common Area . Every Owner shall have a non-exclusive easement of enjoyment in and to the Common Area and a non-exclusive easement for ingress and egress over and through the Common Area (except for Exclusive Use Common Area). Such easements shall be appurtenant to and shall pass with title to every Condominium, subject to the following:

(a) The right of the Association, through the Board, to suspend the right to amenities of any Member, and the Persons deriving such rights from any Member, for use of the Common Areas, for any period during which the payment of any Assessment or fine against such Owner and Owner's Condominium remains delinquent, and, after Notice and Hearing as provided in the Bylaws, to suspend such rights for the period set forth in the Bylaws for any violation of the Declaration, it being understood that any Assessment or breach of the Declaration shall not constitute a waiver or discharge of the Owner's obligation to pay Assessments as provided herein;

(b) The right of the Association to consent to or otherwise cause the construction of additional Improvements on the Common Areas and to consent to or otherwise cause the alteration or removal of any existing Improvements on the Common Areas for the benefit of the Owners of the Association;

(c) The right of the Association, acting through the Board, in accordance with the Bylaws, to borrow money for the purpose of improving the Common Areas and the facilities thereon;

(d) The right of the Association, acting through the Board, to consent to or join in the grant or conveyance of the Common Areas for the purposes not inconsistent with the intended use of the Property as a Residential Condominium community;

(e) The right of the Association, acting through the Board, to reasonably restrict access to roofs, maintenance areas and other areas of the Property;

(f) The right of the Association to reasonably limit the number of guests, and invitees of Owners using the Common Areas;

(g) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and facilities thereon (except for Exclusive Use Common Area);

(h) The right of the Association to establish uniform Rules and Regulations pertaining to the use of the Common Area;

(i) The right of the City of Arcadia, California, or any authorized agent thereof, to enter onto and upon the Common Area of the Project for the purpose of performing maintenance in the Common Area in the event that the Association shall default in its obligation to maintain the Common Area as herein provided; and the City of Arcadia shall be reimbursed by the Association for any and all costs incurred thereby. The provisions of this Section are for the sole and express benefit of the City of Arcadia, California, and may be enforced by it in any manner provided by law.

Section 2.03 Delegation of Use. Any Owner entitled to the right and easement of use and enjoyment of the Common Areas may delegate, in accordance with the Bylaws, Owner's right to use of the Common Areas to Owner's tenants, social guests, servants, employees, invitees, contract purchasers or subtenants who purchase or lease Owner's Condominium, subject to the Governing Documents and reasonable regulation by the Board; provided, however, that no servant or employee of an Owner shall have the right to use the recreational and community facilities included within the Common Area without first obtaining the prior written consent of the Board of Directors. However, Owner's rights of use shall not be severed or transferred apart from the right to occupy the Unit.

Section 2.04 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Association, nor release Owner's Condominium from the liens and charges thereof, by waiver of the use and enjoyment of the Common Area and facilities thereon or by abandonment of Owner's Condominium.

Section 2.05 Maintenance and Repair Access Easement. The Association expressly reserves for the benefit of the Board of Directors and all agents, officers and employees of the Association, non-exclusive easements in, on, and over the Common Areas and each Unit, as necessary to carry out the Association's maintain and repair obligations under this Declaration or applicable law, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Areas shall be appurtenant to and shall pass with the title to every Condominium conveyed.

Section 2.06 Encroachments. The Association and Owners of adjoining Condominiums shall have a reciprocal easement appurtenant to each of the Condominiums over the Condominiums and the Common Areas for the purpose of (a) accommodating any existing encroachment of any wall of any building or Unit, and (b) maintaining the same and accommodating authorized construction, reconstruction, repair, shifting, movement or natural settling of the buildings or any other portion of the Property housing the respective Units. There are specifically reserved for the benefit of the Owners, easements and reciprocal negative easements for utility services and repairs, and of the placement and maintenance of the same over all of the Common Areas. The foregoing easements shall be as not to unreasonably interfere with the use and enjoyment by the Owners of adjoining Condominiums.

Section 2.07 No Partition. Except as provided in Section 4610 of the California Civil Code or any successor statute, the Common Areas shall remain undivided. Each Owner shall be deemed to covenant and agree for himself and Owner's heirs, personal

representatives, successors and assigns, that there shall be no judicial partition of the Common Area and the same shall remain undivided, nor shall any person acquiring any interest in the Property or any part thereof, seek any such judicial partition until the structures on the Property are totally or partially destroyed and the Owners shall elect not to rebuild as provided herein. Each person acquiring any interest in the Property shall by such acquisition be deemed to have waived any right to partition of the Property, except only as herein provided. Notwithstanding the foregoing, if any Condominium shall be owned by two or more co-tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition of the Condominium as between such co-tenants.

No Owner may sell or convey all or part of its undivided interest in any of the Common Area, except in conjunction with the sale of its Condominium nor may it encumber any part or all of Owner's undivided interest in the Common Area except in conjunction with an encumbrance of Owner's Condominium.

Section 2.08 Utility Easements. Easements on, over and under the Property for the installation and maintenance of electric, telephone, water, gas, and sanitary sewer lines and any other utility facilities; and for drainage facilities, and as may be hereafter required or needed to service the Property, are hereby reserved by Association, together with the right to grant and transfer such easements.

Section 2.09 Utility Facilities. The rights and duties with respect to sanitary sewer and water, electricity, gas, television cables and telephone lines and any other utility facilities shall be governed by the following:

(a) Whenever sanitary sewer connection, water connections or gas, electricity, television cables or telephone lines or other utilities are installed within the Property, which connection, or any portion thereof, lies in or upon Condominiums owned by other than the Owner of Condominiums served by such connections, the Owner of any Condominium served by such connections, shall have the right, and is hereby granted an easement to the full extent necessary therefore, to enter upon the Condominium in or upon which connections, or any portion thereof lie, to repair, replace and maintain such connections as and when necessary. This right shall be exercised in a reasonable manner and after a reasonable notice, if for routine work, except any emergency work may be performed as required.

(b) Whenever any utilities, including sanitary sewer connections, water connections, or electricity, gas, television cables or telephone lines are installed within the Property, which connections serve more than one Condominium Unit, the Owner of such Condominium served by such connections shall be entitled to the full use and enjoyment of such portions of such connections as services his Condominium.

(c) In the event any portion of the connections or lines are damaged or destroyed through the negligent acts or failure to act, or willful misconduct of one Unit Owner or any of Owner's agents, invitees, tenants, guests or co-occupants so as to deprive other Unit Owners of the full use and enjoyment of the connections and lines, then the connection and lines shall be repaired and restored by the Association, but at the expense of the Owner who commits or whose agents, tenants, guests or family Owners commit such act or omissions.

(d) In the event any portion of the connections or lines are damaged or destroyed by ordinary wear and tear and deterioration from lapse of time, or some cause other than the negligence or willful misconduct of one of the Unit Owners, tenants or invitees, the connections or lines shall be repaired and restored by the Association, and such repair and restoration to be paid out of common funds.

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

(f) In the event of any dispute between Owners with regard to the repair or restoration of the connections or lines or with respect to the sharing of costs thereof, then on written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board for a final and binding determination.

Section 2.10 Right to Combine Units. No Owner shall have the right to combine one or more Units. All Units must remain separate. Combination of Units is strictly prohibited.

ARTICLE III USE RESTRICTIONS

The use of the Property and each Condominium therein shall be subject to the following provisions, in addition to all other Covenants, Conditions and Restrictions herein contained:

Section 3.01 Residential Use. Condominiums shall be occupied and used for residential purposes by the Members, their tenants, and social guests, and no trade or business shall be conducted therein. Short term or transient rental of a Unit (30 days or less) is deemed a business use of a Unit and prohibited. However, this restriction shall not prohibit any Owner from (a) keeping a home office therein; (b) keeping personal business records or accounts therein; (c) conducting a "virtual office" or "telecommuting" and (d) handling personal or professional telephone calls or correspondence therefrom. Any business activity in a Unit must be properly and fully licensed by all applicable governmental entities, where required. Such uses are expressly declared to be customarily incident to the principal residential use and not in violation of any provisions of this Section. No tent, shack, trailer, garage, outbuilding or structure of a temporary character shall be used at any time as a residence, either temporarily or permanently. Any such business use of a Unit which interferes with the quiet enjoyment or rights of other residents shall be prohibited.

Section 3.02 Commercial Operations. Except for the management, operation and maintenance of the Property, cable televisions, laundry and cleaning pickup and delivery, repair work, doormen, security facilities and security guards, and the leasing of Units by individual Owners thereof, and subject to the provisions of Section 3.01, no professional, commercial or industrial operation or business of any kind whatsoever shall be established, maintained, operated, carried on, or conducted on or within the Property by any Owner.

Section 3.03 Drilling Mining Operations. The use of any portions of the surface of the Property for drilling operations, mining or quarrying of any kind, including, but not limited to, oil well drilling, oil development or mining operations of any kind, is hereby and shall be prohibited.

Section 3.04 Signs. An Owner or Owner's agent may display a sign advertising Owner's Unit for sale or lease which sign shall be displayed from inside the window of the Unit. The sign must be of a professional type and of reasonable dimension and design. No other commercial signs may be placed on the Property without the Board's prior consent. All signs, commercial and non-commercial shall conform to any Association Rules and Regulations regarding aesthetics. Non-commercial signs or banners may be placed within an Owner's Unit, in accordance with Civil Code Section 4710 or subsequent statute.

Section 3.05 Animals. Owners may keep only domestic animals, including cats, dogs or fish upon receiving prior approval from the Board upon move in. An Owner may keep either (1) cat or one (1) dog weighing up to twenty (20) pounds in an Owner's Unit, as well as usual and ordinary household pets and fish kept in aquariums. Owners shall not maintain farm animals, birds, parrots, cockatoos, reptiles, or other animals unsuited to living within the building. Animals may not be kept for breeding purpose, nor shall they be allowed to create or become a nuisance to any other Owner or resident. All pets must be registered with the Association, current on vaccines and license, and spayed or neutered.

The owner of any pet shall and does hereby indemnify all other owners, the Association, its Board of Directors, Officers, the Manager and their staff and agrees to hold each of them harmless from and against any and all loss, cost, liability or expense of any kind or character whatsoever arising from or growing out of his having such pet within the Association. Any inconvenience, damage or injury caused by such domestic pet shall be the responsibility of the owner to whom such pet belongs. Furthermore, any Owner shall be liable to each and all remaining Owners, their tenants, employees, guests and invitees, for any damage to person or property or for any excessive noise, nuisance or disruption caused by any animals brought on the Property by an Owner or by Owner's tenants, guests, invitees or co-occupants. Any pet or animal creating a nuisance or other excessive disruption may be required to remove their pet or animal from the building.

All Owners shall maintain their dog on leash and under their control when in the common area. Owners shall immediately clean up any pet waste created left in Common Area. Feeding of animals outside of Unit, Common Area, or Exclusive Use Common Area shall be prohibited. In no event shall any such domestic pet be permitted in or on any portion of the Common Area unless carried or on a leash.

Section 3.06 Lawful Use; Nuisance. No noxious, offensive or unlawful activity shall be carried on, in or upon any Condominium or any part of the Property, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood or other Owners, or which shall in any way interfere with or disturb the quiet enjoyment of each of the Owners of their respective Units, or increase the rate of insurance on the Property or any part thereof.

Without limiting the foregoing, no horns, whistles, bells or other sound devices, except security devices approved for use by the Board which are used exclusively to protect persons or

property located in or on the Property, shall be placed in or used in or upon any portion of the Property. This Section shall not preclude the use and operation of stereos, radios, televisions, or musical instruments where the volume is maintained at a reasonable level.

Units shall be maintained in compliance with all applicable Codes and Ordinances. Each Owner shall promptly and fully comply with any and all applicable laws, rules, ordinances, statutes, regulations, and requirements of any governmental agency or authority with respect to the occupancy and use of their Condominium.

Section 3.07 Vehicle Restrictions/Parking. No automobile, truck, trailer, camper, boat, aircraft or any other similar vehicle shall be permitted to be stored or remain on any portion of the Common Area other than completely within an Owner's parking space(s), except that, guest parking, if any, limited to automobiles may be permitted to exist in those areas designated as "guest parking" by the Board, for a period of time not in excess of twenty-four (24) hours. No Owner, nor any of the Owner's guests, tenants, invitees or co-occupants, shall park or cause to be parked any vehicle in such a manner as to impede or prevent ready access to any entrance or exit of a building, or any of the Parking Areas as designated in the Condominium Plan by any other vehicle. No Owner shall permit any of the Owner's guests, tenants, invitees or co-occupants to use any of the Parking Areas, the exclusive use of which has been assigned to another Owner. No Owner shall construct, repair, service or maintain any motor vehicle within any portion of the Property, except for emergency repairs thereto to the extent necessary for the movement thereof to a proper repair facility.

Section 3.08 Towing. Pursuant to Vehicle Code Section 22658, or subsequent statute, the Association may cause the removal of any vehicle wrongfully parked on the property in violation of the Governing Documents Association's parking rules, including a vehicle owned by a Member. In addition, the Association may cause the removal of any vehicle: (i) parked in a marked fire lane; (ii) within fifteen (15) feet of a fire hydrant; (iii) in a parking space designated for handicapped without proper authority; or (iv) in a manner which interferes with any entrance to, or exit from, the Property, Garage, or Parking Space located thereon.

The Association shall not be liable for any damages incurred by the vehicle owner because of the removal in compliance with this section or for any damage to the vehicle caused by the removal, unless such damage resulted from the intentional or negligent act of the Association or any person causing the removal of or removing the vehicle.

Section 3.09 Maintenance of Unit. Each Owner shall be responsible for the painting, maintenance, repair and replacement of the following items in good repair and a clean manner, consistent with the surrounding properties, and to ensure that such area does not pose a threat to the health, safety or welfare of other Owners. Such areas include, but are not limited to, the following items, provided they are used or operated exclusively by such Owner and not in common:

(a) The interior areas and surfaces of such Owner's Unit, including interior doors and interior, unfinished surfaces of the walls, floors, ceilings, window frames, door frames and trim;

- (b) All floor, ceiling and wall covering and decorations, including paint, wallpaper, carpets, linoleum, tile, hardwood and insulation, whether installed by such Owner or otherwise;
- (c) All glass doors and windows;
- (d) All appliances whether built in or free standing within the Unit, and any cabinets, drawers, shelves and closets, and their respective tracks, stays, stops, doors and fixtures;
- (e) Subject to this Declaration, all utility service facilities and connections, (including any water, sewer and gas pipes and plumbing from the angle stop to the plumbing fixture), and electrical wires and cables (from the breaker box to the electrical fixture or outlet);
- (f) Any heating, water heater and air conditioning systems, wherever located;
- (g) The television and telephone cable equipment, wire, and connections, and all related appliances, equipment and fixtures exclusively servicing such Owner's Unit;
- (h) The lighting fixtures, including light bulbs, located within such Unit, and replacement of light bulbs in any Exclusive Use Common Areas, and any other areas, including the light bulbs in any lighting fixtures attached to the exterior of any Unit, provided such fixtures are not used in common with other Owners, in which case the Association shall be responsible for replacement of the light bulbs; and
- (i) Patio areas and floor surfaces
- (j) Garage interiors, garage doors and door operating mechanisms.

Section 3.10 Maintenance of Exclusive Use Common Area. Each Owner shall be responsible for maintenance and repair of all appurtenant Exclusive Use Common Areas, including the plumbing servicing their Unit, interior surfaces of enclosing fences, walls, patios, attics, and parking, all exterior door and window decoration and hardware, including any screens, sashes frames, tracks, fittings, glazes, stop gaskets, knobs and other fixtures attached thereto, subject to Board approval as to architectural design, aesthetics and compatibility with community's existing structures.

Section 3.11 Insurance. Nothing shall be done or kept in or on any Unit of any Common Area or any portion thereof which will increase the rate of insurance in or on any other Unit of the Common Area or any portion thereof. No Owner shall permit anything to be done or kept in their Unit or in any Common Area which would result in uninsurability or in the cancellation, suspension, modification or reduction of insurance in, on or covering any other Unit, Common Area or item of personal property within the Property. If, by reason of the occupancy or use of any Unit or any Common Area by any Owner, the rate of insurance on all or any portion of the Property shall be increased, such Owner shall become personally liable to the Association from any increase as insurance premiums caused thereby and the cost thereof shall be assessed to such owner and their Condominium as a Special Assessment in accordance with the provisions hereof

Section 3.12 Storage. No Owner shall store any personal property, substance, item or container outside of a Unit or in any exposed part of a Unit including but not limited to

patios and attics, or areas in front or by garage; nor shall any Owner dump or dispose of any substance or item onto the Property except into approved disposal containers.

Section 3.13 Power Tools. No power tools, welding equipment, or carpentry shops shall be maintained or used within the Property without the consent of the Board.

Section 3.14 Antennae & Satellite Dishes. Owners may not install or maintain video antennae or satellite dishes on Common area or the exteriors of structures without the prior written consent of the Board. The Board may prescribe reasonable rules and requirements for application and notice to the Association prior to installation. To the extent this Section conflicts with FCC Regulations or California Civil Code 4725 or any successor statute, the applicable law shall control, but the remainder of this Section shall be in force.

Antennae and/or satellite dishes installed, used and/or maintained on roofs without express written Board permission may be removed by the Association, at the cost of the Owner which maintained, used or installed on the roofs.

Should the Board in its sole discretion permit the installation, use and/or maintenance of antennae and/or satellite dishes on roofs or if antennae/and or satellite dishes are installed on Exclusive Use Common Areas, installation shall be accomplished by licensed installers or contractors in a manner which does not damage the building surfaces or threaten the water tightness of roofs. Each Owner shall be responsible for any costs or damage to Common Area, Exclusive Use Common Area, Units or personal property caused by the installation, maintenance or removal of antennae.

Section 3.15 Equipment. No Owner shall install, attach, or hang or cause to be installed, attached or hung any equipment or wiring for machines or air-conditioning units or other like equipment or wiring in or on any portion of the Common Areas or that protrudes from any Balcony or through any Common Area wall, floor, ceiling, window, or door, except as approved by the Association. All air-conditioning units, or other electrical equipment or appliances of any kind or nature or wiring therefor installed or used in a Unit shall fully comply with all rules, regulations, and requirements of all state and local public authorities having jurisdiction over same, and the Owner alone shall be liable for any damage or injury caused by any such electrical equipment or appliance installed or used in their Unit.

Section 3.16 Roof. Owners or the Owner's guests, tenants, invitees or co-occupants shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Property without the prior written approval of the Board.

Section 3.17 Exterior Fires; Barbeques. There shall be no exterior fires whatsoever within the Property except for barbeque fires in confined receptacles located on Balconies, which are adequately designed for such purposed and approved by the Board.

Section 3.18 Laundry. No exterior clothesline shall be erected or maintained in, on, or connecting any Common Area, Balcony, Parking or Storage Areas within the Property.

Section 3.19 Waste. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. All equipment,

garbage cans and other containers shall be kept screened and concealed from view of neighboring Units. No refuse container shall be maintained on the Common Areas other than in the location and manner provided for by the Board in accordance with its rules adopted from time to time.

However, nothing contained in this Section shall prohibit the placing of normal deliveries of articles such as packages and newspapers in the Common Area halls in front of a Unit's door; provided, however, that an Owner shall not permit such items to accumulate in the Common Area halls in unreasonable numbers or for an unreasonable time.

Section 3.20 Common Area Obstructions. The Common Area shall be used only for the purposes intended and no bicycles, scooters, baby carriages or similar vehicles, toys, or other vehicles belonging to any Owner or the Owner's guests, tenants, invitees or co-occupants, will be kept or hung therein unless specifically designated by the Board therefor.

Section 3.21 Window Coverings. No Owner shall use foil paper, bedding sheets, or any material other than drapes, shutters, curtains, shades, blinds, or Board-approved window coverings for the windows of Owner's Unit.

Section 3.22 Sound Systems and Other Devices. Sound systems and speakers shall not be attached to the ceilings, walls, shelves or cabinets, or the Unit walls, floors, or ceilings. Suitable mounting and/or vibrational isolation shall be incorporated to preclude such occurrence. Speakers, sound systems and other devices shall be isolated from common walls in such a manner to reduce sound transfer to other Units.

Section 3.23 Guests Provision. Each Owner shall be accountable to the remaining Owners for the conduct and behavior of guests, tenants or other occupants residing in or visiting in the Owner's Unit. Moreover, each Owner or the Owner's guests, tenants, invitees or co-occupants, shall abide by the uniform rules and regulations adopted by the Board pertaining to the Property and the use of the Common Areas, as the same may from time to time be amended. Such rules and regulations shall be binding on each and every Owner and the Owner's guests, tenants, invitees or co-occupants, and said rules shall have the same force and effect as if they were set forth herein.

Section 3.24 Plants. No plants or seeds infected with noxious insects or plant diseases, or invasive plants, or plants which are prohibited by law, shall be brought upon, grown or maintained upon any property within the Property.

Section 3.25 Water Softener. Owners shall not install, or cause to be installed, on-site regenerative water softeners on the exterior of any Unit.

Section 3.26 Taxes and Utilities. Each Owner of a Condominium shall pay any real and personal property taxes or charges assessed against their Condominium, and the utility charges which are separately metered for said condominium.

Section 3.27 Owner Liability. Each Owner shall be liable to the Association for any damage to the Common Areas and any equipment or improvement thereon, and to any Unit, caused by the Owner or the Owner's guests, tenants, invitees or co-occupants. Such Owner shall

be assessed for the costs of repair or replacement, together with costs and attorney fees, such assessment to be due and payable within thirty (30) days after receipt by the Owner of the statement of costs due. In the case of joint ownership of a Unit, the liability of such Owners shall be joint and several. Any damage covered by the Association's Insurance, and to the extent such damage was caused by Owners or Owner's tenant, Owner shall be responsible for the insurance claim deductible. Said deductible shall be assessed against the Owner as a Reimbursement Assessment.

Each Owner is responsible to promptly report occurrences of damage affecting the Owner's Unit. If an Owner fails to promptly report ongoing damage, and the cost of repairing the damage is increased due to the failure of Owner to promptly report it, the Owner will be responsible for the increase in cost, which shall be assessed against the Owner and Owner's Unit as set forth herein above.

Section 3.28 Structural, Mechanical and Architectural Changes. No Owner or resident shall, at their own expense or otherwise, make any alteration, addition or modification to the structural, mechanical or plumbing of the Unit, or to the building in which Owner's Unit is located, or to any part or portion of the Common Area, including Exclusive Use Common Area without the prior written approval of the Board of Directors and compliance with any architectural rules adopted by the Board. No Owner shall alter, add, modify or remove any structural portions of the Unit or any Common Area plumbing, electrical or mechanical lines without first complying with and obtaining approval in accordance with this Declaration. With respect to the installation of awnings, sunshades, screen doors, and other minor installations to any individual Unit, the prior written consent of the Board shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the Property as a whole. Any alterations, modifications or additions to the exterior of the Property as a whole, for the purpose of maintenance or property improvements, shall be done under the authority and approval of the Board, at its own discretion.

Section 3.29 Leasing of Units. Each Owner's right to lease or rent a Unit is subject to the following:

(a) Any lease must be for a minimum term of twelve (12) months, under the terms of a written lease. After the expiration of the initial twelve (12) month term, an Owner may continue to lease or rent month-to-month to the same tenants or enter into another lease with a new tenant for an initial minimum twelve (12) month period. A condition of the lease shall be that the tenant shall not have the right to sub-lease all or any portion of the Unit.

(b) No Owner shall lease, rent, lend, or loan his /her Unit for transient or hotel purposes. Owners may not lease their Units for rent or lease through posting services, websites, real estate listings, or any other reference or guide intended to rent or lease under terms that violate the governing documents. Such listing services and sites include, but are not limited to: AirBnB.com, FlipKey.com, HomeAway.com, HouseTrip.com, Roomorama.com, VacationRentals.com, VRBO.com and VacationHomeRentals.com.

(c) Every Owner is fully responsible for his tenant's failure to comply with all Association Governing Documents. Owners shall be held responsible for any damage caused by their tenants and their family, employees, agents, guests or invitees to the Common Area and for any violation of the Governing Documents. Owner shall be specially assessed for the cost to

repair any damage caused by their tenants. Owner's shall require that their tenants maintain tenant insurance regarding the Unit.

(d) Civil Code Section 4740(d) requires that prior to renting or leasing his or her separate interest as provided by this section, an Owner shall provide the Association verification of the date the Owner acquired title to the separate interest and the name and contact information of the prospective tenant or the prospective tenant's representative.

(e) Consistent with the Assignment of Rents Provision of this Declaration, upon written request from the Association, Tenants must pay to the Association that portion of the rent necessary to satisfy any obligation of the Owner of the Unit to the Association for payment of delinquent assessments. All payments thus made will reduce the Tenant's obligation to Owner of the Unit by like amount. Payment of assessments is deemed necessary for the habitability of the Unit.

(f) Subject to subsection above, the maximum number of individual units permitted to be leased on the Property, at any one time, shall be limited to five (5) Units. Anyone desiring to lease their Unit shall first notify the Association Board and verify that the number of Units being leased on the Property does not exceed five (5) Units then being leased. In the event that there are already five (5) Units being leased on the Property, the Unit Owner may place his or her name on a list to be notified when the number of Units leased on the Property is less than five (5).

(g) Any Unit Owner having permission to lease his or her Unit shall be entitled to do so until (i) the Owner reoccupies it; (ii) the Unit is unoccupied for more than three (3) consecutive months; or (iii) the Unit is sold or otherwise transferred to a new Owner. Occupancy of a Unit by a member of the Owner's immediate family (son, daughter, father, mother) shall be considered re-occupancy by the Owner.

Section 3.30 Enforcement. The Association or an Owner shall be entitled to bring legal action for damages against any Owner who shall default in the performance of the provisions of this Declaration, the Bylaws, Articles of Incorporation or rules and regulations adopted by the Board for the protection of the Property including, but not limited to, the covenant to pay assessments. If it shall be deemed necessary to initiate any legal or equitable action for the protection of the Property against any Member, the prevailing party shall be entitled to reasonable attorney fees and costs of the action for expenses incurred.

ARTICLE IV MANAGEMENT AND OPERATION

Section 4.01 Organization. The business affairs and management of the Property shall be conducted by the Association, and as may be delegated to management pursuant to the Governing Documents and applicable law. The Association is a California Non-Profit, Mutual Benefit Corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws and this Declaration. Neither the Articles nor the Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. The Board of Directors of the Association, and such officers the Board may elect or appoint, shall conduct the affairs of the Association in accordance with this Declaration, the Articles and the Bylaws, as from time to time amended, and applicable law.

Section 4.02 Membership. Each Owner shall be a Member of the Association and shall be entitled to one Ownership for each Condominium owned. Each Owner shall have the rights, duties and obligations set forth in this Declaration, the Articles, the Bylaws, and any rules and regulations established by the Board and/or Association as the same may from time to time be amended. The Membership of each Owner in the Association shall be appurtenant to the Condominium giving rise to such Membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon the transfer of title to such Condominium and then only to the transferee of title thereto. Any recorded transfer of title to a Condominium shall operate automatically to transfer the Membership in the Association appurtenant thereto to the new Owner thereof.

Section 4.03 Voting. The vote for each Unit shall be cast as a Unit; and fractional votes shall not be allowed. When more than one person holds the recorded interest required for Membership in any Unit, all such persons shall be Owners and the votes for such Unit shall be exercised as they among themselves determine, but in no event shall the number of votes cast, with respect to any such Unit, be greater than one. Any votes cast, with respect to any such Unit in violation of this provision, shall be null and void. If the joint record Owners are unable to agree as to how the vote for their Membership shall be cast, the vote shall be forfeit on the matter in question and shall be counted only for quorum purposes. If any record Owner exercises the voting rights of a particular Condominium, it will be conclusively presumed for all purposes that the Owner was acting with the authority and consent of all other Owners of the same Condominium. If more than one (1) person exercises the voting rights for a particular Condominium, those votes shall not be counted and shall be deemed void.

Section 4.04 Action Taken Without Meeting. Any action which may be taken by the vote of Owners at a regular or special meeting, except the election of Directors to the Board of Directors, may be taken without a meeting if done in compliance with applicable law.

Section 4.05 Non-Liability of Directors and Officers. No Director or Officer of the Association shall be liable for acts or defaults of any other Officer or member, or for any loss sustained by the Association or any Owner thereof, unless the same has resulted from Owner's own willful misconduct or negligence.

Section 4.06 Indemnification for Performance of Duties. Every Director, Officer and Owner of the Association shall be indemnified by the Association against all

reasonable costs, expenses and liabilities (including attorney fees) actually or necessarily incurred by or imposed upon him, in connection with any claim, action, suit, proceeding, investigation or inquiry, of whatever nature, in which he may be involved by reason of having been an Officer or Owner of the Association. Such indemnification continues, whether or not the person is a Director, Officer or Owner of the Association at the time of the incurring or imposition of such costs, expenses or liabilities. However, if a Director, Officer or Owner is finally adjudged to be liable for willful misconduct, breach of fiduciary duty or gross negligence toward the Association in the performance of duties thereto, or in the absence of such final adjudication, any determination of such liability by the opinion of independent legal counsel, then the Association will no longer be obliged to indemnify said Director, Officer or Member. The foregoing right of indemnification shall be in addition to and not in limitation of, all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person.

**ARTICLE V
DUTIES AND POWERS OF THE ASSOCIATION**

Section 5.01 Administration of the Property. The Owners and each of them, together with all parties bound by this Declaration, covenant and agree that the administration of the Property shall be in accordance with the Governing Documents and amendments, changes and modifications thereto, as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Bylaws, or said Rules and Regulations, the provisions of this Declaration shall prevail.

Section 5.02 Duties of the Association. The Association shall have the obligation to perform each of the following duties:

(a) To maintain and otherwise manage all of the Common Areas, and all facilities, Improvements, landscaping and planting thereon, and all property that may be acquired by the Association. Landscaping and planting which is on or in a Unit's Exclusive Use Common Area shall be the full responsibility of the individual Owners, subject to Association architectural control or applicable landscape rules.

(b) To maintain the exterior of the buildings and Condominiums in the manner and subject to the limitations set forth in this Declaration.

(c) To obtain for the benefit of all Owners all necessary utility services, including, but not limited to, water, gas, electricity, refuse, sanitary sewers (including trunk lines) and draining facilities, either above or below ground, as is necessary or required to carry out the duties and responsibilities of the Association, as provided for in the Governing Documents. Each Owner shall be responsible for the payment of gas, water, and electrical services supplied to Owners individual Condominium, if separately metered. Utility services supplied to the Common Area and all Owners in common shall be paid by the Association.

(d) To obtain and maintain, in force, the policies of insurance specified in this Declaration.

(e) To pay taxes and assessments which are or could become a lien on the Common Area, or any portion thereof. Notwithstanding these obligations however, Owners shall pay property taxes and assessments relating to their Units and their pro-rata share of same relating to Property.

(f) To contract for goods or services for the Common Area of all kinds required to carry out the duties and responsibilities of the Association.

(g) To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration, the Bylaws, the Rules and Regulations and any other instruments for the management and control of the Property.

Section 5.03 Authority of the Association. The Association shall have all of the powers of a corporation organized under the General Non-profit Mutual Benefit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, or this Declaration. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, the power and authority:

(a) To levy assessments on the Owners and to enforce payment of such assessments, including special assessments for the maintenance of the Common Area all as set out in all in accordance with this Declaration.

(b) To enter into or upon any Unit, Exclusive Use Common Area or the Common Areas for the purpose of performing the duties of the Association, as provided in this Declaration, and, to enforce by peaceful means, the provisions of this Declaration, or to maintain or repair any areas required to be maintained by an Owner, if, for any reason, such Owner fails to maintain or repair such area especially if such failure to maintain or repair is causing damage or injury to another Owner or the Owner's Unit. Any such entrance into a Unit shall be after twenty-four (24) hours prior written notice to the Owner, or such greater notice as may be required by any provision hereof; provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency. The Association and its representatives shall have the right to gain access to such roof areas through said Units for the purpose of maintaining or repairing the Property or for other purposes within the authority of the Association. The Association shall also have the power and authority from time to time in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and to enforce, by mandatory injunction or otherwise, all of the provisions hereof.

(c) To employ, as necessary, the services of a person or business entity (the "Manager") to manage the Common Area to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine to be necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Association or are furnished by the Manager.

(d) By a majority vote of the Board, from time to time, to adopt, amend, enforce and repeal Rules and Regulations as the Board shall determine to be necessary or proper for the carrying out of the duties and responsibilities of the Association. The Rules and Regulations shall govern the use of the Common Area and Units by any Owner and Owner's employees, agents, invitees, licensees or lessees; provided, however, that the Rules and Regulations may not discriminate among Owners and shall not be inconsistent with California law, this Declaration, the Articles or Bylaws. The Rules and Regulations duly adopted shall have the same force and effect as if set forth in this Declaration.

(e) The Association shall have the right to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the Owners, in matters pertaining to the following:

- (1) Enforcement of this Declaration, the Articles, Bylaws, and Rules and Regulations.
- (2) Damage to the Common Area.
- (3) Damage to the Units that the Association is obligated to maintain or repair.
- (4) Damage to the Units that arises out of, or is integrally related to, damage to the Common Area or Units that the Association is obligated to maintain or repair.

(f) In addition to the general power of enforcement described above, the Association may impose discipline against any Member for violation of any of the provisions of the Declaration, Bylaws or Rules and Regulations by suspending the violator's rights and privileges for use of the Common Area, or by imposing monetary penalties, subject to the following limitations:

- (1) The accused Owner shall be given notice and an opportunity to be heard with respect to the alleged violation in accordance with the provisions of Section 7341 of the California Corporations Code and Civil Code Section 5855 or its successor statute.
 - (i) Prior to imposing or considering any discipline against a member, the Board shall notify the Owner in writing, by personal delivery or first-class mail, at least ten (10) days prior to the meeting.
 - (ii) The written notification shall contain at least the date, time and place of the meeting, the nature of the alleged violation, and a statement that the Owner has a right to attend and may address the Board at the meeting.
 - (iii) The Board shall meet in executive session unless requested otherwise by the Owner being disciplined.
 - (iv) If the Board imposes discipline on a member, the Board shall provide the Owner a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days of the action.
 - (v) It is the intention of this Section to comply with Section 7341 of California Corporations Code and Civil Code Section 5855 or its successor statute. Accordingly, this section shall

comply with the aforementioned statutes, and the statutes shall control in the event of a conflict.

- (2) Any suspension of an Owner's Association rights and privileges shall not exceed sixty (60) days for each violation, or until the violation is corrected, whichever is later.
- (3) Any monetary fine for violating the Rules and Regulations shall not exceed the limits set forth in the Rules and Regulations or fine policy.
- (4) Except as provided in Article VI of this Declaration, relating to foreclosure for failure to pay assessments, or as a result of the judgment of a court or a decision arising out of arbitration, the Association shall in no way abridge the right of any Owner to the full use and enjoyment of Owner's Unit.
- (5) The lien of an assessment levied against an individual Owner and Owner's Condominium as a monetary penalty imposed as a disciplinary measure for failure of such Owner to comply with this Declaration, the Bylaws or Rules and Regulations established by the Association shall not be a lien enforceable by sale under the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code of the State of California or any successor statute. Each such assessment together with late charges, interest, costs, penalties and reasonable attorney fees, as provided for herein, shall also be the joint and several personal obligation of each person who is the Owner of such Unit at the time the assessment fell due.

(g) To contract for and purchase tools, equipment, materials, supplies and other personal property and services for the maintenance and repair of the Common Area, and for repairs and improvements on and to the Property.

Section 5.04 Insurance.

(a) Liability Insurance. The Association shall obtain and maintain in force comprehensive liability insurance insuring the Association, the Manager, if any, the Board of Directors and the Owners, against any liability incident to the Membership or use of the Common Area. The limits of such insurance shall meet or exceed the applicable minimum insurance requirements stated in Civil Code Sections 5800 and 5805, or any successor statutes.

(b) Fire and Extended Coverage Insurance. The Association shall also obtain and maintain in force a master or blanket policy of fire insurance for full insurable replacement value without deduction for depreciation of all of the improvements within the Property. Such policy and any endorsements thereon shall be in the form and content, for such term and in such company as may be satisfactory to any Beneficiary of a Deed of Trust; and, if more than one Beneficiary has a loan of record against the Property, or any part thereof, such policy and endorsements shall meet the maximum standard of the various Beneficiaries represented in the Property. Such policy shall contain extended coverage and replacement cost endorsements, if available, and may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause and determinable cash adjustment clause, or a similar clause to permit cash settlement covering full value of the

improvements, in the event of partial destruction and decision not to rebuild as provided herein below. Such policy shall be in such amounts as shall be determined from time to time by the Board, shall name as insured the Association, the Owners and all Beneficiaries as their respective interests may appear. Upon written request of Beneficiaries, the insurer hereunder shall provide such Beneficiaries thirty (30) days prior written notice of any cancellation or termination of such policy or policies.

(c) Directors and Officers Liability Insurance. The Board of Directors shall obtain such insurance or other insurance as it deems advisable insuring the Board of Directors and each Owner thereof, against any liability for any act or omission in carrying out their obligations hereunder or resulting from their membership on the Board of Directors or any committee thereof. Such insurance shall meet or exceed the minimum levels set forth in Civil Code 5800, or any successor statute, and shall contain an endorsement of coverage of any person who may serve without compensation, sufficient to meet the minimum standard of the various Beneficiaries in the Property.

(d) Other Insurance. The Board may purchase and maintain in force earthquake insurance in adequate amounts to cover demolition, in the event of total or partial destruction and decision not to rebuild. The Board may also purchase and maintain workmen's compensation insurance as required by law for all employees of the Association.

(e) Payment of Proceeds. All insurance proceeds payable under this section shall be paid to the Association, to be held and expended for the benefit of the Owners, Beneficiaries and others, as their respective interests shall appear. In the event repair or reconstruction is authorized, the Board shall have the duty to contract for such work as provided for herein.

(f) Payment of Deductible. In the event of a claim under the Association's insurance policy caused by any Owner's act, omission, or failure to maintain, or of the Owner's tenants or guest, the Owner responsible for the claim shall be responsible for the payment of any deductible. The amount of the deductible shall be a charge against the Owner's Association assessment account and subject to lien and collection in accordance with the Declaration and applicable law.

(g) Beneficiary Option. With respect to insurance coverage under Section 4.04(b), any Beneficiary shall have the option to apply insurance proceeds payable to it in reduction of the obligation secured by its Deed of Trust.

(h) Fidelity Bond. The Board shall purchase and maintain fidelity bonds or fidelity insurance for any person or entity handling funds of the Association including, but not limited to, officers and directors, employees of any professional management firm with which the Association has contracted, in an amount not less than an amount equal to the sum of three (3) months of Regular Assessments on all Units in the Property plus the Association's reserve funds, and which shall contain an endorsement of coverage of any person who may serve without compensation, sufficient to meet the maximum standard of the various Beneficiaries of Deeds of Trust in the Property.

(i) Waiver of Claims Against the Association and Others. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Beneficiaries of Deeds of Trust as their interest may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, the Association and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of

any agreement by said persons, but to the extent of Insurance proceeds received in compensation for such loss only.

(j) Premiums and Settlements. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance coverage deemed necessary by the Board shall be a Common Expense to be included in the Regular Assessments levied by the Association. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) Directors of the Association may sign a loss claim, subject to Board approval, and such signatures shall be binding on the Association and the Owners.

(k) Annual Insurance Review. The Board shall annually determine whether amounts and types of insurance it has obtained provide adequate coverage for the Property in light of increased construction costs, inflation, practice in the area in which the Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies is necessary or desirable to protect the interest of the Owners.

(l) Required Waiver. All policies of physical damage insurance shall provide for a waiver of the following rights to the extent such waivers are obtainable from the respective insurers:

- (1) Subrogation of claims against the tenants of the Owners;
- (2) Any defense based on co-insurance;
- (3) Any right of offset, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (4) Any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner or arising from any act, neglect or omission of any named insured or the respective agents, contractors and employees of any insured;
- (5) Any right of the insurer to repair, rebuild, or replace and, in the event the building is not repaired, rebuilt, or replaced following loss, any right to pay under the insurance the lesser of the replacement value of the improvements Insured or the fair market value thereof;
- (6) Notice of the assignment of any Owner of its interest in the insurance by virtue of a conveyance of any Unit; and
- (7) Any right to require any assignment of any Mortgage to the insurer.

(m) Requirements of Federal Agencies and Corporations. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty and liability insurance and fidelity bond coverage meeting the insurance and fidelity bond requirements for Condominium and planned unit development projects established by Federal National Mortgage Association, ("FNMA") Government National Mortgage Association ("GNMA"), Federal Home Loan

Mortgage Corporation ("FHLMC"), Federal Housing Administration ("FHA") or Veterans Administration ("VA"), so long as any is a Beneficiary, or Owner or insures or guarantees a Deed of Trust within the Property, except to the extent such coverage is not available or has been waived in writing by the foregoing entities.

(n) An Owner should carry such personal liability insurance respecting Owner's Unit and personal property contained therein. However, any such policy shall include a clause waiving subrogation. The Association shall not have the duty or obligation to insure any Owner's Unit interior or personal property.

Section 5.05 Exterior Maintenance of Buildings and Common Area. The Association shall provide exterior maintenance and repair of the Property, and maintenance of all walkways and driveways which maintenance and repair shall include siding, painting, roofs, common walls and fences, and exterior building surfaces, pool and spa, when and if required by reason of normal wear and tear or deterioration, and maintenance of landscaping within the Common Area and parkways.

(a) The Association shall maintain and repair all Common Area utility lines and any utility, supply, drain and /or vent lines to the extent such lines that service more than one Unit. Such maintenance shall not include maintenance, repair or replacement of utility lines from the water valve to the fixture(s) within the Unit, or the fixtures themselves, or the maintenance, repair or replacement of water lines which service an individual Unit from the point where the plumbing line enters the interior airspace of the Unit. Such maintenance shall not include maintenance, repair or replacement of utility lines within the walls which are or have been altered, modified, installed, added or in any way changed from the original construction by the current Owner of a Unit or a previous Owner of that Unit.

(b) Such exterior maintenance shall not include any maintenance, repair or replacement of Exclusive Use Common Areas including but not limited to all patios, glass surfaces, window or door screens, windows, garage door and mechanism, exterior doors or entry doors, patios, and air conditioning and heating units wherever located. Any painting or finishing is subject to the Architectural Control Rules and Approval Procedure.

(c) Nor shall such maintenance include repairs or replacements required by reason of the acts or conduct of a Member, Member's family, employees, agents, tenants, guests or invitees, or any damage caused by or resulting from a common area condition where the Member fails to timely notify the Board of the common area condition or of the damage or condition requiring repair

(d) Such excluded maintenance, repairs and replacements shall be the responsibility of each Owner. However, if an Owner shall fail to perform such maintenance or make such repairs or replacements as are Owner's responsibility, then, upon the vote of a majority of the Owners of the Board, and after not less than thirty (30) days' notice to such Member, the Association shall have the right (but not the obligation) to enter into or upon the Condominium of such Owner and provide such maintenance or make such repairs or replacements, and add the cost thereof to the assessments chargeable to such Member, following notice and a hearing pursuant to Civil Code and the Governing Documents.

Section 5.06 Prohibitions. Among other things reflected in this Declaration that the Board shall not have the power to do without the vote or written assent of a majority of the voting power of the Association, the Board shall not be permitted to do the following:

(a) Sell 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;

(b) Other than those which have been reserved, incur 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; or

(c) Enter 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:

- (1) 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.
- (2) Prepaid casualty and/or liability insurance policies of not to exceed three years duration, provided that the policy permits for short rate cancellation by the insured.
- (3) Agreements for internet, bulk cable television services and equipment or satellite television services and equipment of not to exceed five (5) years duration, provided that the supplier is not an entity in which any Owner has a direct or indirect ownership interest of 10 percent or more.
- (4) Agreements for sale or lease of security, burglar alarm or fire alarm equipment, installation and services of not to exceed five years duration, provided that the supplier or suppliers are not entities in which any Owner has a direct or indirect ownership interest of 10 percent or more.
- (5) Such other contracts which may from time to time be permitted by the regulations of the Real Estate Commissioner of the State of California.

(d) Receive compensation for services rendered as an officer or director. Directors and officers shall not receive assessment credit in return for such service, which also is prohibited. However, directors and officers may be reimbursed for expenses actually and reasonably incurred in the course of their service to the Association.

ARTICLE VI ASSESSMENTS

Section 6.01 Covenant To Pay. Each Owner by acceptance of the deed to the Owner's Unit is deemed to covenant and agree to pay to the Association the regular and special assessments levied pursuant to the provisions of this Declaration. A regular or special assessment and any late charges, reasonable costs of collection, and interest, as assessed in accordance with the provisions of this Article, shall be a debt of the Owner of the Unit at the time the assessment or other sums are levied. The Owner may not waive or otherwise escape liability for these assessments by non-use of the Common Area or abandonment of the Owner's Unit.

Section 6.02 Regular Assessments. The estimated funds needed to meet the annual common expenses of the Association shall be assessed to each Owner so that each Condominium Unit bears an equal share of the total charges. Each Owner is obligated to pay assessments to the Association in monthly installments on or before the first day of each month unless the Board adopts an alternative method for payment.

Section 6.03 Special Assessments. If the Board determines that the amount to be collected from Regular Assessments will be inadequate to defray the common expenses for the year due to the cost of any construction, unexpected repairs or replacements of components in the Common Area, or any other reason, it may levy a special assessment to cover the expense. A special assessment does not have to be paid off within the fiscal year in which it is assessed. Special assessments shall be levied and collected in the same manner as Regular Assessments, except in those circumstances where special assessments are made for the purpose of rebuilding after a catastrophic event, in which case the 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.

Section 6.04 Limitations on Regular and Special Assessments. Except in emergency situations, the Board may not, without either the approval of Owners constituting a majority of a quorum of the Owners of the Association at a meeting of the Association or upon action of the Association by written ballot, conducted in accordance with Civil Code 5700 et seq., impose a Regular Assessment per Unit that is more than twenty percent (20%) greater than the Regular Assessment for the preceding year, or levy special assessments that in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that year. These limitations shall not apply to assessment increases that are necessary for emergency situations. An emergency situation is an extraordinary expense that is:

- (a) Required by a court order;
- (b) Necessary to repair or maintain the Property or any part of it for which the Association is responsible when a threat to personal safety in the Property is discovered; or
- (c) Necessary to repair or maintain the Property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget; or

(d) Otherwise defined by Civil Code Section 5610 or any later enacted statute which governs or defines same.

Before the Board may impose or collect an assessment in an emergency situation, it shall pass a resolution containing written findings as to the necessity of the extraordinary expense and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Owners with the notice of assessment. Except as otherwise provided in this Declaration, every special assessment shall be levied upon the same basis as that prescribed herein for Regular Assessments.

Section 6.05 Reimbursement Assessment. The Board may levy a Reimbursement Assessment for any reason permitted by law (“Reimbursement Assessment”), including, without limitation, for the costs associated with the repair, maintenance or replacement of any portion of the Property for which the Association is responsible for such repair, maintenance or replacement but for which such responsibility arose from the act or omission of an Owner, or as a means of reimbursing the Association for bringing an Owner or its respective Unit into compliance with the Governing Documents, or any other charge designated an Assessment, together with attorney fees and costs, interest and other charges related thereto. A Reimbursement Assessment is made pursuant to and consistent with California Civil Code, and its successor statutes or law. Unless otherwise restricted by law, a Reimbursement Assessment may be enforced, collected and foreclosed upon to the same extent and with the same force as a Regular Assessment or Special Assessment.

Section 6.06 Utility Assessment. Each Owner shall be responsible for the utilities supplied to Owner’s individual Condominium, which are separately metered or submetered. Utility services supplied to the Common Area and all members in common shall be paid by the Association. The Board may levy against an Owner a Utility Assessment for the unpaid cost of any utility supplied to Owner’s Unit. Any Utility Assessment levied is levied pursuant to and consistent with California Civil Code, and its successor statutes or law. Unless otherwise restricted by law, a Utility Assessment may be enforced, collected and foreclosed upon to the same extent under this Declaration and applicable law, as a Regular Assessment or Special Assessment.

Section 6.07 Collection Charges. Collection charges may be levied by the Association against an Owner for the delinquent payment of any assessments. An assessment is delinquent fifteen (15) days after its due date. If an assessment is delinquent, the Association may recover all of the following from the Member:

(a) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorneys’ fees.

(b) A late charge not exceeding ten percent (10%) of the delinquent assessment or \$10.00, whichever is greater.

(c) Interest on the foregoing sums, at an annual percentage rate of twelve percent (12%), or the maximum rate permitted by law, whichever is less, commencing thirty (30) days after the assessment becomes due.

This section is intended to comply with Civil Code Section 5650, or later enacted statutes governing collection charges. Should greater collection costs be authorized by later amendments or enacted statutes, the statutes will control. No late charge may be imposed more than once for the delinquency of the same payment. However, the imposition of a late charge on any delinquent payment shall not eliminate or supersede charges imposed on prior delinquent payments.

Section 6.08 Enforcement of Assessments and Late Charges. Any delinquent Assessment and related late charges, reasonable costs of collection, attorney fees and costs and interest assessed in accordance with these CC&Rs, shall become a recurring lien against the Unit when a notice of delinquent assessment is duly recorded as provided in Sections 5650-5690 of the California Civil Code and include subsequent regular and special assessment delinquencies until such amounts are brought current.

Any such lien may be enforced in any manner permitted by law, including judicial foreclosure or non-judicial foreclosure, except liens upon penalty assessments or fines. Any non-judicial foreclosure shall be conducted by the trustee named in the notice of delinquent assessment or by a trustee substituted pursuant to Section 2934a of the California Civil Code, in accordance with the provisions of Sections 2924, 2924b, and 2924c of the California Civil Code or any successor statutes.

If the sums specified in the notice of delinquent assessment are paid before the completion of any judicial or non-judicial foreclosure, the Association shall record a notice of satisfaction and release of the lien. Upon receipt of a written request by the Member, the Association shall also record a notice of rescission of any declaration of default and demand for sale.

Section 6.09 Statement of Delinquent Assessment. The Association shall provide any Member, upon written request, with a statement specifying the amounts of any delinquent assessments and related late charges, interest, and costs levied against the Owner's Unit, as provided in this Declaration.

Section 6.10 No Off-Set. All assessments shall be payable in the amount specified by the assessment and no off-sets against the amount of the assessment shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

Section 6.11 Assignment of Rents. The assignment given shall be effective to create a present security interest in existing and future leases, rents, issues, or profits of the delinquent Owner's Unit. This Section on Assignment of Rents shall be enforceable to the fullest extent permitted by law. Upon default of the delinquent Owner, the Association shall be entitled to enforce the assignment in accordance with this Section. On and after the date the Association takes one or more of the enforcement steps described in this Section, the Association shall be entitled to collect and receive all rents, issues, and profits that have accrued but remain unpaid and uncollected by the delinquent Owner on that date, and all rents, issues, and profits that accrue on or after the date. The assignment may be enforced by one or more of the following: (1) the appointment of a receiver; (2) obtaining possession of the rents, issues, or profits; and/or (3) delivery to any one or more of the tenants of a written demand for turnover of rents, issues, and profits.

Section 6.12 Homestead Waiver. All Owners, to the fullest extent permitted by law, hereby waive, to the extent of any liens created against its Unit and pursuant to law, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time-to-time hereafter.

**ARTICLE VII
DESTRUCTION OF IMPROVEMENTS**

Section 7.01 Restoration of the Property. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Property the replacement or repair of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to this Declaration for reconstruction or repair of the Property shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Property shall be reconstructed or rebuilt substantially in accordance with the Condominium Plan and the original construction plans if they are available, unless changes recommended by the Board shall have been approved in writing by seventy-five percent (75%) of the Owners and by all of the holders of record of first Deeds of Trust upon the Condominiums of the approving Owners. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least seventy-five percent (75%) of the estimated cost of restoration and repair, a Special Assessment of the Owners, with each Owner contributing in the same proportion that Regular Assessments are levied among the Owners, shall be levied by the Board of Directors to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair is less than seventy-five percent (75%) of the estimated cost of restoration and repair, the Owners by the vote of not less than seventy-five percent (75%) of the Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting of the Owners of the Association, together with the approval of at least seventy-five percent (75%) of the first Beneficiaries of record of the Condominiums in the Property, shall determine whether the Association shall be authorized to levy a Special Assessment and proceed with such restoration and repair. In the event of a determination by the Owners and their Beneficiaries as provided above that the cost of such restoration and repair would be substantial and that it would not be in their best interests to proceed with the same, the Owners and their Beneficiaries may, at their discretion, proceed as provided in Section 7.02 below.

To determine the total estimated cost of reconstruction, the Board shall obtain fixed price bids from at least three (3) reputable licensed and qualified building contractors, and include in said bids the obligation to obtain a performance and completion bond.

Section 7.02 Sale of Property. In the event that the amount available from the proceeds of the insurance policies maintained by the Association shall be less than seventy-five percent (75%) of the cost of reconstruction, a certificate of the resolution authorizing such reconstruction shall be filed with the Los Angeles County Recorder within six (6) months from the date of such destruction and in the event of a failure to record such certificate within said period, it shall be conclusively presumed that the Owners have determined not to rebuild said Improvements. In the event of a determination not to rebuild, the Association, acting through a majority of the Board shall be authorized to have prepared, executed and recorded, as promptly as practical, the Certificate and such other documents and instruments as may be necessary for the Association to consummate the sale of the Property at the highest and best price obtainable,

either in its damaged condition, or after damaged structures have been razed. The net proceeds of such sale and the proceeds of any insurance carried by the Association shall be divided proportionately among Owners and their Beneficiaries as their interests may appear, such proportions to be determined in accordance with the relative appraised fair market valuation of the Condominium as of the date of destruction, as expressed as percentages, and will be calculated by proportionately dividing such appraised fair market valuation of all Condominiums in the Property. The Board is hereby authorized to hire one or more appraisers for such a purpose, and the cost of such appraisals shall be a Common Expense of the Association. Notwithstanding the foregoing, the balance then due on any valid encumbrance of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Condominium is so encumbered.

Section 7.03 Interior Damage. With the exception of any casualty or damage covered by Association insurance, the restoration and repair of any damage to the interior of any individual Condominium, including without limitation all fixtures and Improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Condominium so damaged. In the event of a determination to rebuild the Property after partial or total destruction, as provided herein, such interior repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Board.

Section 7.04 Negotiation with Insurer. The Board shall have full authority to negotiate in good faith and with due regard to the respective interests of Owners and their Beneficiaries with representatives of the Insurer of the totally or partially destroyed Property and to make settlement with the Insurer for less than full insurance coverage on the damage. Any settlement made by the Board in good faith shall be binding upon all Owners. In the event that the act of destruction occurs at a time that the Association owns one or more Units within the Property, the Association and/or its duly appointed representative shall be entitled to participate in such negotiations.

ARTICLE VIII EMINENT DOMAIN

Section 8.01 Total Taking. Partial Taking. Special Partial Taking. The Term “taking” as used in this Article shall mean condemnation by exercise of power of eminent domain or by sale under threat of the exercise of the power of eminent domain.

A “Total Taking” shall occur if there is a permanent taking by eminent domain of an interest in all or part of the Common Areas or of all or part of one or more Units, such that the ownership, operation and use of the Property in accordance with the provisions of this Declaration is substantially and adversely affected, and within one hundred twenty (120) days after the effective date of the taking the Owners of any Units (i) not taken, or (ii) only partially taken and capable of being restored to at least ninety-five percent (95%) of their floor area and restored to substantially their condition prior to the taking (collectively the “Remaining Units”) do not by affirmative vote of a majority of their entire voting interest (without adjustment among such Units for relative voting rights because of such partial taking) approve the continuation of the Property and the repair, restoration and replacement to the extent feasible of the Common Areas and the remaining Units.

A "Partial Taking" shall occur if there is any other permanent taking of the Property. A Partial Taking shall include, without limitation, a "Special Partial Taking" which is described herein as a taking of all or part of one or more Units, as Units, subject to all of the provisions of this Declaration, without involving any taking of the Common Areas except to the extent of the proportionate interest therein of the Units taken, so that the taking authority becomes a successor in title to the Owner or Owners of the Condominium or Condominiums so taken with the same effect as if such Units were purchased by the Taking authority. Following any taking which in the opinion of the Board of Directors would constitute a Total Taking in the absence of the affirmative vote of the Remaining Owners as required by the foregoing provisions, the Board of Directors shall call a special meeting of the Remaining Owners to be held promptly, and in any event within sixty (60) days after the effective date of such taking, to determine if such Remaining Owners will, or will not, decide to continue the Property as provided herein.

Section 8.02 Awards; Repair: Restoration and Replacement.

(a) In the event of a Total Taking, the Board of Directors shall: (i) except as provided in Section 8.03 of this Article, represent all of the Owners in an action to recover any and all awards, subject to the right of all first Beneficiaries of record, upon request, to join in the proceedings, and (ii) proceed with the sale of that portion of the Property which was not included in the condemnation proceedings and distribution of the net proceeds of such sale and any condemnation award, after deducting any incidental fees and expenses, in the same proportion and in the same manner as provided in Article VII, Section 7.02.

(b) In the event of a Partial Taking, other than a Special Partial Taking, the provisions of Section 8.02(a) (i) of this Article shall be applicable. The net proceeds of the Partial Taking awards shall be held by the Association, after deducting related fees and expenses and the portions of the awards allotted in the taking proceedings or, failing such allotment, allotted by the Board of Directors to (i) Units totally taken or partially taken and not capable of being restored to at least ninety-five percent (95%) of their floor area and substantially their condition prior to the taking, and (ii) Units taken in the same manner as in a Special Partial Taking except that the taking is made subject to only some or to none of the Bylaws and the Rules and Regulations (collectively the "Taken Units").

The proceeds of the Partial Taking award allotted to the Taken Units shall be paid to the Owners respectively entitled thereto; provided, however, that such proceeds shall first be applied to the balance then outstanding on any Deeds of Trust of record in order of priority before the distribution of any such proceeds to any Owner whose Condominium is subject to any such Deed of Trust. First Beneficiary of record with respect to the Remaining Units affected by such Partial Taking shall be entitled to severance damages payable out of the award proceeds held by the Association to the extent that such Beneficiaries can prove that their security has been impaired by such taking. The balance of the net proceeds shall then be applied to the repair, restoration and replacement of the Common Areas and the Remaining Units (but not Owners' personal property nor those portions of the Units which the Owners are obligated to restore) to as nearly their condition prior to the taking as may be feasible, in the same manner and under the same provisions applicable to the proceeds of insurance as set forth in Article VII hereof, except for any provisions relating to Owners' personal property. Any funds held for restoration by the Association following completion thereof shall be disposed of, in each case in the same manner as provided in Article VII, Section 7.02, except that the total amount of the award payable to any Owner and

Owner's Beneficiary or Beneficiaries for a destroyed Unit or Units shall not exceed the value of said Owner's Condominium interest.

In the event that the funds held for restoration by the Association are less than the cost of restoration and repair, a Reconstruction Assessment of the Remaining Owners, with each Remaining Owner contributing a sum in the same proportion as Regular Assessments paid by each Owner, may be levied by the Board of Directors to provide the necessary additional funds for such reconstruction. In no event shall the Association be required to undertake any repair or restoration work or make any payments with respect to any Unit in excess of that portion of the awards reasonably attributable to the loss to that Unit. Following any Partial Taking, the Association and the Property shall continue, subject to and with the benefit of all the provisions of this Declaration, so far as applicable to the Remaining Units, and the voting interests of the Owners shall be the same.

In the event of a Special Partial Taking or a temporary taking of any Condominium, the Owner of the Condominium taken, together with Owner's Beneficiaries, shall have exclusive rights to prosecute the proceedings for the respective taking awards and to retain the proceeds thereof. In the event of temporary taking of Common Areas, the Association shall have exclusive rights to prosecute the proceedings for the respective taking awards and shall apply the proceeds thereof to reduce Common Expenses.

Section 8.03 Awards for Unit Owners' Personal Property and Relocation Allowances. Where all or part of the Property is taken, an Owner shall be entitled to claim all of the award made for such Owner's personal property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation. Notwithstanding the foregoing provisions, however, or the provisions of section 8.01 and 8.02, the Association, through its Board of Directors, except in the case of a Special Partial Taking, shall represent each Owner in an action to recover all awards with respect to such portion, if any, of Owner's personal property which is at the time of any taking, as a matter of law, part of the real estate comprising any Unit, and shall allocate to such Owner so much of any awards as is allotted in the taking proceedings or, failing such allotment, allotted by the Board of Directors to such Owner's personal property. The amount so allocated shall be paid to the Owner entitled thereto, whether or not the Unit in which such Owner's personal property was located is to be restored by the Board of Directors. Notwithstanding restoration of the Unit, the Board of Directors shall have no responsibility for restoration of such Owner's personal property.

Section 8.04 Notice to Owners and Listed Beneficiaries. The Board of Directors, immediately upon having knowledge of any taking by eminent domain of the Property, or any portion thereof, or any threat thereof, shall promptly notify all Owners and all Beneficiaries of first Deeds of Trust on Condominiums in the Property who have filed a written request for such notice with the Board.

Section 8.05 Change In Condominium Interest. In the event of a governmental taking, and notwithstanding anything else stated herein, the Board may:

(a) With the prior written consent of the first Beneficiaries of Units within the Property representing at least fifty-one percent (51%) of the voting power of the Association,

amend this Declaration, if necessary, to reflect the change in each Owner's undivided interest in common with other Owners in the Common Area caused by a taking; and/or

(b) Amend the Condominium Plan to reflect the change in the Property brought about by a taking. In the event that the Board decides to record such an amendment to the Condominium Plan, all Owners of the Property and the record holders of all security interests in the Property shall execute and acknowledge said Amendment so that it will comply with California Code requirements for same. Said Owners and holders of security interests shall also execute such other documents or take such actions as required to make such Amendment effective.

The Board shall cause a notice of the change in the Condominium Interest to be sent to each Owner and each Beneficiary who has filed a written request for such notice with the Board within ten (10) days of the filing of such Amendment in the County Recorder's Office of the County.

ARTICLE IX MORTGAGEE PROTECTION

Section 9.01 Provisions Protecting Mortgagees. Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or invalidate the rights of the Beneficiary under any Deed of Trust upon a Condominium made in good faith and for value, provided that after the foreclosure of any such Deed of Trust such Condominium shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, the following provisions are added hereto (and to the extent these added provisions pertaining to rights of Beneficiaries conflict with any other provisions of this Declaration or any other of the Declaration, these added restrictions shall control):

(a) Each first Beneficiary of a Deed of Trust encumbering any Condominium, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the respective Trustor of such Condominium in the performance of such Trustor's obligations under the Declaration, the Articles or the Bylaws (collectively referred to as the "Property Documents"), which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, a "first Beneficiary" shall mean a Beneficiary of a Mortgage and Deed of Trust with first priority over other Deeds of Trust.

(b) Every Owner, including every first Beneficiary of a Deed of Trust encumbering any Condominium, which obtains title to such Condominium pursuant to the remedies provided in such Deed of Trust, or pursuant to foreclosure of the Deed of Trust, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

(c) Each first Beneficiary of a Deed of Trust encumbering any Condominium, which obtains title to such Condominium, pursuant to non-judicial foreclosure, pursuant to the powers provided in such Deed of Trust shall take title to such Condominium free and clear of any claims for unpaid assessments or charges against such Condominium which accrued prior to the time such holder acquires title to such Condominium.

(d) Without the prior written approval of 67% of the Owners and at least 51% of Eligible First Mortgagees, the Association shall not:

- (1) By act or omission seek to abandon or terminate the Condominium Plan;
- (2) Change the pro rata interest or obligation of any Condominium for assessment purposes or the method and manner and purpose of distribution of insurance proceeds or condemnation awards;
- (3) Partition or subdivide any Condominium or the Common Area of the Property, nor by act or omission seek to abandon the Condominium status of the Property except as set forth in this Declaration.
- (4) Sell, transfer or encumber the Common Area (other than as provided herein). The granting of easements consistent with the intended or permissible use of the Common Area. Shall not be deemed a sale or transfer.
- (5) Use hazard insurance proceeds for losses to the Property for anything other than the repair, replacement or reconstruction of the relevant Property;
- (6) Change, waive, or abandon any regulations pertaining to the architectural design, exterior appearance or maintenance of the Units or Common Area;
- (7) Fail to maintain insurance for the Common Area as required in this Declaration;
- (8) Amend the Governing Documents concerning any material provision including:
- (i) Voting rights.
 - (ii) Rights to use Common Area and reallocation of interest in Common Area.
 - (iii) Reserves and Common Area maintenance, repair and replacement responsibility.
 - (iv) Unit boundaries.
 - (v) Owners' interest in Common Area.
 - (vi) Convertibility of Common Area into Units and vice versa.
 - (vii) Unit Leasing.
 - (viii) Change to self-management.
- (ix) Annexation or de-annexation of real property.
- (x) Assessments, liens and subordination of assessment liens.
- (xi) Casualty and liability insurance.

(xii) Imposition of right of first refusal of an Owner's right to sell, transfer or convey a Unit.

(xiii) Restoration or repair after hazard or condemnation.

(xiv) Action to terminate legal status of Property

(xv) Any provisions that are for the express benefit of first Mortgagees, insurers or governmental guarantors of first Mortgagees.

(9) An Eligible First 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 mail, return receipt requested.

ARTICLE X ARCHITECTURAL CONTROL

Section 10.01 Appointment of Architectural Committee. The Architectural Committee will consist of the current Board of Directors, unless separate committee members are appointed to fulfill the Committee.

Section 10.02 General Provisions.

(a) No Improvement of any kind shall be commenced, erected or maintained within the Property; nor shall any exterior addition to, change or alteration be made in or to any Unit or any Improvement containing Units or to any Exclusive Use Common Area, or Common Area; nor shall any modification to the Unit interior that involves the structural, plumbing, electrical or mechanical components of the Property be made, until the plans and specifications showing its nature, color, kind, shape, height (including front, side and rear elevations), materials, and location shall have been submitted to and approved in writing by the Association's Board as to the impact of the proposed Improvement on Common Area and surrounding Units. The Architectural Committee, or Board, may establish reasonable rules, subject to adoption by the Board, in connection with its review of plans and specifications including, without limitation, the number of sets to be submitted, providing that approval or disapproval of plans and specifications may be made by a majority of the Owners of the Architectural Committee, or Board, subject to confirmation by the Board and to which plan review responsibilities may be delegated. Unless such rules are complied with, such plans and specifications shall be deemed not submitted. Under any circumstances, and even if no rules are established, no Owner can make any structural improvements or changes to Owner's Unit or any other changes visible from normal use of the Common Areas without the approval of plans for same, as provided herein. Such approval shall be made by the Board based upon the recommendation by the Architectural Committee, or Board, that said proposed improvements or changes are consistent with the original plan and overall development of the Property.

(b) The address of the Architectural Committee, or Board, is the principal office of the Association or Management office. Such address shall be the place for the submission of the application, plans and specifications.

(c) The establishment of the Architectural Committee, or Board, and the systems herein for architectural and landscaping approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter, modify or otherwise have control over the Units or Common Area as may otherwise be specified in this Declaration, in the Bylaws or in any Association Rules.

Section 10.03 Approval and Conformity of Plans. The Board may, from time to time, adopt and promulgate architectural review and approval procedures to be administered through its Architectural Committee, or Board. These architectural rules shall set forth the standards and procedures for the review and approval, completion, and inspection of proposed Improvements and guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Property, provided that said rules shall meet the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail. The architectural review and approval procedures may include the restrictions and limitations upon the Owners set forth below, among other things:

(a) Time limitations for the completion of the architectural and landscaping improvements described herein including solar panel and equipment installations; and,

(b) The conformity of completed architectural and landscaping improvements to plans and specifications and to the architectural and landscaping standards of the Association.

(c) Plans and specifications are not approved for engineering design and by approving such plans and specifications neither the Architectural Committee, or Board, the Owners thereof, the Association, the Owners, nor the Board assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

(d) If the Committee fails to deny an application within forty-five (45) days of submission, it will be deemed approved. Failure of an Owner to submit a complete application with all supporting documentation shall be deemed no submission at all. The 45-day approval period shall not commence until the Committee is in receipt of a complete application.

Section 10.04 Appeal. Unless the Committee members are the same as the Board of Directors, if the application, plans and specifications submitted to the Architectural Committee, or Board, are disapproved, the Owner whose application was denied may appeal to the Board by submitting a written notice of appeal within thirty (30) days of the Committee's denial. The Board shall act on an appeal within sixty (60) days of receipt of said notice.

Section 10.05 Reconstruction of Condominiums. The reconstruction after destruction by casualty or otherwise of any Condominiums shall not require compliance with the provisions of this Article. Such reconstruction shall be conclusively deemed to be in substantial compliance with such Condominium plan if it has received the approval of the Association.

**ARTICLE XI
DURATION AND AMENDMENT**

Section 11.01 Duration. This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods equal to ten (10) years, unless a Declaration of Termination is recorded in the public records, Los Angeles, California, meeting the requirements of an amendment to this Declaration as set forth in this Article. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any Unit from the concomitant Ownership in the Association, as long as this Declaration shall continue in full force and effect.

Section 11.02 Amendment. This Declaration shall be amended by the affirmative vote of at least fifty-one percent (51%) of the voting power of the Association. A copy of any amendment shall be certified by the President and Secretary of the Association, and the amendment shall be effective when the Certificate of Amendment is recorded in the public records, Los Angeles County, California.

Notwithstanding the foregoing, any of the following amendments, to be effective, must be approved in writing by the First Mortgagees on all of the Condominiums in the Property at the time of such amendment, who have given notice pursuant to Article IX, Section (a):

(a) Any amendment which affects or purports to affect the validity or encumbrances or the rights or protection granted to encumbrances herein.

(b) Any amendment which would necessitate an encumbrance after it has acquired a Condominium through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(c) Any amendment which would or could result in an encumbrance being canceled by forfeiture, or in the individual Condominium not being separately assessed for tax purposes.

(d) Any amendment which would or could result in termination or abandonment of the Property or partition or subdivision of a Condominium Unit, in any manner inconsistent with the provisions of this Declaration.

(e) Any amendment which would subject any Owner to a right of first refusal or other such restriction in favor of the Association, in the event such Owner exercises Owner's right to sell, transfer or otherwise convey Owner's Condominium.

Any such consent requested of the first mortgagees pursuant to this Declaration may be accomplished by a request, sent by certified mail. Said consent shall be deemed approved unless any mortgage holder objects to said approval, in writing, within thirty (30) days of the date of mailing.

A certificate signed and sworn to by two (2) Officers of the Association that the requisite number of record Owners of the Condominiums have either voted for or consented in writing to any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all such votes or written consents

for a period of at least four (4) years. When such Certificate is recorded, it shall be noted that such amendment has been so approved.

ARTICLE XII GENERAL PROVISIONS

Section 12.01 Enforcement By Legal Proceedings. The failure of any Owner or Owner's guests, invitees and tenants to comply with any of the Governing Documents, after Notice and Hearing as set forth herein (except for the nonpayment of any Assessments provided for herein), shall be grounds for relief which may include, without limiting same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, fines or any combination thereof. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provisions, or any other provision hereof. The Board, or any Owner (not at the time in default hereunder) shall be entitled to bring an action for damages against any defaulting Member, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant thereto shall include a sum for attorney fees and costs in such amount as the Court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive. Notwithstanding anything to the contrary herein and except for the power to suspend such rights as reflected in the Bylaws, neither the Board nor the Association may cause a total forfeiture or abridgment of an Owner's right to the use and enjoyment of Owner's subdivision interest except by judgment of a court, an arbitrator or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments duly levied by the Association.

Section 12.02 Association Entry For Emergency Repair. The Board of Directors shall have the authority to designate one or more qualified repairmen or other persons, to enter on and within any individual Unit for the purpose of making emergency repairs therein or for necessary maintenance or repair of portions of the Common Area, or to abate any nuisance being conducted or maintained in said Unit in order to protect the property rights and best interests of the remaining Owners. Notice of said entry shall be given at least twenty-four (24) hours in advance to the Owner or Unit occupant. In the event an emergency situation makes such notice unreasonable, no notice before entry is required.

Section 12.03 Remediation of Violation; Compliance Assessment. Without in any way limiting the generality of the foregoing, in the event that the Board determines that there is a violation of any provision of the Declaration, then the Board shall give written Notice to the Owner of the condition or violation. The Board, after giving such Owner an opportunity for Notice and Hearing as further provided herein may, in addition to any appropriate disciplinary action, undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the Owner and Owner's Condominium. Such cost shall be deemed to be a Special Assessment to such Member, and Owner's Condominium, and shall be subject to levy, enforcement and collection by the Board in this Declaration.

Section 12.04 Severability. The provisions hereof shall be deemed independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any provision or portion hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

Section 12.05 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of a Residential Condominium development and for the maintenance of Common Areas, and any violation of this Declaration shall be deemed to be a nuisance. The Article and Section headings, titles and captions have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. As used herein, unless the context dictates otherwise, the singular shall include the plural and the plural the singular.

Section 12.06 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property to the public, or for any public use.

Section 12.07 Non-Liability and Indemnification. No right or power conferred on the Board by virtue of this Declaration or by the Articles or Bylaws shall be construed as a duty, obligation or disability charged upon the Board of Directors, or upon any Director or Owner thereof, and except for injuries arising out of their malicious acts, no Owner of the Board, shall be liable to any Person for decisions or the failure to make decisions as an Owner of the Board. The Association shall pay all expenses incurred by, and satisfy any judgment or fine rendered or levied against, any Person who is or has been a Director, Officer, employee or Committee Owner of the Association in any action brought by a third party or the Association against such Person (whether or not the Association is joined as a party defendant) to impose a liability or penalty on such person while a Director, Officer employee or Committee member; provided, that the Board determines in good faith that such Director, Officer, employee or Committee Owner was acting in good faith within what he reasonably believed to be the scope of the person's employment or authority and for a purpose which the person reasonably believed to be in the best interests of the Association or its Owners. Payments include amounts paid and any expenses incurred in settling any such action or threatened action. This provision shall be construed to provide for such payments and indemnification to the fullest extent permitted by the provisions of the applicable laws.

Section 12.08 Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws of the Association, the terms and provisions of this Declaration shall prevail. If there is a conflict between this Declaration, or any governing document, and applicable law, then the law will prevail.

Section 12.09 Successors and Assigns. This Declaration shall be binding upon and shall inure to the benefit of the heirs, personal representatives, grantees, lessees, sublessees and assignees of the Owners.

Section 12.10 References to Statutes. Any references in this Declaration of Covenants, Conditions and Restrictions to a California statute shall be deemed to refer to any later enactment, renumbering or recodification of the provisions of said statute.

CERTIFICATE OF PRESIDENT AND SECRETARY

Pursuant to Civil Code Section 4270 or any successor statute, we, the undersigned, declare under penalty of perjury that the following facts are true and correct of our own personal knowledge:

A. We are the duly elected President and Secretary of GOLDEN WEST-NAOMI HOMEOWNERS ASSOCIATION

B. The required percentage of Owners has given their approval to amend the currently effective Declaration of Covenants, Conditions Restrictions and Easements by adopting this First Restated Declaration of Covenants, Conditions Restrictions and Easements.

Executed in Arcadia, California on _____, 2021.

_____, President

_____, Secretary

[NOTARY ACKNOWLEDGMENTS FOLLOW]