



**PRO-FORMA  
BUDGET 2026**

**1550 Laurel Owner's Association, Inc.  
2026 Pro-Forma Budget**

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<b>Tax Exempt: Regular Assessment</b>	<b>\$121,500.00</b>
<b>Total Income</b>	<b>\$121,500.00</b>
<b>Utility: Electricity</b>	<b>\$5,408.00</b>
<b>Utility: Gas</b>	<b>\$2,280.00</b>
<b>Utility: Trash</b>	<b>\$18,970.00</b>
<b>Utility: Phone</b>	<b>\$3,209.00</b>
<b>Utility: Water</b>	<b>\$7,200.00</b>
<b>Utility: Sanitation</b>	<b>\$4,450.00</b>
<b>Utility: Fire and Safety</b>	<b>\$806.00</b>
<b>Insurance: Commercial Policy</b>	<b>\$14,100.00</b>
<b>Insurance: Earthquake</b>	<b>\$14,900.00</b>
<b>Insurance: Workers Comp</b>	<b>\$367.00</b>
<b>Gardening: Contracted</b>	<b>\$7,200.00</b>
<b>Janitorial: Contracted</b>	<b>\$6,600.00</b>
<b>Pest Control: Contracted</b>	<b>\$700.00</b>
<b>Access Control: Pedestrian Door/Gate</b>	<b>\$600.00</b>
<b>Access Control: Vehicle Gate</b>	<b>\$1,720.00</b>
<b>Elevator: Contracted</b>	<b>\$2,680.00</b>
<b>Plumbing: General</b>	<b>\$600.00</b>
<b>Pool: Contracted</b>	<b>\$4,300.00</b>
<b>Admin: Contracted Management</b>	<b>\$7,800.00</b>
<b>Admin: Tax Preparation</b>	<b>\$400.00</b>
<b>Licenses, Fees and Permits State &amp; Local</b>	<b>\$427.00</b>
<b>Contingency: Maintenance</b>	<b>\$2,383.00</b>
<b>Contingency: Restoration</b>	<b>\$2,400.00</b>
<b>Reserve Allocation</b>	<b>\$12,000.00</b>
<b>Total Expense</b>	<b>\$121,500.00</b>
<b>Net Income</b>	<b>\$0.00</b>

# ANNUAL POLICY STATEMENT

# Annual Policy Statement

1. The name and address designated to receive official communications to the Association is:

Name: HOA Premier Management LLC  
Address: 10250 Constellation Blvd Ste 2300  
Century City CA 90067

If, *and only if*, none is designated above, communications shall be delivered to the president or secretary of the Association.  
(Civil Code § 4035)

2. A member may submit a request to have notices sent to up to two different specified addresses. The notices that owners may request be sent to two addresses are:
  - Annual disclosures (the annual budget report, the review of the annual financial statement, and this annual policy statement)
  - Assessment and collection notices (notices of special assessments or assessment increases, pre-lien notice, copy of recorded lien, copy of recorded lien release or recorded notice of rescission, notice of default, and related records)

(Civil Code § 4040(b))

3. The location, if any, designated for posting of a general notice is:  
The central common area  
(Civil Code § 4045(a)(3))

Notices that may be posted in this location by the Association include:

- Notices re: proposed and approved operating rule changes
- Notices and agendas of Board meetings
- Results of elections and other membership votes
- Board decisions to borrow from the reserve account to fund litigation

4. Members have the option to receive general notices by individual delivery.
  - General notices are delivered by inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods listed in this paragraph 4; posting the printed document at the location listed above; if the Association broadcasts television programming for the purpose of distributing information on association business to its members, by inclusion in the programming; or by individual delivery.
  - Individual delivery includes first-class mail, postage prepaid; registered or certified mail; express mail; or overnight delivery by an express service carrier. It also includes e-mail, facsimile, or other electronic means if the recipient has consented in writing.

(Civil Code § 4045(b))

5. Members have the right to receive copies of minutes of board meetings other than executive session meetings.

How to obtain copies: Submit request in writing with dates of meetings requested. Deliver request by email to: info@hoapremier.com  
fax to: 717.707.5316  
mail to: 10250 Constellation Blvd Ste 2300  
Century City CA 90067

Where to obtain copies: Copies may be mailed to you or, if you are set up to receive emails from the Association and if the minutes are scanned, they will be emailed to you. If you request to pick them up in person, you can do so at the above address after you have been notified that they are ready for pickup.

(Civil Code § 4950(b))

6. The "Notice Assessments and Foreclosure" required by Civil Code Section 5730 is attached.
7. The Association's collection policy, if any, is attached.
8. The Association's discipline policy, if any, including any schedule of penalties for violations of the governing documents, is attached.  
(Civil Code § 5850)
9. A summary of the Association's internal dispute resolution procedure ("IDR" or "meet and confer"), if any, is attached.  
(Civil Code § 5920)
10. A summary of the Association's alternative dispute resolution procedure ("ADR"), if any, is attached.  
(Civil Code § 5965)
11. A summary of any requirements for Association approval of a physical change to property is attached. Board approval is required for structural and exterior changes.  
(Civil Code § 4765)
12. A copy of the completed "Charges For Documents Provided" disclosure is attached. The "Fee for Document" section of this form individually identifies the costs associated with providing each document listed on the form.  
(Civil Code § 4528)
13. The mailing address for overnight payment of assessments is:  
  
Address: PO Box 36879  
Los Angeles CA 90036  
(Civil Code § 5655)
14. The annual budget report is attached.  
(Civil Code § 5300)

**NOTICE  
ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

**ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An

owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

## MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

## **ALTERNATIVE DISPUTE RESOLUTION**

### **Summary of Civil Code ' ' 5925 - 5965**

Civil Code Sections 5925 to 5965 contain requirements that apply before owners and associations file lawsuits against each other to enforce the association=s governing documents, the Davis-Stirling Act (Civil Code Sections 4000 *et seq.*), or the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110 *et seq.*). Civil Code Sections 5925, *et seq.* apply to actions for declaratory, injunctive, or writ relief, or for that relief in connection with a claim for money damages under the small claims limit. They do not apply to:

1. Cross-complaints.
2. Small claims actions.
3. Assessment disputes, except as otherwise provided by law.
4. Claims for money damages in excess of the small claims limits in conjunction with a claim for declaratory, injunctive or writ relief.
5. Actions where preliminary or temporary injunctive relief is necessary.

If a claim is subject to Civil Code Sections 5925 *et seq.*, the filing party shall endeavor to submit the dispute to alternative dispute resolution (“ADR”). Forms of ADR include mediation, negotiation, and binding or nonbinding arbitration. The ADR process is initiated by one party serving a *Request for Resolution* upon the other parties to the dispute. This document must be served by personal delivery, first-class mail, express mail, fax, or any other means reasonably calculated to provide the party being served with actual notice of the request. The *Request for Resolution* must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) if the party being served is a homeowner, a copy of Civil Code Sections 5925 to 5965.

If the individual receiving the request agrees to ADR, the process must be completed within 90 days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a *Certificate of Compliance* indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit. Although the prevailing party is entitled to reasonable attorneys= fees and costs, the court may consider a party=s refusal to participate in ADR when making the award.

Failure by any member of the Association to comply with the alternative dispute resolution requirements of Civil Code Section 5930 may result in the loss of your rights to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.

**Federal Housing Administration (FHA) and Department of Veterans Affairs  
(VA) Disclosure  
(Cal. Civ. Code § 5300)**

Certification by the Federal Housing Administration (FHA) and/or the Department of Veterans Affairs (VA) may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

**FHA Statement**

As of November 30, 2025, the association of this common interest development is not certified by the Federal Housing Administration.

**VA Statement**

As of November 30, 2025, the association of this common interest development is not certified by the Federal Department of Veterans Affairs.

**CHARGES FOR DOCUMENTS PROVIDED  
AS REQUIRED BY SECTION 4525\***

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: \_\_\_\_\_

Owner of Property: \_\_\_\_\_

Owner's Mailing Address (If known or different from property address.)  
\_\_\_\_\_

Provider of the Section 4525 Items:

Print Name \_\_\_\_\_ Position or Title \_\_\_\_\_ Association or Agent \_\_\_\_\_

Date Form Completed: \_\_\_\_\_

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$0	
CC&Rs	Section 4525(a)(1)	\$0	
Bylaws	Section 4525(a)(1)	\$0	
Operating Rules	Section 4525(a)(1)	\$0	
Age restrictions, if any	Section 4525(a)(2)	\$0	
Rental restrictions, if any	Section 4525(a)(9)	\$0	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$0	

Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0	
Financial statement review	Sections 5305 and 4525(a)(3)	\$0	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$0	
Insurance summary	Sections 5300 and 4525(a)(3)	\$0	
Regular assessment	Section 4525(a)(4)	\$0	
Special assessment	Section 4525(a)(4)	\$0	
Emergency assessment	Section 4525(a)(4)	\$0	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	\$0	
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	\$0	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	\$0	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	\$0	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0	
Required statement of fees	Section 4525	\$0	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$0	
<b>Total fees for these documents:</b>		\$0	

\* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Civil Code Section 4525 shall be charged separately.

## **ANNUAL INSURANCE DISCLOSURE**

**This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.**

# INSURANCE



Farmers Insurance Exchange (A Reciprocal Insurer)  
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

## POLICY DECLARATIONS - CONDO/TOWNHOME PREMIER POLICY

**Named Insured** 1550 LAUREL AVE OWNERS ASSOC

**Mailing Address** C/O HOA PREMIER MGT LLC  
10250 CONSTELLATION BL #100  
LOS ANGELES, CA 90067

**Policy Number** 60627-16-11

**Auditable**

**Policy Period** From 03-31-2025  
To 03-31-2026 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

**Your Agent**

Joseph Cerami  
Po Box 7238  
Thousand Oaks, CA 91359  
(805) 495-0338



017/013 000758 0606271611 (49)BNVY250301 016144

**PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS**

The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.

**Option:** BV - Blanket Value (see Base Coverage & Extensions for the total limit)  
**Valuation:** ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost;  
 ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC  
**Abbreviation:** ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address
001	All	1550 N Laurel Ave Los Angeles, CA 90046-2564	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Building		ERC	\$4,221,400	\$10,000
Accounts Receivables - On-Premises			\$5,000	\$10,000
Building - Automatic Increase Amount			8%	
Building Ordinance Or Law - 1 (Undamaged Part)			Included	None
Building Ordinance Or Law - 2 (Demolition Cost)			\$445,200	None
Building Ordinance Or Law - 3 (Increased Cost)			\$444,600	None
Building Ordinance Or Law - Increased Period of Restoration			Included	None
Debris Removal			25% Of Loss + 10,000	
Electronic Data Processing Equipment			\$10,000	\$10,000
Equipment Breakdown			Included	\$10,000
Equipment Breakdown - Ammonia Contamination			\$25,000	
Equipment Breakdown - Drying Out Coverage			Included	
Equipment Breakdown - Expediting Expenses			Included	
Equipment Breakdown - Hazardous Substances			\$25,000	
Equipment Breakdown - Water Damage			\$25,000	
Exterior Building Glass			Included	\$10,000
Outdoor Property			\$50,000	\$10,000
Outdoor Property - Trees, Shrubs & Plants (Per Item)			\$25,000	\$10,000
Personal Effects			\$2,500	\$10,000
Specified Property			\$35,000	\$10,000
Valuable Paper And Records - On-Premises			\$5,000	\$10,000

**PROPERTY, INLAND MARINE AND CRIME COVERAGE AND LIMITS OF INSURANCE**

The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the Individual location (premises) section for coverages and limits specific to such location (premises).

Base Coverage And Extensions	Limit of Insurance	Deductible/ Waiting Period
Accounts Receivables - Off-Premises	\$2,500	\$10,000
Association Fees And Extra Expense	\$100,000	
Back Up Of Sewers Or Drains	\$100,000	\$10,000
Crime Conviction Reward	\$5,000	None
Drone Aircraft - Direct Damage (per occurrence)	\$10,000	\$10,000
Drone Aircraft - Direct Damage (per item)	\$2,500	\$10,000
Employee Dishonesty	\$150,000	\$5,000
Computer Fraud And Funds Transfer Fraud	\$150,000	\$5,000
Fire Department Service Charge	\$25,000	None
Fire Extinguisher Systems Recharge Expense	\$5,000	None
Forgery And Alteration	\$2,500	\$10,000
Limited Biohazardous Substance Coverage - Per Occurrence	\$10,000	\$10,000
Limited Biohazardous Substance Coverage - Aggregate	\$20,000	\$10,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	\$15,000	\$10,000
Master Key	\$10,000	None
Master Key - Per Lock	\$100	None
Money And Securities - Inside Premises	\$10,000	\$500
Money And Securities - Outside Premises	\$10,000	\$500
Money Orders And Counterfeit Paper Currency	\$1,000	\$10,000
Newly Acquired Or Constructed Property	\$250,000	\$10,000
Outdoor Signs	\$50,000	\$500
Outdoor Signs - Per Sign	\$25,000	\$500
Personal Property At Newly Acquired Premises	\$100,000	\$10,000
Personal Property Off Premises	\$5,000	\$10,000
Premises Boundary	100 Feet	
Preservation Of Property	30 Days	
Unit Owners - Included With Building	Included	\$10,000
Valuable Paper And Records - Off-Premises	\$2,500	\$10,000

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**LIABILITY AND MEDICAL EXPENSES  
COVERAGE AND LIMITS OF INSURANCE**

**Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.**

**Premium Basis:** (A) Area; (C) Total Cost; (P) Payroll; (S) Sales/Receipts; (U) Each Unit  
 (M) Public Area Square Feet  
 (O) Other:

**Covered Premises And Operations**

Address	Classification /Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
1550 N Laurel Ave Los Angeles, CA 90046-2564	Condominiums / Townhomes Swimming Pool	8641 00097	Incl U	Included 1	Included Included	Included Included

<b>LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED</b>	
<b>Coverage</b>	<b>Amount /Date</b>
General Aggregate (Other Than Products & Completed Operations)	\$4,000,000
Products And Completed Operations Aggregate	\$2,000,000
Personal And Advertising Injury	Included
Each Occurrence	\$2,000,000
Tenants Liability (Each Occurrence)	\$75,000
Medical Expense (Each Person)	\$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Directors & Officers Liability - Per Claim	\$2,000,000
Directors & Officers Liability - Aggregate	\$2,000,000
Directors & Officers Liability - Self Insured Retention	\$1,000
Directors & Officers Liability - Discrimination	Included
Directors & Officers Liability Retroactive Date	03/31/2016
Hired Auto Liability	\$2,000,000
Non-Owned Auto Liability	\$2,000,000

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**Policy Forms And Endorsements Attached At Inception**

Number	Title
25-2110	Notice - No Workers' Compensation Covg
25-2984ED3	CA Contact Information
25-6301	CA Offer Of Terrorism Coverage
25-9200ED3	Farmers Privacy Notice
56-5166ED5	Addl Conditions - Reciprocal Provisions
E0104-ED1	Business Liab Covg - Tenants Liability
E0119-ED5	Back Up Of Sewers And Overflow Of Drains
E0125-ED1	Lead Poisoning And Contamination Excl
E0139-ED1	Excl Of Cert/Other Acts Of Terr-Fire/Lia
E0147-ED1	War Liability Exclusion
E3015-ED2	Calculation Of Premium
E3024-ED3	Condominium Common Policy Conditions
E3037-ED1	No Covg-Certain Computer Related Losses
E3314-ED3	Condominium Liability Coverage Form
E3418-ED2	Condo Assoc Unit Covg End
E3422-ED3	Condominium Property Coverage Form
E4009-ED4	Mold And Microorganism Exclusion
E6288-ED3	Exclusion - Conversion Projects
E9122-ED6	D & O Liability Covg - Condos & Co-Ops
E9126-ED5	D & O Liab - Amendment Of Exclusions
J6316-ED2	Excl Of Loss Due To Virus Or Bacteria
J6347-ED1	Excl-Violation Of Statutes
J6350-ED1	Employee Dishonesty - Property Manager
J6353-ED1	Change To Limits Of Insurance
J6612-ED2	Equipment Breakdown Coverage Endorsement
J6739-ED1	Two Or More Coverage Forms
J6829-ED1	Limited Coverage For Fungi And Bacteria
J6849-ED2	Deductible Provisions
J6857-ED1	Amendment Of D&O Liab Covg
J7110-ED1	Exclusion Confidential Info
J7114-ED1	Removal Of Asbestos Exclusion
J7122-ED2	Loss Payment - Profit, Overhead & Fees
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Exclusion - Expanded Exception
J7139-ED1	Bus Inc & Extra Exp - Partial Slowdown
J7144-ED1	Amendment Of Pers & Advertising Inj Covg
J7158-ED1	Damage To Property Exclusion Revised
J7180-ED1	Computer Fraud & Funds Transfer Fraud
J7183-ED1	Limitation - Designated Premises/Project
J7222-ED1	Marijuana Exclusion

Policy Number: 60627-16-11

Effective Date: 03-31-2025

**Policy Forms And Endorsements Attached At Inception**

Number	Title
J7228-ED1	Drone Aircraft Coverage
J7230-ED1	Supplementary Payments
J7507-ED1	Cyber Incident Exclusion
J7541-ED1	Broad Abuse Or Molestation Exclusion
S9939-ED2	Hired & Non-Owned Auto Liab
S9943-ED5	California Changes
S9948-ED2	Condominium Premier Package End

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# RULES AND REGULATIONS

# 1550 LAUREL OWNERS ASSOCIATION, INC.

## Rules and Regulations

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

# 1550 LAUREL OWNERS ASSOCIATION, INC.

## RULES AND REGULATIONS

(Adopted July 14, 1999)

### Introduction

The social success of our condominium association depends, in large part, on the rules and regulations that govern how residents are expected to conduct themselves. Typically, all unit owners are subject to general Covenants, while by-laws, together with Rules and Regulations, provide specific guidelines for day-to-day living. These guidelines, and means to enforce them, promote a community living experience that can be enjoyable and understandable.

The Rules and Regulations have been developed to provide each resident with the greatest latitude in using the facilities without infringing on other residents and their rights to quiet enjoyment of their homes and community. The Rules and Regulations will help to insure the residents' right to peaceful enjoyment and their right to privacy, as well as, to help preserve the beauty and appeal of Sunset Brentwood Homeowners Association.

The Rules and Regulations supplement the by-laws and Covenants, Conditions and Restrictions (CC&Rs) and do not supersede them. The Rules and Regulations have the same effect as the CC&Rs with the same legal implications. The Rules and Regulations are subject to revision as the Board of Directors deems necessary.

Rules apply to all owners and tenants alike. Owners will be responsible for their own actions, as well as, for those of their tenants and guests. The unit owners will be fined for violations of CC&Rs, by-laws and/or Rules and Regulations committed by their tenants. Any fines assessed will appear on the monthly assessment statement and the owner will be responsible for their payment.

Homeowners may contact the Board of Directors by way of the Management Office. All correspondence will be relayed to the Board of Directors or appropriate committee. Except for emergencies, tenants should deal directly with their unit owners to resolve any problems.

**1550 LAUREL OWNERS ASSOCIATION, INC.  
1550 N. Laurel Avenue  
Los Angeles, CA 90046**

**RULES AND REGULATIONS  
(Adopted July 14, 1999)**

The Board of Directors of 1550 Laurel Owners Association, Inc. has designed the following Rules and Regulations for the comfort and benefit of all homeowners and residents of our condominium community. These Rules and Regulations shall serve as a guideline for the conduct of each Owner. The Rules and Regulations may be amended, from time to time, by the Board of Directors.

**RULES FOR OCCUPYING A CONDOMINIUM UNIT**

As used herein, "Owner" shall be defined as an owner of a particular condominium unit. Unless otherwise stated, all Rules and Regulations shall apply to the Owner, as well as, to the occupants of a unit, e.g., persons living with the Owner, tenants, invitees, those occupying the unit with the Owner's consent, etc. Unless the context otherwise provides, these Rules shall apply to all of the premises owned by the condominium association.

**A. GENERAL RULES**

1. Signs: No Owner shall place or cause to be placed any signs on any of the common areas or other areas except the Owner's own unit. Any sign placed on the Owner's unit shall be consistent with good taste in both size and content, but in no event, shall a sign exceed 6 inches by 12 inches.

2. Disturbances: Owners shall not engage in activities in or about their unit or the common area which cause a disturbance to other residents. The following are specific examples of conduct which shall be prohibited or limited, as the case may be, but shall not be exclusive insofar as this provision is concerned:

(a) Placement of Stereos, Radios, Televisions, etc.: In any upper level (above ground floor) unit located above another unit, no sound-emitting devices may be placed on the floor, but must be elevated no fewer than 12 inches. For the purpose of this rule, console units shall be deemed in compliance, e.g., console televisions.

(b) Shouting and Other Noises: There shall be no shouting, fighting, running, use of foul language, playing or excessive barking of dogs permitted.

(c) Musical Instruments, Appliances, Stereos, Radios, Televisions and other Sound-Emitting Devices: These shall be used at times, and in a manner, so as to not disturb other residents.

(d) Construction: No Owner shall construct or allow construction other than between the hours of 8:00AM and 6:00PM on weekdays, and 9:00AM and 6:00PM on Saturdays; no construction work is permitted on Sunday. Owners must receive prior written consent from the property management company, before beginning any construction or project affecting the common areas of the property. Once approved, the Owner must provide a 48 hour notice to the management company so that all homeowners can be given sufficient notice so as not to be disturbed.

(1) Owner's contractors must contact the management office, prior to starting work at the property. Contractors are required to provide the management office with certificates of insurance, naming the Association and management company as additional insured, for liability coverage in the minimum amount of \$1,000,000 and worker's compensation coverage. Contractors must also provide the management office with a copy of their contractor's license.

(2) The trash containers in the garage are not to be used for construction rubbish. Owners or their workers must arrange for separate and prompt removal.

(e) Moving: An Owner must schedule the moving of furniture in and out of his unit with a view towards seeing that packing cases, barrels, boxes and the like are immediately removed from the premises.

(1) Moving trucks, vans, trailers or other vehicles are not permitted to block any driveway\*, walkway or entrance to any garage or unit of another Owner. Presence of these vehicles is to be cleared with the property manager, in advance.

(2) Owners shall give at least 48 hours notice to the property manager and any resident who may be disturbed by the move.

(f) Common Areas: Playing, bicycling or skateboarding in, as well as obstructing, defacing or in any way damaging the halls, entranceways, paths, sidewalks, grounds, landscaping, fire escapes, parking areas and all other common areas is strictly prohibited.

\*If moving vehicle takes more than 50% of the width of the driveway, moving van may not use the driveway.

- (1) All trash receptacles must be concealed in a conforming manner, and not in plain view as to cause an unsightly and unhealthy condition.
- (2) Water bottles (five gallon size) must not be in plain view or obstructing entranceways, sidewalks and all other common areas.
- (3) Clothing: No clothing, water bottles, etc., or other unsightly articles shall be hung, dried or aired on any portion of the property, including the interior of any unit which is subject to open and plain view.
- (4) Car Washing and Maintenance: Car washing, polishing and drying is prohibited on the property. Driveways must be clear of all vehicles.

(g) Deliveries: When receiving a delivery, including food, owner or Tenant may not "buzz" in delivery person. Owner or tenant must meet delivery person at the front door to the building,

(h) Rental of Units: When renting your unit and, prior to your new tenant moving in, Owner must provide tenant with a copy of the Rules and Regulations. The Owner must submit a letter, signed by the tenant, acknowledging that tenant has received, read and will abide by the Association's rules.

(i) Owner Emergency Questionnaire: All Owners must complete an emergency questionnaire and submit it to the management office. It is essential that the office have important emergency information regarding who to contact in case of an emergency, where the Owner's vehicle is parked, etc.

(j) Conversation on the Terrace/Balcony – Restricted Hours: Due to the configuration of the building, and the fact that bedrooms surround the pool area, the following terrace/balcony conversation/noise restrictions have been established:

Sunday through Thursday	8:00A – 11:00P
Friday and Saturday	9:00A – 1:00A

(k) BBQ's: BBQ's, of any type, are prohibited everywhere on the premises, until further notice.

**PET POLICIES**  
**(Adopted July 14, 1999)**

**As per the CC&Rs, one pet (dog or cat) per household, not exceeding twenty (20) pounds, is permitted with the following provisions:**

- 1. No pet is permitted to run free in the common area;**
- 2. Each pet MUST be on a leash AT ALL TIMES when outside the homeowner's unit;**
- 3. All owners are responsible to immediately pick-up after their animal;**
- 4. No animal may be leashed to any stationary object on the common areas;**
- 5. No animal is permitted in or on any community facilities;**
- 6. No dog shall be permitted to bark, howl, or make other loud noises for such an unreasonable time as disturbs neighbors' rest or peaceful enjoyment of their unit or the common areas;**
- 7. Property owners who lease their property must obtain from the lessee a written agreement to abide by these rules and submit a copy of such agreement to the management office;**
- 8. No occupant is permitted to care for any pet, other than their own, for more than one (1) week, with a maximum of two (2) weeks total time per year. This includes dog-sitting or dog-walking services;**
- 9. The pet owner(s) will be held responsible for violations of any or all the above and, therefore, subject to fines.**

**LAUNDRY ROOM RULES**  
**(Adopted July 14, 1999)**

1. Owners only shall have the right to use the laundry room and this right shall not be transferred except to occupants of an Owner's unit.
2. Each Owner is responsible for the cleanliness of the laundry room and washers and dryers after each use.
3. Smoking is not permitted in the laundry room.

**1550 LAUREL OWNERS ASSOCIATION, INC.**  
(July 14, 1999)

**ARCHITECTURAL STANDARDS AND PROCEDURES**

In order to establish and preserve a harmonious design for the Association and protect, insure, and enhance the value of the property, insure compliance with the CC&Rs and provide each homeowners with a method of making changes and improvements, the Board of Directors has adopted the following Architectural Standards and Procedures.

Since all of the common areas (buildings, grounds, etc.) are owned by the Association, unit owners are very limited as to the improvements they can make. Please carefully review your CC&Rs and call the management office if you have any questions; otherwise, you may find yourself facing fines, delays, damage claims, workers barred from entry and/or court orders returning items to their original condition.

1. Liability: Any damage to the common area, caused by the alterations or improvements are the homeowner's responsibility. If the damage is not repaired in a timely manner, the Association may make the repairs and charge the homeowner's account.
2. Work Location: All work must be done inside your unit. Workers cannot set up equipment in hallways, lobbies or garages. Under special circumstances, permission may be obtained to work in the garage with prior approval from the property management office.
3. Building Permits: Must be obtained from the Los Angeles City Building and Safety Department as needed and must be submitted to the Association prior to the commencement of any work. Permits are required for anything involving removal, or moving of walls, plumbing or electrical work.
4. Inspections: The Association may periodically inspect work to insure that work is in compliance with these rules.
5. Painting and Wallpaper: Does not require approval.

6. Trash and Debris: The Association's garbage bins are not large enough to accommodate construction debris. All trash and debris from remodeling must be carried off site by your contractors. Arrangements for extra bins must be made through the property management office. Construction people are not permitted to store their materials on the property or to use the trash bins to dispose of waste.
7. Balcony Enclosures: Balcony enclosures are strictly prohibited.
8. Landscaping: All landscaping is handled by the Association. Residents are not permitted to plant anything in the common area or to place real or artificial plants in any part of the common area.
9. Front door signs and knockers are not permitted.

#### ARCHITECTURAL RESTRICTIONS:

1. Additional skylights;
2. Additional roof vents and fans;
3. Alterations of parting walls or parting floors and ceilings;
4. Non-conforming exterior light fixtures;
5. Jacuzzi bathtubs permitted on the first floor only.

# 1550 LAUREL OWNER'S ASSOCIATION, INC.

## ENFORCEMENT PROCEDURES (Adopted July 14, 1999)

### I. DEFINITIONS

- A. Words shall have the same meaning in these rules as they have in the governing documents.
- B. "Governing Documents" shall mean the CC&Rs, By-Laws, Articles of Incorporation, and these Rules and Regulations, collectively or individually, as the context may require.

### II. DISPUTE RESOLUTION BETWEEN NEIGHBORS

Neighbor disputes or problems should be taken up first between the neighbors involved. If, after discussion, the matter cannot be resolved, the problem should be brought to the attention of the property management office for their assistance. Please understand that members of the Board of Directors are volunteers and are not paid for their services. To the extent that it is possible, communication with the Board members should be restricted to reasonable hours. Written communication is preferred and should be sent to the property management office, to the attention of the Board of Directors.

- A. The Board shall have the power, but not the obligation, to arbitrate or mediate disputes between neighbors within the community. To the extent that the dispute arises as a result of an alleged violation of the governing documents, then the Board shall not refuse to attempt such arbitration or mediation unless the Board, in good faith and upon reasonable cause, determines that its efforts would be of no meaningful use in resolving the dispute.
- B. In arbitrating or mediating any such dispute, the Board may utilize such reasonable rules and procedures as it may adopt from time to time without limitation.
- C. No member of the Board shall be personally liable to any owner or to any other person for any act performed or omitted in carrying out the responsibilities as a member of the Board.

### III. ENFORCEMENT

- A. The Association has the power, and in some instances, the duty to enforce the governing documents. The Association acts through the Board of Directors in carrying out these responsibilities. The Board may delegate some or all of its enforcement responsibilities to one or more committees.
- B. It is the policy of the Association to use the lowest level of enforcement power available to it to assure that the governing documents are upheld. In serious situations, the Association may omit the use of lower enforcement powers and may seek to pursue the level of enforcement necessary to correct the violation.
- C. Pursuant to the CC&Rs, the following are some of the enforcement powers available to the Association:
  - 1. Warning letter
  - 2. Suspension of use of the common area
  - 3. Suspension of membership rights and/or voting rights
  - 4. Imposition of monetary penalties
  - 5. Legal actions for damages
  - 6. Equitable actions for injunctions
  - 7. Reimbursement assessments
  - 8. Other powers not prohibited by law

- D. As a reasonable necessary adjunct to its enforcement responsibilities, the Association and its Board of Directors shall have the power to impose monetary penalties on members for violations of the governing documents by all residents and their guests, family members, and/or employees.

#### IV. ENFORCEMENT PROCEDURES

- A. No monetary penalty or suspension of a member's rights shall be imposed until after the Board has afforded the member due process by way of the opportunity for a hearing.
  - 1. The member shall have been given at least fifteen (15) days prior written notice of hearing at which such discipline may be imposed. The notice shall indicate the nature of the violation of the governing documents or Rules and Regulations which is alleged to have occurred and the penalties which might be imposed.
  - 2. The member shall have been provided the opportunity to be heard, orally or in writing, not fewer than five (5) days before the effective date of any such penalty, by the Board, as to why the penalty should not be imposed.
  - 3. All enforcement hearings shall be held in Executive Session.
- B. Homeowners may request reconsideration of any decision or penalty concerning a violation which has been found to exist by submitting a written request to the Board of Directors within five (5) days of the decision. Any appeal or request for reconsideration shall state specifically the reason or reasons for the review.

#### V. ATTORNEY FEES AND OTHER EXPENSES

- A. To the extent that it becomes necessary or appropriate for the Association or its Board to retain the services of legal counsel to resolve any dispute or enforce any provision of the governing documents, the Association shall be entitled to full reimbursement of any and all such legal costs or expenses reasonably incurred.
- B. To the extent that the Association incurs expenses in correcting violations of the governing documents and/or the Rules and Regulations, the Association shall be entitled to full reimbursement of any and all such costs or expenses reasonably incurred.
- C. Where it is determined by the Board that such legal costs or expenses should be borne by more than one member of the Association, such cost and expense may be apportioned between or among members, as the Board, in its sole discretion, deems fair and appropriate.

#### VI. COLLECTION OF MONETARY PENALTIES AND EXPENSES

Any monetary penalty or legal expense imposed by the Association or its Board shall be due and payable to the Association on the sixth day following its imposition. Any fine left unpaid will become a charge against the homeowner and will be reflected on the homeowner's account.

#### VII. SCHEDULE OF MONETARY PENALTIES

- A. First offense – Warning
- B. Second offense – Twenty-five dollars (\$25.00)
- C. Third offense – Fifty dollars (\$50.00)
- D. Fourth offense and repeated offenses – One hundred dollars (\$100.00)

#### VIII. ALTERNATIVE DISPUTE RESOLUTION

Upon the request of any member, the Board of Directors shall offer to participate in non-binding mediation of any dispute between the Association and the member. The offer of mediation shall not limit the power of the Board, either before or after the mediation, to pursue any other enforcement mechanism available to the Association.

**1550 LAUREL OWNERS ASSOCIATION, INC.**

**Rules and Regulations**

**Specifications for the  
Installation of Hardwood Flooring**

The use of wall-to-wall carpeting in all areas except entries, kitchens and bathrooms is encouraged because of its superior sound impact insulation. For all units located above the ground floor, hard surface flooring and resilient underlayments are required as specified below.

**The only Board-approved sound-insulating products are:**

**1/2" Underlayment - Accoustocork S130  
Perimeter Isolation Barrier - Accoustocork B60**

Owners must submit their scope of work, including materials specifications, in writing, to the property management company, seven (7) days prior to any installation.

In all circumstances, installation must be pursuant to the installation instructions of the attached "Hard Surface Flooring Installation Detail", marked Exhibit "A".

# WOOD FLOORING INSTALLATION DETAIL

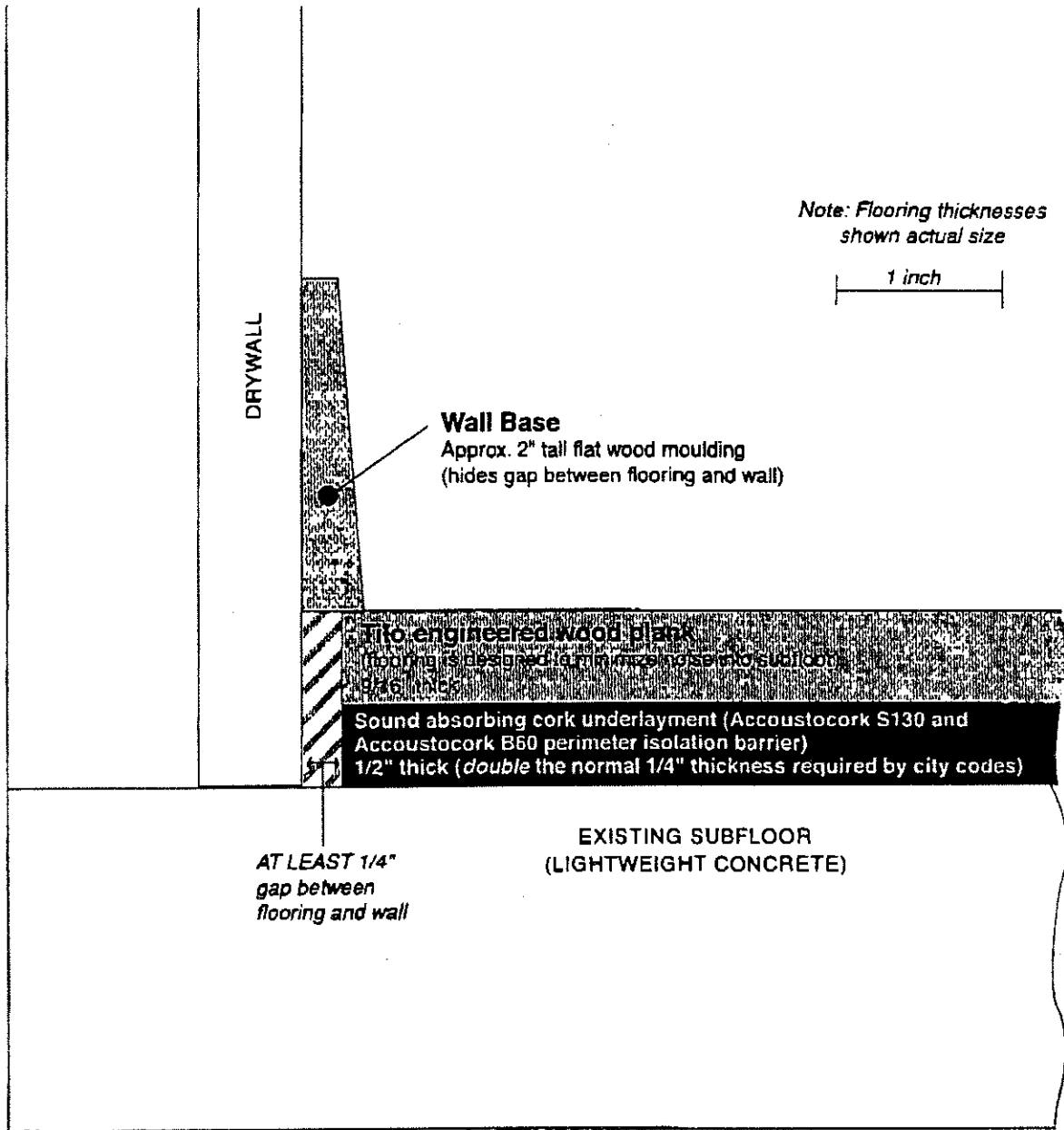


EXHIBIT "A"

# **1550 LAUREL OWNER'S ASSOCIATION, INC.**

## **Insurance Deductible Policy**

(Board Adopted October 16, 2002)

The homeowner is responsible for paying the insurance policy deductible when:

1. The loss occurs as a result of the negligence of the individual homeowner.

OR

2. The loss occurs as a result of a failure of a portion of the unit that is within the homeowner's care, custody and control and/or affects a component that exclusively serves the homeowner's unit.

The Association is responsible for paying the insurance policy deductible when:

1. The loss occurs as a result of the negligence of the Association.

OR

2. The loss occurs as a result of a failure of a portion of the project that is within the Association's care, custody and control.

# **1550 LAUREL OWNERS ASSOCIATION, INC.**

## **Homeowners Responsibility For Interior of Condominium Unit Policy**

1. The Association shall not be liable for any interior damage to the Units (including personal property) unless it can be shown that the Association acted with gross negligence in the maintenance, repair or replacement of those components for which the Association is responsible.
2. The Association is not responsible for loss of use of Units during any maintenance, repair and /or replacement project undertaken by the Association or any loss of use caused for any reason.
3. In the event the Association must disturb interior finished surfaces when performing maintenance, repair or replacement of any component, the Association shall be responsible only for restoring the surface to a paint-ready condition, and shall not be responsible for restoring any Owner finishes.

# 1550 LAUREL OWNER'S ASSOCIATION, INC.

## SATELLITE DISH RULES

### I. Preamble

These rules are adopted by the Board of Directors of 1550 Laurel Owner's Association, Inc. on January 31, 2000 and became effective on March 3, 2000.

### RECITALS

**WHEREAS**, 1550 Laurel Owner's Association, Inc. (the "Association") is responsible for governance and maintenance of the Association premises (the "Community"); and

**WHEREAS**, the Association exists pursuant to California law and the Association's governing documents; and

**WHEREAS**, the Association is authorized to adopt and enforce reasonable rules and regulations in the interests of the Community, pursuant to sections of state law and the governing documents permitting the Association to adopt and enforce rules; and

**WHEREAS**, the Federal Communications Commission ("the FCC") adopted a rule effective October 14, 1996, preempting certain association restrictions on the installation, maintenance and use of direct broadcast satellite, television broadcast, and multipoint distribution service antennas ("antennas"); and

**WHEREAS**, the Association adopts the following restrictions and regulations for the Community, hereinafter referred to as the "Rules," which shall be binding upon all owners and their grantees, lessees, tenants, occupants, successors, heirs, and assigns who currently or in the future may possess an interest in the Community, and which shall supersede any previously adopted rules on the same subject matter.

### II. Definitions

- A. Antenna – any device used for the receipt of video programming services, including direct broadcast satellite (DBS), television broadcast, and multipoint distribution service (MDS). A reception antenna that has limited transmission capability designed for the viewer to select or use video programming is a reception antenna, provided it meets FCC standards for radio frequency emission. Cabling, supports, guy wires, conduits, wiring, fasteners, or other accessories necessary for the proper installation, maintenance and use of a reception antenna shall be considered part of the antenna.
- B. Transmission-only antenna – Any antenna used solely to transmit radio, television, cellular, or other signals.
- C. Owner – Any association unit owner. For the purpose of this rule only, "owner" includes a tenant who has the written permission of the unit owner to install antennas.
- D. Telecommunications signals – Signals received by DBS, television broadcast and MDS antennas.
- E. Exclusive-use area – Limited common area in which the owner has a direct or indirect ownership interest and that is designated for the exclusive use of the owner as defined in the appropriate association document.

### III. Installation Rules

#### A. Antenna Size and Type

1. DBS antennas that are one meter or less in diameter may be installed. Antennas designed to receive satellite signals which are larger than one meter are prohibited.
2. MDS antennas one meter or less in diameter may be installed. MDS antennas larger than one meter are prohibited.
3. Installation of transmission-only antennas is prohibited unless approved by the Board of Directors.
4. All antennas not covered by the FCC rule are prohibited.
5. No more than one antenna for each type of service may be installed by an owner.

#### B. Location

1. Antennas must be installed solely in the owners' unit or on individually-owned property or exclusive-use area, as designated on the Association's Condominium Plan.
2. If acceptable quality signals can be received by placing antennas inside a unit without unreasonable delay or unreasonable cost increase, then outdoor installation is prohibited.
3. Antennas must not encroach upon any common elements, any other owner's individual unit or limited common element, or the air space of another owner's limited common element.
4. Antennas shall be located in a place shielded from view from outside the community or from other units to the maximum extent possible; provided, however, that nothing in this rule would require installation in an exclusive use area where an acceptable quality signal cannot be received. Antennas may not be installed on common property, even if an acceptable quality signal cannot be received from an individually owned or exclusive use area.

#### C. Installation on Exclusive Use Areas

1. Antennas shall be no larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal.
2. All installations shall be completed so they do not materially damage the common elements, limited common elements, or individual units, or void any warranties of the condominium association or other owners, or in any way impair the integrity of the building.
3. Any installer other than the owner shall provide the association with an insurance certificate listing the association as a named insured prior to installation. Insurance shall meet the following minimum limits:
  - a. Contractor's General Liability (including completed operations): \$1,000,000.00
  - b. Workers' Compensation: Statutory Limits
4. The purpose of this regulation is to ensure that antennas are installed in a manner that complies with building and safety codes and manufacturer's instructions. Improper

installation could cause damage to structures, posing a potential safety hazard to Association residents and personnel.

5. Antennas must be secured so they do not jeopardize the soundness or safety of any structure or the safety of any person at or near the antennas, including damage from wind velocity.
6. There shall be no penetrations of exterior, exclusive-use areas of the building.

#### D. Maintenance

1. Owners who install or maintain antennas are responsible for all associated costs, including but not limited to costs to:
  - a. Place (or replace), repair, maintain, and move or remove antennas;
  - b. Repair damage to any property caused by antenna installation, maintenance or use;
  - c. Pay medical expenses incurred by persons injured by antenna installation, maintenance, or use;
  - d. Reimburse residents or the Association for damage caused by antenna installation, maintenance or use;
  - e. Restore antenna installation sites to their original condition.
2. Owners shall not permit their antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for antenna maintenance, repair and replacement, and the correction of any safety hazard.
3. If antennas become detached, owners shall remove or repair such detachment within 72 hours of the detachment. If the detachment threatens safety, the Association may remove antennas at the expense of the owner.
4. Owners shall be responsible for antenna repainting or replacement if the exterior surface of antennas deteriorates.

#### E. Safety

1. Antennas shall be installed and secured in a manner that complies with all applicable city and state laws and regulations, and manufacturer's instructions. Owners, prior to installation, shall provide the Association with a copy of any applicable governmental permit if required for safety reasons.
2. Antennas shall not obstruct access to or exits from any unit, walkway, ingress or egress from an area, electrical service equipment, or any other areas necessary for the safe operation of the condominium. The purpose of this requirement is to ensure the safety of association residents and personnel and safe and easy access to the Association's physical plant.
3. Installations must comply with all applicable codes, take aesthetic considerations into account, and minimize the impact to the exterior and structure of the owner's unit.
4. To prevent electrical and fire damage, antennas shall be permanently grounded.

### **IV. Antenna Camouflaging**

- A. Antennas shall be painted to match the color of the structure to which they are installed.

- B. Camouflaging antennas through inexpensive screening or plants is required if antennas are visible from the street or other units.
- C. Exterior antenna wiring shall be installed so as to be minimally visible, and must match the building exterior as closely as possible.

#### **V. Antenna Removal**

Antenna removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to restoration of this location.

#### **VI. Association Maintenance of Locations Upon Which Antennas are Installed**

- A. If antennas are installed on property that is maintained by the Association, the owners retain responsibility for antenna maintenance. Antennas must not be installed in a manner that will result in increased maintenance costs for the Association or for other residents. If increased maintenance or damage occurs, the owners are responsible for all such costs.
- B. If maintenance requires the temporary removal of antennas, the Association shall provide owners with 10 days written notice. Owners shall be responsible for removing or relocating antennas before maintenance begins and replacing antennas afterward. If they are not removed in the required time, then the Association may do so, at the owner's expense. The Association is not liable for any damage to antennas caused by Association removal.

#### **VII. Notification Process**

- A. Any owner desiring to install an antenna must complete a notification form and submit it to the Association's manager. If the installation is routine, conforming to all of the above restrictions, the installation may begin immediately.
- B. If the installation is other than routine for any reason, the owner and the Association's manager must establish a mutually convenient time to meet to discuss installation methods.

#### **VIII. Installation by Tenants**

These rules shall apply in all respects to tenants. Tenants desiring to install antennas shall obtain prior written permission of the unit owner. A copy of this permission must be furnished with the notification statement.

#### **IX. Enforcement**

- A. If these rules are violated, the Association, after notice and opportunity to be heard, may bring action for declaratory relief with the FCC or any court of competent jurisdiction. If the court of FCC determines that the Association rule is enforceable, a fine of \$50.00 shall be imposed by the Association for each violation. If the violation is not corrected within a reasonable length of time, additional fines of \$10.00 per day will be imposed for each day that the violation continues. To the extent permitted by law and the governing documents, the Association shall be entitled to reasonable attorney fees, costs and expenses incurred in the enforcement of this policy.
- B. If antenna installation poses a serious immediate safety hazard, the Association may seek injunctive relief to prohibit the installation or seek removal of the installation.

#### **X. Severability**

If any provision is ruled invalid, the remainder of these rules shall remain in full force and effect.

# 1550 LAUREL HOMEOWNERS ASSOCIATION, INC.

## Rules and Regulations

### MOVING POLICY (Adopted March 4, 2003)

1. Moving hours are: Monday – Friday                      8:00 a.m. – 9:00 p.m.  
Saturday and Sunday                      9:00 a.m. – 5:00 p.m.
2. It is the Homeowner's responsibility to post a \$100.00 non-refundable moving fee with the property management company, **prior to moving in or out of the building.** Posting of the moving fee is the responsibility of the Homeowner, even if the move is being conducted by a tenant. *Failure to post this moving fee will result in a \$100 charge to the Homeowner's account.*
3. Checks for the moving fee should be made payable to "1550 Laurel Homeowners Association".
4. At the time of move in, it is the responsibility of the owner to obtain, complete and return an Emergency Information Sheet, to Property Management Solutions, giving contact information for both the owner(s) and tenant(s).

**MOVING FEES ARE TO BE SENT TO:  
1550 Laurel Homeowners Association, Inc.  
c/o HOA Premier Management  
10250 Constellation Blvd. Suite 100  
Century City CA 90067**

**1550 LAUREL  
OWNERS ASSOCIATION, INC.**

**RULES AND REGULATIONS  
(Revised November 25, 2003)**

The following Non-Smoking Policy was adopted by 1550 Laurel Owners Association, Inc. Board of Directors and is effective immediately.

**NON-SMOKING POLICY**

Smoking is not permitted in the common areas of the property. This includes hall corridors, elevator, laundry room, front lobby, garage and outside entrance.

Residents who do smoke are reminded not to leave their front doors open as the smoke permeates the corridors and hallways.

*Kenneth Inyard*      *Kaust*  
*QJ QJ*  
*Scott Dyer*  
*Stephan*

Please attach this page to your current Rules and Regulations.

# **1550 Laurel Owners Association, Inc.**

## **THE USE OF BBQ GRILLS (Amendment to the Rules and Regulations – A. General Rules (k) BBQs) (Adopted February 10, 2000)**

1. All grills must be accompanied by a working fire extinguisher.
2. The use of lighter fluid or newspaper to start a grill is strictly prohibited. Electric or gas starters are allowed.
3. All grills must be controlled and the unit owner or “cook” must be present at all times during their use.
4. Consideration for your neighbor must be acknowledged at all times.
5. Corner condominium units may not push grills around the corner to avoid smoke from coming into their unit, while sending it to their neighbors.
6. Failure to obey any of these rules will result in a fine.

**1550 LAUREL  
OWNERS ASSOCIATION, INC.**

**RULES AND REGULATIONS  
(Effective November 21, 2003)**

The following Non-Smoking Policy was adopted by 1550 Laurel Owners Association, Inc. Board of Directors and is effective immediately.

**NON-SMOKING POLICY**

Smoking is not permitted in the common areas of the property. This includes hall corridors, elevator, laundry room, front lobby, garage and outside entrance.

Residents who do smoke are reminded not to leave their front doors open as the smoke permeates the corridors and hallways.

**SCHEDULE OF MONETARY PENALTIES**  
(Per Enforcement Policy dated 7/14/99)

<b>First Offence</b>	-	<b>Warning</b>
<b>Second Offence</b>	-	<b>Twenty-five dollars (\$25.00)</b>
<b>Third Offence</b>	-	<b>Fifty dollars (\$50.00)</b>
<b>Fourth and Repeated Offences</b>	-	<b>One hundred dollars (\$100.00)</b>

## 1550 LAUREL OWNERS ASSOCIATION, INC.

### ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

Timely payment of regular and special assessments is of critical importance to the Association. The failure of any owner to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

1. Assessment Due Dates. The regular assessment is payable in 12 equal installments on the first day of each calendar month. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than 30 days after the special assessment has been dully imposed. Regular and special assessments shall be delinquent if not paid within 15 days after they become due.
2. Late Charges. When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the Association shall be charged with a late payment of ten (10) percent of the delinquent amount.
3. Collection Costs Are Also Recoverable. As provided by law, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters; (ii) legal expenses incurred; (iii) recording costs; (iv) costs incurred with title companies or foreclosure service providers; and (v) costs associated with small claims court actions (collectively "reasonable costs of collection").
4. Interest. If an assessment payment is delinquent for more than 30 days, interest shall be imposed on all delinquent assessments, late charges, and reasonable costs of collection at the annual percentage rate of twelve (12) percent.
5. The First Demand Letter. When an owner becomes delinquent in the payment of assessments, the Association will mail (by first-class

mail) or personally deliver to the owner a "First Demand" letter advising the owner that he or she is late in the payment of the assessments and requesting immediate payment. The letter shall also inform the owner of the total amount then due and will enclose this Delinquent Assessment Collection Policy.

6. Assignment of Account for Collections. If the owner's assessment account remains delinquent for more than 45 days, the Association shall assign the account to an attorney or lien services company for further action. The Association may pursue one of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure.
7. Second Demand Followed by Foreclosure Proceedings. If an assessment payment is delinquent for more than 45 days, the Association shall cause a second demand letter to be sent to the delinquent homeowner by certified mail. This letter shall provide an itemized statement of the total amount of assessments then due and the amount of late charges, collection costs, and interest then posted to the owner's account. In addition, this notice shall advise the owner of the Association's late fee and penalty procedures and the Association's collection policies including a copy of this Policy with the letter.
8. Assessment Lien. If payment for all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees is not made within seven (7) days from the mailing of the second demand letter, the Association shall be entitled to cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment and Claim of Lien for all sums that are then delinquent. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's unit that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or under a power of sale.
9. Owner's Payment Under Protest. If an owner disputes the amount of any late charge or other charge, the owner may pay all delinquent amounts in full, under protest and send the Association, by certified mail, a written notice that the amount paid is paid under protest. This notice must be given within 30 days of the recordation of the Notice of Delinquent Assessment. The owner has the right to have the matter resolved through Alternative Dispute Resolution (ADR) in accordance with civil code section 1354. Except to the extent that notices are required by law, the Association shall not provide advice to property owners regarding technical requirements of the ADR

procedures. Owners should consult their own counsel regarding such matters. An owner may not demand Alternative Dispute Resolution more than two times in a single calendar year or three times in any five calendar years.

10. Continuation with Foreclosure Proceedings. Following the later of 30 days from recordation of the Notice of Default or conclusion of Alternative Dispute Resolution procedures, the Association's lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment, or sale by a trustee.
11. Recovery of Attorney Fees and All Reasonable Costs of Collection. If a lawsuit or foreclosure proceeding is initiated by the Association to recover assessments, the Association is entitled, by law, to recover not only the amount in default, plus late charges and interest, but also all reasonable costs of collection, including title company charges and attorney fees.
12. Effective Date of This Policy. This policy was duly adopted by the action of the Board of Directors on November 4, 1998, and shall be effective as of the same date.

1772283



State  
of  
California  
SECRETARY OF STATE

CORPORATION DIVISION

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute  
this certificate and affix the Great  
Seal of the State of California this

OCT 27 1995



*Bill Jones*

Secretary of State

1772283

ENDORSED  
FILED

In the office of the Secretary of State  
of the State of California

OCT 27 1995

ARTICLES OF INCORPORATION  
1550 LAUREL OWNER'S ASSOCIATION, INC.  
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

*Bill Jones*  
BILL JONES, Secretary of State

I

The name of this corporation is 1550 Laurel Owner's Association, Inc., ("Association" hereinafter).

II

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

Subject to the provisions of the recorded or to-be-recorded Declaration Establishing a Plan of Condominium Ownership for 1550 Laurel Condominium ("Declaration"), the specific purposes for which the corporation is formed is to manage a common interest development (a condominium development) under the Davis-Sterling Common Interest Development Act and to provide for the acquisition, construction, management, maintenance and care of real and personal property held by the Association or commonly held by members of the Association, or located in the project and owned by members of the Association and otherwise to act and be operated as a "homeowners association," as defined in Section 528 of the Internal Revenue Code of 1954, as amended and California Revenue and Taxation Code Section 23701t, as amended.

The foregoing statement of purposes shall be construed as a statement of both purposes and powers, and purposes and powers in each clause shall, in no way be limited or restricted by reference to or in reference from, the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers.

However, the Association shall not, except to a nominal necessary degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

III

The principal office for the transaction of the business of the Association is at the condominium site, 1550 North Laurel Avenue, City of Los Angeles (90046), County of Los Angeles, State of California.

IV

No part of the net earnings of the Association shall inure to the benefit of any private individual (except through acquiring, constructing or providing management, maintenance and care of property held by the Association, or commonly held by the members of the Association, or located in the project and owned by members of the Association, or through rebates of excess membership dues, fees or assessments).

V

The authorized number and qualifications of members of the Association, the different classes of members, if any, the voting and other rights and privileges of members, their liability for assessments and the method of collecting them shall be controlled by the Declaration and the Bylaws of this corporation.

VI

If the two-class voting structure is still in effect in the Association, these Articles may be amended only with the vote or written assent of a majority of the Board and a majority of each class of membership in the Association.

If the two-class voting structure is no longer in effect in the Association because of the conversion of Class B to Class A membership, these Articles may be amended only by a majority of the Board and a majority of the voting power of the Association, including a majority of the votes of members other than the Declarant of the Declaration.

VII

The name and address in the State of California of this corporation's initial agent for service of process is:

Andrew S. Gombiner  
29170 Heathercliff Road, #3  
Malibu CA 90255

Date: 10/26/95

Andrew S. Gombiner  
Andrew S. Gombiner, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

Andrew S. Gombiner  
Andrew S. Gombiner

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 1550 LAUREL OWNER'S ASSOCIATION, INC.  
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

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

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BYLAWS  
OF  
1550 LAUREL OWNER'S ASSOCIATION, INC.  
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

ARTICLE I

NAME AND LOCATION

Section 1.01.

Name.

The name of this corporation is 1550 Laurel Owner's Association, Inc., a California nonprofit mutual benefit corporation and is hereinafter referred to as the "Association."

Section 1.02.

Location.

The Association shall have its principal office at the condominium project site, located at 1550 North Laurel Avenue, in the City of Los Angeles, County of Los Angeles, State of California, or as close thereto as practicable as the Board may determine or as the affairs of the Association may require from time to time.

ARTICLE II

DEFINITIONS

Section 2.01.

Declaration.

"Declaration," shall mean the Declaration Establishing a Plan of Condominium Ownership for the 1550 North Laurel Avenue Condominium, applicable for the property, recorded on the \_\_\_ day of \_\_\_\_\_, 1995, as Instrument No. \_\_\_\_\_ in the Office of the County Recorder of \_\_\_\_\_ County, as the same may be subsequently amended, supplemented or modified.

Section 2.02.

Other Definitions.

Each and every definition set forth under Article I of said Declaration shall have the same meaning herein as therein and each and every such definition is incorporated herein by reference thereto.

## ARTICLE III

### MEMBERSHIP AND VOTING RIGHTS

#### Section 3.01. Membership.

The qualifications for membership, the classes of membership and the voting rights of members shall be as set forth under Article III of the Declaration, all of which provisions are incorporated herein by reference.

#### Section 3.02. Suspension of Voting Rights.

The voting rights of any member may be suspended during any period when assessments owed by said member remain unpaid and delinquent or for failure by said member to comply with the provisions of the Declaration, these Bylaws, and the Association Rules and Regulations, pursuant to the notice and hearing requirements of Article III of the Declaration. However, the Association is not empowered to cause a forfeiture or abridgement of an owner's right to the full use and enjoyment of his individually owned unit because of the failure of the owner to comply with the provisions of the Declaration, the Bylaws or duly enacted Association Rules and Regulations for the operation and use of the Common Area and facilities, except by judgment of a court or a decision arising out of arbitration or because of a foreclosure or sale under a power of sale for failure of the owner to pay assessments duly levied by the Association.

## ARTICLE IV

### MEETINGS OF MEMBERS

#### Section 4.01. Place of Meetings.

All meetings of the members, annual and special, shall be held at a place within the project as designated by the Board, provided that if there is not an available or appropriate place within the condominium development, the Board shall designate a meeting place as close as possible to the project but in no event outside the County unless unusual conditions exist. In the absence of any designation, the meetings of members shall be held at the principal office of the Association.

#### Section 4.02. Annual Meetings.

The first meeting of members whether an annual or special meeting of the Association shall be held no later than six (6) months after the closing and recording of the sale of the first condominium. Thereafter, the next annual meeting shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year. Subsequent

annual meetings of the members shall be held within thirty (30) days of the same day of the same month of each year thereafter at such time as the Board directs. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday (excluding Saturday and Sunday).

Section 4.03.            Special Meetings.

A special meeting of the members of the Association shall be promptly scheduled by the Board upon: (a) the vote by the majority of the Board itself; (b) a request by the President; or (c) written request for a special meeting signed by members representing at least five percent (5%) of the total voting power of the Association. If a special meeting is requested by any person other than the Board, the request shall specify the time, date, place and general nature of the business to be transacted and shall be delivered personally or by mail (postage prepaid) to an officer of the Board. The officer receiving the request that a special meeting be scheduled shall notify the members in accordance with the provisions of Section 4.04. Nothing herein shall be construed as limiting or affecting the time when a special meeting of members may be scheduled by action of the Board.

If the Association is the obligee under a bond or other arrangement to secure performance of the commitment of the Declarant to complete Common Area improvements, which have not been completed prior to the close of escrow of the sale of the first unit, and the provisions of Article XVII of the Declaration are applicable, a special meeting of members may be called in accordance with the provisions of Article XVII of the Declaration which provisions are incorporated by reference herein.

If the Association is the obligee under a bond or other arrangement to secure performance of the commitment of the Declarant to pay assessments on units owned by Declarant, and the assessments are delinquent for thirty (30) days, and the provisions of Article XVII of the Declaration are applicable, a special meeting of members may be called in accordance with the provisions of Article XVII of the Declaration, which provisions are incorporated by reference herein.

Section 4.04.            Notice of Meetings.

Written notice of each members' meeting, annual or special, shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting to each member and to any mortgagee who has requested in writing to receive such notice. Any mortgagee, or its designated representative, shall be entitled to attend any such meeting, but shall not be entitled to vote at the meeting. The notice shall be given personally, or by postage pre-paid first-class, registered, or certified mail

addressed to the member or mortgagee at the address of such member or mortgagee last appearing on the books of the Association or given by the member or mortgagee to the Association for purpose of notice. If no address appears or is given for any member, notice may be given at the Association's principal office or by publication at least once in a newspaper of general circulation.

The notice shall state the place, date and time of the meeting. If directors are to be elected at the meeting, the notice shall include the names of all those who are nominees at the time notice is given. In the case of a special meeting, the notice shall state the matter the Board intends to present for action by the members. Except as otherwise provided by law, any proper matter may be presented at the special meeting for action subject to the special notice requirements described in Section 4.05 of these Bylaws. In the case of the annual meeting, the notice shall state those matters that the Board intends at the time the notice is given, to present to the members for action, but additionally, any proper matter may be presented at the meeting for action subject to the special notice requirements described in Section 4.05. of these Bylaws.

Section 4.05. Special Notice Requirements.

Approval by the members of any of the following proposals, other than by unanimous approval of those members entitled to vote, shall not be valid unless the general nature of the proposal was stated in the notice or in any written waiver of the notice:

- a. removing a director without cause;
- b. filling vacancies on the Board by the members;
- c. amending the Articles of Incorporation;
- d. approving a contract or transaction between the Association and one or more directors, or between the Association and any entity in which a director has a material financial interest;
- e. electing to wind up and dissolve the Association; or
- f. approving a plan of distribution of assets, other than money, not in accordance with the liquidation rights of any class of members (applicable only if the Association is in the process of winding up and there is more than one class of membership outstanding at the time).

Section 4.06.

Quorum.

The presence either in person or by proxy, at any meeting, of members entitled to cast at least fifty-one percent (51%) of the total voting power of the Association (excluding the number of votes as to which voting rights are suspended at the time of the subject meeting), shall constitute a quorum for any action except as otherwise provided in the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, a majority of the members entitled to vote thereat shall have power to adjourn the meeting to a date not less than five (5) days and not more than thirty (30) days later, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that at least twenty-five percent (25%) of the total voting power of the Association remains present in person and/or by proxy. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings.

Notwithstanding anything herein to the contrary, for purposes of obtaining membership approval of special assessments or increases in annual assessments as may be required by the Declaration, a "quorum" means more than fifty percent (50%) of the members of the Association.

Section 4.07.

Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable irrespective of language to the contrary appearing thereon, and shall automatically cease upon conveyance by the member of his unit, or upon receipt of written notice by the Secretary of the Board of the death or judicially declared incompetence of a member prior to the counting of the vote, or upon the expiration of eleven (11) months from the date of the proxy.

Any form of proxy or written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the proxy or written ballot. The proxy or written ballot

shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In addition, voting by proxy shall comply with any other applicable requirements of California Corporation Code Sections 7514 and 7613.

Section 4.08.                    Proof of Membership.

No person shall exercise the rights of membership in the Association until satisfactory proof of membership has been furnished the Association. Such proof may consist of either a duly-executed and acknowledged grant deed or title insurance policy showing that the person has an ownership interest in a condominium that would entitle the person to membership in the Association as provided in the Declaration. Such deed or policy shall be deemed conclusive proof of the person's membership in the absence of a conflicting claim based on a later deed or policy.

Section 4.09.                    Eligibility to Vote.

Voting rights attributable to units shall not vest until assessments against those units have been levied by the Association. Only members in good standing shall be entitled to vote on any issue or matter presented to the members for approval. In order to be in good standing, a member must be current in the payment of all assessments levied against the members units and not subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with the Declaration. A member's good standing shall be determined as of the record date established in accordance with Section 4.10. The Association shall not be obligated to conduct a hearing in order to suspend a member's voting privileges on the basis of the nonpayment of assessments, although a delinquent member shall be entitled to request such a hearing.

Section 4.10.                    Record Dates.

a.    Record Dates Established by the Board.

For the purpose of determining which members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting, or exercise any rights in respect to any other lawful action, the Board may fix, in advance, a "record date" and only members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date, except as otherwise provided in the Articles, by agreement, or in the California Nonprofit Mutual Benefit Corporation Law. The

record dates established by the Board pursuant to this section shall be as follows:

i. Record Date for Notice of Meetings.

In the case of determining those members entitled to notice of a meeting, the record date shall be no more than ninety (90) days nor less than ten (10) days before the date of the meeting.

ii. Record Date for Voting.

In the case of determining those members entitled to notice of a meeting, the record date shall be no more than sixty (60) days before the date of the meeting;

iii. Record Date for Action by Written Ballot Without Meeting. In the case of determining members entitled to cast written ballots, the record date shall be no more than sixty (60) days before the day on which the first written ballot is mailed or solicited; and

iv. Record Date for Other Lawful Action.

In the case of determining members entitled to exercise any rights in respect to other lawful action, the record date shall be no more than sixty (60) days prior to the date of such other action.

b. Failure of Board to Fix a Record Date. If the Board, for any reason, fails to establish a record date, the following rules shall apply:

i. Record Date for Notice of Meetings.

The record date for determining those members entitled to receive notice of a meeting of members shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

ii. Record Date for Voting.

The record date for determining those members entitled to vote at a meeting of members shall be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.

iii. Record Date for Action by Written Ballot Without Meeting. The record date for determining those members entitled to vote by written ballot on proposed Association actions without a meeting when no prior action by the Board has been taken, shall be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

iv. Record Date for Other Lawful Action.

The record date for determining those members entitled to exercise any rights in respect to any other lawful action shall be no more than sixty (60) days prior to the date of such other action.

v. "Record Date" Means as of Close of Business. For purposes of this subparagraph, a person holding a membership as of the close of business on the record date shall be deemed the member of record.

Section 4.11. Action Without Meeting.

Any action that may be taken at any annual or special meeting of members (except the election of directors) may be taken without a meeting in accordance with the provisions of California Corporations Code Sections 7513 and 7516. Any form of written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board be named in the written ballot. The written ballot shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice.

Section 4.12. Conduct of Meetings.

Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order. Notwithstanding any other provision of law, notice of meetings of the members shall specify those matters the Board intends to present for action by the members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action. Members of the Association shall have access to Association records in accordance with Article 3 (commencing with Section 8330) of Chapter 13 of Part 3 of Title 1 of the Corporations Code. Any member of the Association may attend meetings of the Board, except when the Board adjourns to executive session to consider litigation, matters that relate to the formation of contracts with third parties, or personnel matters. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of an Association member, the Board shall meet in executive session if requested by that member, and the member shall be entitled to attend the executive session.

Section 4.13. Order of Business.

The order of business of all meetings of the members shall be as follows:

- a. roll call;
- b. proof of notice of meeting or waiver of notice;

- c. reading of minutes of preceding meeting;
- d. reports of Board and officers;
- e. election of directors, if any are to be elected;
- f. unfinished business; and
- g. new business.

## ARTICLE V

### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

#### Section 5.01. Number.

The affairs of this Association shall be managed by a Board of five (5) directors, all of whom must be members of the Association, or an officer, director, employee or agent of a member (if the member is other than a natural person(s)), including the Declarant. The initial directors shall be appointed by the Declarant and shall hold office until the first meeting of the members, and until their successors are elected.

#### Section 5.02. Term of Office.

At the first meeting of the Association the members shall elect five (5) directors for a term of one (1) year, and at each annual meeting thereafter the members shall elect five (5) directors for a term of one (1) year. Unless vacated sooner, each director shall hold office until the director's term expires and a successor is elected.

#### Section 5.03. Removal; Vacancies.

Unless the entire Board is removed from office by the vote of Association members, an individual director shall not be removed prior to the expiration of his term of office if the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire number of directors authorized at the time of the most recent election of directors were then being elected. A director who was elected solely by the votes of members other than Declarant may be removed from office prior to the expiration of his term only by the votes of a majority of members other than Declarant.

In the event of death or resignation of a director, his successor shall be appointed by approval of the Board at a duly held meeting or by a sole remaining director, and shall serve for the unexpired term of his predecessor. The members may

elect a director at any time to fill any vacancy not filled by the directors. A vacancy created by removal of a director can be filled only by election of the members.

Section 5.04.                    Compensation.

No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses, if reasonable, that are incurred in the performance of his or her duties.

Section 5.05.                    Indemnification of Corporate Agents.

The Association shall indemnify any present or former director, officer, employee, or other agent of the Association to the fullest extent authorized under California Corporations Code Section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt by the Association of an undertaking by or on behalf of such person to repay such amount, unless it is ultimately determined that such person was entitled to indemnification under this provision.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 6.01.                    Nomination.

Except for the initial directors selected by the Declarant, nomination for election to the Board of Directors may be made by a Nominating Committee. Notice to the members of the annual meeting shall include the names of all those who have been nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting.

The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.

Section 6.02.                    Election.

The first election of the Board shall be conducted at each annual meeting of the members of the Association. At such election the members or their proxies may cast, in respect

to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. All members shall be entitled to cumulate their votes for one (1) or more candidates for the Board, if the candidate's name has been placed in nomination prior to voting and if the member has given notice at the meeting prior to voting of his or her intention to cumulate votes. Under cumulative voting, each owner, either in person or by proxy, may give a single candidate the number of votes equal to the number of directors to be elected multiplied by the number of votes the owner is entitled to exercise under the Declaration, or the owner may distribute these cumulated votes among any two or more candidates as the owner desires. The candidates receiving the highest number of votes up to the number of Board members to be elected shall be elected. Voting for directors shall be by secret written ballot.

Section 6.03. Specially Elected Directors.

As long as a majority of the voting power of the Association resides in the Declarant, or as long as there are two outstanding classes of membership in the Association, no less than twenty percent (20%) of the directors shall be elected by members other than Declarant. If members other than Declarant are unable to elect at least twenty percent (20%) of the directors by the exercise of cumulative voting or otherwise, the number of positions on the Board necessary to meeting the twenty percent (20%) requirement shall be filled by nominees elected by members other than Declarant (the "specially elected" directors). Nominations for specially elected directors may be made by any member other than Declarant by submitting a written nomination before the meeting to the Secretary of the Association, or by placing a name in nomination at the meeting prior to the vote.

A specially elected director may be removed prior to the expiration of his or her term only by the vote or written assent of members other than Declarant who hold a majority of the voting rights other than the voting rights held by Declarant. In case of the death, resignation, or removal of a specially elected director, a successor shall be elected by members other than Declarant to hold office for the unexpired term of his or her predecessor and until a successor has been elected and qualified. Except as otherwise provided in this Section, the provisions of the Declaration, the Articles and these Bylaws, applicable to directors, including their election, removal, rights, and duties, shall apply to specially elected directors.

## ARTICLE VII

### MEETINGS OF THE BOARD OF DIRECTORS

#### Section 7.01. Regular Meetings.

Regular meetings of the Board shall be held at least once every three (3) months provided the business to be conducted by the Board does not require monthly meetings, at a time and at a meeting place as fixed by the Board. The meeting place shall ordinarily be within the condominium development itself unless, in the judgment of the Board, a larger meeting room is required than exists within the condominium development, in which case, the meeting room selected by the Board shall be as close as possible to the condominium development.

Notice of the time and place of regular Board meetings shall be posted or communicated in a prominent place or places within the Common Area and shall be sent to the Board members not less than three (3) days prior to the meeting; provided that, notice of a meeting need not be given to any Board member who has signed a waiver of notice, or a written consent to the holding of the meeting. If the common area consists only of an easement or is otherwise unsuitable for posting of such notice, the Board shall communicate the notice of the time and place of such meeting by any means it deems appropriate.

#### Section 7.02. Special Meetings.

Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President or Secretary of the Association, or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid.

All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Such notice may also be posted at a prominent place within the Common Area not less than seventy-two (72) hours prior to the scheduled time of the meeting. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting.

Section 7.03.            Quorum.

A majority of the directors then in office (but not less than three (3)) shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by a majority of the required quorum for that meeting.

Section 7.04.            Open Meetings.

All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

Section 7.05.            Executive Session.

The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, formation of contracts with third parties and orders of business of a similar nature. In any matter relating to the discipline of an Association member, the Board shall meet in executive session if requested by that member, and the member shall be entitled to attend the executive session. The nature of any and all business to be considered in executive session shall first be announced in open session and generally noted in the minutes of the Board.

Section 7.06.            Telephone Meetings.

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting. An explanation of the action taken shall be posted at a prominent place within the Common Area within three (3) days after the meeting. If the Common Area consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

Section 7.07.            Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after

the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 7.08.                    Notice of Adjourned Meeting.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment, and shall be posted at a prominent place within the Common Area. If the Common Area consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

Section 7.09.                    Action Without Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action taken shall be posted at a prominent place or places within the Common Area within three (3) days after the written consent of all Board members has been obtained. If the common area consists only of an easement or is otherwise unsuitable for posting the explanation of the action taken, the Board shall communicate said explanation by any means it deems appropriate.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD

Section 8.01.                    Powers of the Board.

The Board shall have all powers conferred on the Association as set forth in the Declaration and these Bylaws, except those powers expressly reserved to the members and subject to the requirements to obtain approval of the members before certain actions may be taken. In addition, the Board shall appoint and remove at its pleasure all officers, agents, and employees of the Association, and shall prescribe powers and duties for them that are consistent with the Declaration, the Articles, these Bylaws, and any applicable laws.

The Board of Directors shall have power to:

a. Employ a manager as provided in the Declaration;

b. Adopt rules and regulations in accordance with the Declaration;

c. Levy and collect assessments and impose fines as provided in the Declaration;

d. Enforce these Bylaws and/or the Declaration provided that at least fifteen (15) days' prior notice of any charges (other than assessments) or potential discipline or fine and the reasons therefor are given to the member affected, and that an opportunity is provided for the member to be heard, orally or in writing not less than five (5) days before the imposition of the discipline or fine, said hearing to be before the Board. Any notice required herein shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail shall be given by first class or registered mail sent to the last address of the member as shown on the Association's records;

e. Contract for goods and/or services in accordance with the Declaration;

f. Delegate its authority and powers to committees, officers or employees of the Association or to a manager employed by the Association. The Board may not delegate the authority to make capital expenditures for additions or improvements chargeable against the reserve funds; to conduct hearings concerning compliance by an owner or his tenant, lessee, guest or invitee with the Declaration or rules and regulations promulgated by the Board, or to make a decision to levy monetary fines, impose special assessments against individual units, temporarily suspend an owner's rights as a member of the Association or otherwise impose discipline following any such hearing; to make a decision to levy annual or special assessments; or to make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments. Any such delegation shall be revocable by the Board at any time. The members of the Board, individually or collectively, shall not be liable for any omission or improper exercise by the manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board;

g. Appoint a trustee to enforce assessment liens by power of sale as provided in California Civil Code Section 1367(b);

h. In addition to any other power contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation as enumerated in California Corporations Code Section 7140.

Section 8.02. Duties of the Board.

It shall be the duty of the Board to:

a. Perform the maintenance described in the Declaration;

b. Maintain insurance as required by the Declaration.

c. Discharge by payment, if necessary, any lien against the Common Area and assess the cost thereof to the member or members responsible for the existence of the lien (after notice and hearing as required by these Bylaws);

d. Fix, levy, collect and enforce assessments as set forth in the Declaration;

e. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

f. Pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

g. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

h. Enforce these Bylaws and the Declaration;

i. Review on at least a quarterly basis:

i. A current reconciliation of the Association's operating and reserve accounts;

ii. The current year's actual reserve revenues and expenses compared to the current year's budget.

iii. An income and expense statement for the Association's operating and reserve accounts.

j. Review the latest account statements prepared by financial institutions where the Association has its

operating and reserve accounts. For purposes herein "reserve accounts" shall mean monies that the Association's Board has identified for use to defray the future repair or replacement of, or addition to, those major components which the Association is obligated to maintain.

k. Require that at least two (2) signatures be needed for the withdrawal of monies from the Association's reserve accounts, who either shall be members of the Board or one (1) member of the Board and one (1) officer who is not a member of the Board.

l. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components which the Association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established. However, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash flow requirements or other expenses.

The transferred funds shall be restored to the reserve fund within one (1) year of the date of the initial transfer, except that the Board may, upon making a finding supported by documentation that a delay would be in the best interests of the project, delay the restoration until the time which the Board reasonably determines to be necessary. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this section. This special assessment is not subject to the limitation imposed by Section 5.04 of the Declaration.

m. At least every three (3) years the Board shall cause a study of the reserve account requirements of the project to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

The study required by this section shall at a minimum include:

i. Identification of the major components which the Association is obligated to repair, replace or

restore, or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years;

ii. Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study;

iii. An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1) during and at the end of their useful life; and

iv. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

As used in this section, "reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Association is obligated to maintain.

The provisions of subsections k and l incorporate the statutory requirements of California Civil Code Section 1365.5. If said Section 1365.5 is amended in any manner, this Section 8.02 shall be amended in the same manner without the necessity of amending these Bylaws.

Section 8.03. Prohibited Acts.

The Board shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association of a majority of members other than Declarant.

a. Enter into a contract with a third person wherein the third person will furnish goods and services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

i. A management contract, the terms of which have been approved by the Federal Housing Administration and/or the Veterans Administration (if either has jurisdiction over the Project);

ii. A contract with a public utility company if the rates charged for the services or materials are

regulated by the Public Utility 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;

iii. Prepaid casualty and/or liability insurance policies not exceeding three (3) years duration; provided that, the policies permit for short-rate cancellation by the Association;

iv. Lease agreements for laundry room fixtures and equipment not exceeding five (5) years; provided that, the lessor under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more;

v. Agreements for cable television services and equipment or satellite dish television services and equipment not exceeding five (5) years duration; provided that, the supplier under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more; and

vi. Agreements for the sale or lease of burglar alarm and/or fire alarm equipment not exceeding five (5) years duration; provided that, the supplier under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more.

vii. Contracts for a term not exceeding three (3) years that are terminable by the Association after no longer than one (1) year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

b. 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;

c. 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.

d. Pay compensation to Members of the Board or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a Member or officer to be reimbursed for the actual expenses, if reasonable, that are incurred in the performance of his or her duties.

Section 8.04.

Standard of Care.

Each director of the Board shall perform his or her duties as a director, including duties as a member of any committee of the Board upon which the director may serve, in good faith, in a manner such director believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

a. one or more officers or employees of the Association whom the director believes to be reliable and competent in the matters presented;

b. counsel, independent accountants or other persons as to matters which the director believes to be within such person's professional or expert competence; or

c. a committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. A person who performs the duties of a director in accordance with the foregoing, shall have no liability based upon any failure or alleged failure to discharge the person's obligations as a director.

Section 8.05.

Committees of the Board.

The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more committees, each consisting of one or more directors and persons who are not directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of the directors then in office. The Board may appoint one or more directors as alternate members of any such committee, to the extent provided in the resolution of the Board, shall have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

a. take any final action on any matter which, under the Declaration or the California Nonprofit Mutual Benefit Corporation Law, also requires approval of the members or approval of a majority of all members;

b. fill vacancies on the Board or on any committee which has the authority of the Board;

c. amend or repeal these Bylaws or adopt new bylaws;

d. amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;

e. appoint any other committees of the Board or the members of those committees; or

f. expend corporate funds to support a nominee for director after there are nominees that can be elected.

Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with, the provisions of these Bylaws concerning meetings and other actions of the Board, except that the time for regular meetings of such committees and calling of special meetings of such committees may be determined either by resolution of the Board or, in the absence of a Board resolution, by resolution of the committee. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the Association records. The Board may adopt rules for the governing of any committee not inconsistent with the provisions of these Bylaws, or in the absence of rules adopted by the Board, the committee may adopt such rules.

It shall be the duty of each committee to receive complaints (in writing) from members on any matter involving Association functions and duties within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, directors or officer of the Association as is further concerned with the matters presented.

Section 8.06.

Due Process Requirements.

Before the Board imposes any monetary penalties, or suspensions of membership rights or Common Area use privileges against any member for failure to comply with the Declaration, these Bylaws, or the Association Rules and Regulations, the Board must act in good faith and must satisfy each of the following requirements:

a. The member is given fifteen (15) days prior notice of the discipline to be imposed and the reasons for the imposition of the discipline. The notice may be given by any method reasonably calculated to give actual notice. If the notice is given by mail, it must be sent by first class or registered mail to the last address of the member as shown on the Association's records.

b. The member is given an opportunity to be heard, orally or in writing, by the Board, not less than five (5) days before the effective date of the imposition of the discipline.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

#### Section 9.01. Officers of the Association.

The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The Association may also have, at the discretion of the Board, one or more additional Vice-Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers. The President and Secretary must be members of the Board and cannot be the same person.

#### Section 9.02. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

#### Section 9.03. Term.

The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until the next annual meeting, whichever is later, unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

#### Section 9.04. Special Appointments.

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

#### Section 9.05. Resignation and Removal.

Any officer may be removed from office (but not from the Board, if he or she is also a Board member) by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.06.

Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the office he or she replaces.

Section 9.07.

Duties.

The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall sign all promissory notes. The President shall have the general powers and duties of management usually vested in the office of the President of a California nonprofit mutual benefit corporation, and shall have such powers and duties as may be prescribed by the Board or by these Bylaws.

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

c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with the addresses, and shall perform such other duties as required by the Board.

d. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; shall co-sign all checks; shall keep proper books of account; shall prepare, or shall have prepared, on behalf of the Board and shall distribute or shall have distributed budgets and financial reports and/or statements to each member of the Association as follows:

i. A pro forma operating budget for each fiscal year which shall be distributed not less than forty-five (45) nor more than sixty (60) days before the beginning of the fiscal year consisting of at least the following:

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

(2) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to Section 1365.5 of the Civil Code which shall be printed in bold type and include all of the following:

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

(b) As of the end of the fiscal year for which the study is prepared:

(i) The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain major components.

(ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore or maintain major components.

(c) The percentage that the amount determined for purposes (b)(ii) above is of the amount determined for purposes of (b)(i) above.

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

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

In lieu of the distribution of the pro forma operating budget, the Board may elect to distribute a summary of the items described hereinabove, to all the members, with written notice that the budget is available at the business office of the Association or at another suitable location within the boundaries of the development and that copies will be provided upon request and at the expense of the Association. If any member requests a copy of the pro forma operating budget, including the items referred to above, to be mailed to the member, the Association shall provide the copy to the member by first-class United States mail at the expense of the Association and delivered within five (5) days. The written notice that is distributed to each of the Association members shall be in at least 10-point bold type on the front page of the summary of the statement;

ii. A balance sheet as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a unit in the project, and an operating statement for the period from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the condominium units and the name of the owners assessed.

iii. A financial report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year: (a) A balance sheet as of the end of the fiscal year; (b) An operating (income) statement for the fiscal year; and (c) A statement of changes in financial position for the fiscal year. For any fiscal year in which the gross income to the Association exceeds Seventy-Five Thousand Dollars (\$75,000.00), a copy of a review of the financial statement of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy; (d) Any information required to be reported under Section 8322 of the California Corporations Code;

iv. If the financial report referred to in (iii) above is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review;

v. A statement describing the Association's policies and practices in enforcing lien rights, or other legal remedies for default in payment of its assessments against its members, and a statement of the place where the names and addresses of the current members are located shall be annually distributed to the members during the sixty (60) day period immediately preceding the beginning of the Association's fiscal year.

e. Delegation. The foregoing duties may be delegated to a manager appointed by the Board.

## ARTICLE X

### BOOKS AND RECORDS

#### Section 10.01. Inspection by Members.

The membership register (including names, mailing addresses, telephone numbers and voting rights), books of account and minutes of meetings of the members, of the Board, (including drafts and summaries) and of committees shall be made available for inspection and copying by any member of the

Association, or by his duly appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the project as the Board shall prescribe.

In the case of the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board other than an executive session, shall be available to members within thirty (30) days of the meeting and shall be distributed to only members upon request and upon reimbursement of the costs in making that distribution.

At the time the pro forma operating budget is distributed as required by these Bylaws or at the time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of meetings of the Board and as to how and where those minutes may be obtained.

Section 10.02.            Rules for Inspection.

The Board shall establish reasonable rules with respect to:

a. Notice to be given to the custodian of the records by the member desiring to make the inspection.

b. Hours and days of the week when such an inspection may be made.

c. Payment of the cost of reproducing copies of documents required by a member.

Section 10.03.            Inspection by Directors.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents, at the expense of the Association.

Section 10.04.            Documents Provided by Board.

Upon written request, the Board shall, within ten (10) days of the mailing or delivery of such request, provide the owner of a unit with a copy of the governing documents of the project, a copy of the most recent financial budget and statements of the Association distributed pursuant to Section 9.07d, and a true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the condominium which are unpaid on the date of the statement, including late charges, interest, and costs of collection which, as

of the date of the statement, are or may be made a lien upon the owner's condominium. The Board may impose a fee for providing the foregoing which may not exceed the reasonable cost to prepare and reproduce the requested documents.

## ARTICLE XI

### GENERAL PROVISIONS

#### Section 11.01. Amendment of Bylaws.

Prior to the conveyance of the first condominium in the project, Declarant may amend these Bylaws (provided any amendment constituting a material change shall require the approval of the Department of Real Estate). After the conveyance of the first condominium in the project, these Bylaws may be amended, only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of a quorum of the Association and a majority of the votes or written consent of members other than Declarant, or where the two (2) class voting structure is still in effect, by vote of a majority of each class of members. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

#### Section 11.02. Conflicts.

In the case of any conflict or inconsistency between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict or inconsistency between the Declaration and these Bylaws, the Declaration shall control.

#### Section 11.03. Fiscal Year.

Unless the Board determines otherwise, the fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

#### Section 11.04. Applicability.

The provisions of these Bylaws are applicable to the project, its operation, occupancy, ownership, maintenance and use and to all present and future owners, members of their families, guests, tenants, agents, employees and licensees and to any other person or persons who may use the project or its facilities in any manner. The acceptance of a deed to any unit in the project shall constitute an acceptance and ratification of these Bylaws and the Declaration, as either or both may from time to time be amended.

Section 11.05.

Counterpart Signatures.

These Bylaws may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**PURCHASER DOCUMENTS**

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

"1550 N. LAUREL AVENUE"

TRACT NO. 51235

- \* DECLARATION OF RESTRICTIONS
- \* ARTICLES OF INCORPORATION
- \* BYLAWS
- \* BUDGET
- \* CONDOMINIUM PLAN

30-659-2500  
ANDREW

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LAW CORPORATION  
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SUITE 1200  
CITY, STATE LOS ANGELES, CA  
ZIP CODE 90067

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INVESTORS TITLE COMPANY

By Paula Fogel

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TITLE(S)

DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP

When Recorded Mail To:

HERBERT J. STRICKSTEIN LAW CORPORATION  
2049 Century Park East - Suite 1200  
Los Angeles, California 90067

DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP  
FOR  
1550 NORTH LAUREL AVENUE CONDOMINIUM, A CONDOMINIUM PROJECT  
TRACT 51235  
CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

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CONDOMINIUM PLAN

DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP  
FOR  
1550 NORTH LAUREL AVENUE CONDOMINIUM, A CONDOMINIUM PROJECT  
TRACT 51235  
CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA

THIS DECLARATION is made this 26<sup>th</sup> day of OCTOBER, 1995, by William T. Macaya, hereinafter referred to as "Declarant," with reference to the following:

RECITALS:

A. On or about the date of recordation of this Declaration in the Office of the Los Angeles County Recorder, Declarant owns that certain real property, located at 1550 North Laurel Avenue, in the City of Los Angeles, County of Los Angeles, State of California, improved with fifteen (15) dwelling Units and other facilities, and with the property, improvements and all appurtenances and facilities thereof, being hereinafter collectively referred to as the "Project," all of which is hereinafter more particularly described as follows:

Lot 1 of Tract 51235, in the City of Los Angeles, as per Map recorded in Book 1213, Pages 51 thru 53 of Maps, in the Office of the Los Angeles County Recorder (the "property").

By this Declaration, Declarant intends to establish a plan of Condominium Ownership and impose upon the Project mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Condominiums.

B. It is the desire and intention of Declarant to sell and convey interests in said real property to various individuals, subject to certain basic protective restrictions, limitations, easements, covenants, reservations, liens and charges between Declarant and the acquirers or users of said property, as hereinafter set forth.

NOW, THEREFORE, Declarant declares that the real property is, and shall be, held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to the following limitations, restrictions, easements, covenants, conditions, equitable servitude, liens, and charges, all of which are declared and agreed to be in furtherance of a plan of Condominium Ownership as

described in California Civil Code Sections 1350-1372 for the subdivision, improvement, protection, maintenance, and sale of Condominiums within the real property, and all of which are declared and agreed to be for the purpose of enhancing, maintaining, and protecting the value and attractiveness of the real property. All of the limitations, restrictions, easements, reservations, covenants, conditions, equitable servitude, liens, and charges shall run with the land, shall be binding on and inure to the benefit of all parties having or acquiring any right, title or interest in the real property, are for the benefit of the real property, and shall be binding on and inure to the benefit of the successors in interest of such parties. Declarant further declares that it is the express intent that this Declaration satisfy the requirements of California Civil Code Sections 1353 and 1354.

Any conveyance, transfer, sale, lease or sublease made by Declarant or by the Association (as hereinafter defined) of a Unit in the Project, shall and hereby is deemed to incorporate by reference the provisions of this Declaration, including, without limitation, covenants, conditions, restrictions, limitations, easements, rights, rights of way, liens, charges and equitable servitude.

The provisions of this Declaration shall be enforceable by Declarant, any Owner or his or its successor in interest to any Unit and by the 1550 Laurel Owner's Association, Inc., its Board of Directors or any person, firm or corporation duly authorized by said Association or its Board to enforce all or any one or more of the provisions hereof.

## ARTICLE I

### DEFINITION OF TERMS

Whenever used in this Declaration, the following terms shall mean:

Section 1.01. "Articles," shall mean the Articles of Incorporation of 1550 Laurel Owner's Association, Inc., a California nonprofit mutual benefit corporation, as said Articles may be amended from time to time.

Section 1.02. "Assessment," shall mean an assessment, whether regular or special, against an Owner and his Condominium, made in accordance with the provisions of this Declaration and which shall become a debt of such Owner and be deemed to have been "made" within the meaning of Sections 1366 and 1367 of the California Civil Code when notice thereof has been mailed or delivered to the Owner of the Condominium so assessed.

Section 1.03. "Association," shall mean the 1550 Laurel Owner's Association, Inc., a California nonprofit mutual benefit corporation the Members of which shall consist of all Owners of

Condominiums in the Project, which Association shall have the duty of maintaining, operating and managing the Common Area of the Project in the manner and to the extent provided for herein. Each Owner of a Condominium shall automatically become a Member of the Association contemporaneously with the acquisition of his Condominium without further documentation of any kind.

Section 1.04. "Board and/or Board of Directors," shall mean the governing body of the Association as the same may from time to time be constituted.

Section 1.05. "Bylaws," shall mean the duly adopted Bylaws of the Association, as may be amended from time to time.

Section 1.06. "Common Area," shall mean the entire Project, excepting all Units therein granted or reserved, subject to all easements and rights of use described herein and in the documents of conveyance through which each Owner acquires his Condominium. Each Owner's undivided fractional interest as a tenant-in-common in the Common Area, is set forth in Exhibit "A" hereto.

Section 1.07. "Common Assessment," shall mean and refer to an assessment duly made and levied by the Association against an Owner and his Condominium to pay for the Common Expenses.

Section 1.08. "Common Expenses," shall mean and refer to the costs, expenses and charges in connection with maintaining, managing, insuring, operating, repairing and replacing the Common Area as the same may be estimated from time to time by the Board of Directors of the Association, including, but not limited to, any amounts reasonably necessary for reserves for anticipated long-term maintenance, repair and replacement of capital improvements upon the Common Area (the cost of which would not ordinarily be incurred on an annual basis), contingencies and the service obligations of the Association. Common Expenses, however, shall not include the cost of any new construction, or unanticipated repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto.

Section 1.09. "Common Funds," shall mean all funds collected or received by and/or due and payable to the Association, its Board, officers, the manager, if any, or any duly authorized representative of the Association for use in the administration, operation, maintenance, repair, addition, alteration or reconstruction of all or any portion of the Common Area.

Section 1.10. "Condominium," shall mean an estate in real property as defined in Section 1351(f) of the California Civil Code, located within the Project consisting of (i) a Unit consisting of a separate fee estate in the air space and interior surfaces within the Unit, as more particularly described in the Condominium Plan attached hereto as Exhibit "B"; (ii) an undivided

interest in a portion (the Common Area) of the Project, the fractional interest which is set forth in Exhibit "A" hereto; and (iii) an Exclusive Use Common Area for parking purposes, as shown on the Condominium Plan attached hereto.

Section 1.11. "Condominium Plan," shall mean that certain plan recorded pursuant to California Civil Code Section 1351(e), in the Office of the Los Angeles County Recorder and depicting the Units, Common Area and other specific areas created in connection with the Project. A copy of which Condominium Plan substantially conforming with the Condominium Plan to be or which has been recorded, is attached to this Declaration as Exhibit "B" and made a part hereof.

In the event the Condominium Plan attached hereto is amended after the recordation thereof, it shall not thereafter be required to amend this Declaration to reflect the Amended Condominium Plan.

Section 1.12. "County," shall mean the County of Los Angeles, California, the County in which the Project is located.

Section 1.13. "Declarant," shall mean and refer to William T. Macaya and his successors and assigns if such successors and assigns should acquire all or any portion of the property for the purpose of development or sale or are designated by William T. Macaya as the Declarant for the purpose hereof and if such successor expressly assumes the rights and duties of Declarant hereunder in a written document or if such successor or assign is a Mortgagee acquiring Declarant's interest in the Project by foreclosure or by deed in lieu of foreclosure.

Section 1.14. "Declaration," shall mean and refer to this Declaration as may hereafter be amended, changed, modified or supplemented from time to time.

Section 1.15. "Exclusive Use Common Area" or "Restricted Common Area," shall mean a portion of the Common Areas as defined in California Civil Code Section 1351(i) designated for the exclusive use of the Owner of a Unit and which is or will be appurtenant to the Unit. Each such Exclusive Use Common Area shall be appurtenant to the Owner's Unit and may not be conveyed or transferred apart from the Unit.

Any shutters, awnings, window boxes, doorsteps, stoops, porches, exterior doors, door frames, and hardware incident thereto, screens and windows and air conditioning Units or other fixtures designed to serve a single Unit, but located outside the boundaries of the Unit, are Exclusive Use Common Areas allocated exclusively to that Unit. Parking spaces shown on the Parking and/or Condominium Plan shall also be defined as Exclusive Use Common Area.

Internal and external telephone wiring designed to serve a Unit, but located outside the boundaries of the Unit, are Exclusive Use Common Areas allocated exclusively to that Unit.

The Association acting on behalf of all Owners may reserve to Owners in the name of all Owners as their attorney-in-fact (or in the name of the Association for any property to which the Association holds title) Exclusive Use Common Areas for any purpose not inconsistent with the rights of other Owners under this Declaration.

Section 1.16. "First Mortgagee," shall mean any person, entity, bank, savings and loan association, established Mortgage company or other entity 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 holding a first mortgage on one (1) or more Units. A "First Mortgagee" is one having priority as to all other Mortgagees or holders of Mortgages encumbering the same Condominium or other portions of the Project.

Section 1.17. "Member," shall mean every person or entity who by reason of his record Ownership of a Condominium holds Membership in the Association.

Section 1.18. "Mortgage," shall mean and refer to a deed of trust as well as a Mortgage.

Section 1.19. "Mortgagee," shall mean and refer to a beneficiary under or a holder of a Mortgage or a deed of trust.

Section 1.20. "Mortgagor," shall include the trustor of a deed of trust as well as a Mortgagor.

Section 1.21. "Organizational Meeting," shall mean the first meeting of Owners which shall occur within forty-five (45) days after the conveyance of the first Unit in the Project which represents the fifty-first (51st) percentile interest authorized for sale under the first Final Subdivision Public Report issued by the State of California Department of Real Estate, but no later than six (6) months after the conveyance of the first Unit in the Project, at which meeting, a Board of Directors shall be elected by secret written ballot of the Owners and all positions on the Board shall be filled.

Section 1.22. "Owner" or "Owners," shall mean and refer to any person, firm, contract buyer, corporation or other association in which fee title to a Condominium is vested, as shown by the Official Records of the Office of the County Recorder, but excluding those having such an interest in a Condominium merely as security for the performance of an obligation. If a Condominium is sold under a Contract of Sale and the Contract of Sale is recorded, the purchaser, rather than the fee Owner, shall be considered the

"Owner" from and after the date the Association receives written notice of the recorded contract. Declarant shall be deemed the Owner of all unsold or retained Condominiums until Declarant shall have executed and caused to be recorded in the Office of the County Recorder, an instrument of conveyance conveying the respective Condominium.

Section 1.23. "Person" or "Persons," shall mean a natural person, a corporation, a partnership, a trust or other legal entity.

Section 1.24. "Project," shall mean the real property, divided or to be divided into Condominiums, including all structures and improvements thereof.

Section 1.25. "Unit," shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums in the Project, such Units and their respective boundaries being shown and particularly described in the attached Condominium Plan, deeds conveying Condominiums, and this Declaration. "Unit" does not include other interests in real property that are less than estates in real property, such as Exclusive Use Common Areas.

In interpreting deeds and plans, the then existing physical boundaries of a Unit, when the boundaries of the Unit are contained within a building, or of a Unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building. Each Unit shall have appurtenant to it nonexclusive rights for ingress, egress and support through the Common Area subject to the rights of each Owner in any Exclusive Use Common Area appurtenant to that Owner's Condominium.

## ARTICLE II

### DESCRIPTION OF PROPERTY AND IMPROVEMENTS; RIGHTS OF ENJOYMENT AND EASEMENTS

Section 2.01. Condominium Plan Best Authority.

In the event of any conflict between the information set forth in Section 2.02 below and the Condominium Plan, the Condominium Plan shall be deemed to conclusively control.

Section 2.02. Project Description.

The Project is a Condominium Project consisting of land, the Condominiums and all other improvements located on Lot 1 of Tract 51235, in the City of Los Angeles, County of Los

Angeles, State of California as per Map recorded in the Office of the County Recorder. The hereinbefore described real property consists of a plot of land, approximately 12,749 square feet in size, located at 1550 North Laurel Avenue, Los Angeles, California 90035. Construction has been completed (in 1964) on said land and improvements, consisting basically of one (1) building containing fifteen (15) Units and twenty-five (25) parking spaces, together with common areas including entry lobby, elevator, swimming pool, laundry room, stairway and other improvements. The utility room adjacent to the laundry room shall be delegated to the use of the maintenance man or maintenance company and shall not be used for storage by unit owners.

Section 2.03.                    Description of Individual Condominium.

Each Condominium within the Project which shall be offered for sale, shall consist of a fee simple interest in and to a particular Unit, together with an undivided fractional interest as a tenant-in-common in the Common Area, which interest is set forth on Exhibit "A" hereto, the dimensions and boundaries of the Unit are more particularly shown, delineated, defined and described on the Condominium Plan, Exhibit "B" hereto.

Section 2.04.                    Division of Property.

The Project is divided as follows:

a.    Units. Each of the Units as separately shown, numbered and designated on the Condominium Plan, consists of the space bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors and door frames and trim, of each Unit, each of such spaces being defined and referred to herein as a "Unit." Bearing walls located within the interior of a Unit are Common Area, not part of the Unit, except for the finished surfaces thereof. Each Unit includes the utility installations located within its boundaries that the Owner has exclusive use of, including, without limitation; hot water heaters, space heaters, lighting fixtures, cabinetry and air conditioning and heat pump units which are located entirely within the Unit they serve. Each Unit includes both the portions of the building so described and the airspace so encompassed. The Unit does not include those areas which are defined as "Common Area" in Section 1.06. Each Unit is subject to such encroachments as are contained in the building, whether the same now exist or may be later caused or created in any manner referred to in Section 1.25.

b.    Common Areas. The Common Areas consist of that portion of the Project defined in Section 1.06. Each Owner shall have, as appurtenant to the Owner's Unit, an undivided fractional interest in the Common Area shown on Exhibit "A" hereto of the Condominium building in which the Unit is located. Each Condominium includes a Unit and such undivided interest in the

Common Area. The Common Area appurtenant to a Unit is permanent in character and cannot be altered without the consent of all of the Owners affected, as expressed in an amended Declaration.

The undivided interest in the Common Area cannot be separated from the Unit to which it is appurtenant, and any conveyance or transfer of the Unit includes the undivided interest in the Common Area, the Owner's Membership in the Association, and any other benefits or burdens appurtenant to that Owner's Condominium. Each Owner may use the Common Area in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of any other Owners, subject to the rights of each Owner in any Exclusive Use Common Area appurtenant to that Owner's Condominium.

c. Exclusive Use Common Area. The following described portions of the Common Area, referred to as "Exclusive Use Common Areas," will be set aside and allocated for the exclusive use of the Owner of the Condominium to which they are attached or assigned as shown on the Grant Deed conveying the condominium and will be appurtenant to that Condominium:

i. parking spaces designated "P";

In addition, the following areas or items are "Exclusive Use Common Areas" appurtenant to the Condominiums in which they are located or attached:

ii. any portion of the Common Area floor or ceiling that is pierced by interior stairs;

iii. any fireplace, chimney structure, and flue;

iv. any exterior stairs exclusively serving the Unit.

The air conditioning and heat pump equipment located on the roof serving a Unit is part of the Unit, belongs to the Owner of that Unit, but shall be maintained by the Association. The space occupied by the air conditioning and heat pump equipment, shall be restricted to the exclusive use of the Unit Owner whose air conditioner or heat pump occupies such space.

The assignment, either reciprocal or unilateral, of the right to the use of an Exclusive Use Common Area parking space or storage space from one Owner to another or between two or more Unit Owners, is authorized, provided that the approval of the Board is first obtained, and that the transfer or exchange of such exclusive use is evidenced by a recorded document.

Section 2.05.

Parking Spaces as Exclusive Use Common Area.

Certain elements of the Common Area are hereby set aside and reserved for the exclusive use of certain Units and such Units shall have appurtenant thereto the exclusive right to use such parts of the Common Area for the purposes hereinafter provided. The elements of the Common Area so set aside and reserved are as follows: No less than one (1) parking space to be assigned by Declarant for each Unit shall be appurtenant to and for the exclusive use for such Unit; provided, however, Declarant shall have the irrevocable right to assign the exclusive right to use additional parking spaces to purchasers of Units and the assignment of such additional spaces for such Units shall also be appurtenant to and for the exclusive use of such Unit without an additional charge to such Unit Owner. The particular parking spaces to be assigned shall be designated by Declarant in the Grant Deed conveying the Condominium. Tandem parking spaces shall be assigned and reserved at the ratio of one dwelling Unit for each set of tandem spaces. All of such assignments and designations shall be binding upon the Association.

Should any parking spaces designated as Exclusive Use Common Areas in said Condominium Plan remain unassigned after the sale of all of the Units by Declarant, then the right to assign said parking spaces shall thereafter vest exclusively in the Board on behalf of the Association. Parking spaces not designated as Exclusive Use Common Areas shall be so designated on the Condominium Plan. Parking spaces shall be used solely for the parking of personal vehicles and may not be leased, subleased, sold or given to another who is not a resident of a Unit within the Project and then only with prior Board approval.

Section 2.06.

Rights of Entry and Use.

The Units and Common Area (including Exclusive Use Common Area) shall be subject to the following rights of entry and use:

a. The right of the Association's agents or employees to enter any Unit to cure any violation of this Declaration or the Bylaws, provided that the Owner has received notice and a hearing as required by the Bylaws (except in the case of an emergency) and the Owner has failed to cure the violation or take steps necessary to cure the violation within thirty (30) days after the finding of a violation by the Association.

b. The access rights of the Association to maintain, repair or replace improvements or property located in the Common Area as described in Section 2.08.

c. The rights of the Owners, the Association, and the Declarant to install, maintain, repair or replace utilities as described in Article XIII.

d. The encroachment easements described in Section 2.09.

e. The rights of the Declarant during the construction period as described in Section 20.13.

f. The rights of Owners to make improvements or alterations authorized by California Civil Code Section 1360(a)(2).

Section 2.07. Delegation of Use.

Any Owner may delegate his rights of use and enjoyment in the Project, including the Common Area and any facilities located thereon, to Members of his family, his guests and invitee and to such other persons as may be permitted by this Declaration. However, if an Owner has sold his Unit to a contract purchaser or has leased his Unit, then the Owner or Members of his family, guests and invitee shall not be entitled to the use and enjoyment of the Common Area and facilities but shall be deemed to have delegated the rights of use and enjoyment in the same manner as if such contract purchaser or lessee were an Owner during the period of their occupancy.

Section 2.08. Owners' Nonexclusive Rights; Association Rights.

Every Owner has a nonexclusive right of use, enjoyment, ingress, egress, and support in, to, and throughout the Common Area and any improvements or facilities on these areas. However, such nonexclusive rights shall be subordinate to, and shall not interfere with, Exclusive Use Common Areas, if any. Each such nonexclusive right shall be appurtenant to the respective Condominium and shall pass with the title to the Condominium. Nonexclusive rights shall be subject to the following rights and restrictions:

a. The right of the Association to limit the number of guests, and to adopt and to enforce the reasonable Rules and Regulations;

b. The right of the Association to borrow money to improve, repair, or maintain the Common Area;

c. The right of the Association to assign, rent, license or otherwise designate and control use of any unassigned parking and storage spaces, if any, and any recreational facility situated upon the Common Area and to charge reasonable fees for admission and use;

d. The right of the Association, through its Board, to impose monetary penalties, temporary suspension of an Owner's rights as a Member of the Association, including the right

to use recreational facilities located on the Common Area or other appropriate discipline for the failure to comply with the provisions of this Declaration, the Bylaws or the duly enacted Rules and Regulations for the operation and use of the Units, and Common Area and facilities located thereon, subject to the notice and hearing provisions set forth in Article III, Section 3.06. hereinafter;

e. The right of the Association to adopt and enforce reasonable Rules and Regulations concerning the control and use of any driveway and paved areas located upon or across the Common Area, including the right to regulate the kind of vehicles and their speed and the parking of vehicles upon such driveways and pave areas. Declarant or the Association is authorized to delegate to a municipality or other governmental entity or to contract with any private security patrol company to exercise its authorized rights in connection with such driveways, paved areas, and parking areas.

Section 2.09. Encroachment Easements.

The Owners of each Unit are hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments so long as they shall exist and the rights and obligations of Owners shall not be altered in any way because of the encroachment, settlement or shifting; provided that, in no event shall an easement for encroachment be created in favor of any Owner if the encroachment occurred due to his willful misconduct. In the event any portion of any building is partially or totally destroyed and then rebuilt, each Owner agrees that easements for minor encroachments (and for the maintenance of same) over all adjoining Units and the Common Area shall exist so long as the encroachment exists.

Section 2.10. Easements Granted by Association.

The Association shall have the right and power to grant and convey to any third party, easements and rights of way in, on, over or under the Units and the Common Area for the purpose of construction, erection, maintenance, repair, replacement, removal and inspection of present and future pipelines, meters and related facilities, lines, cables, wires or other conduits or devices for water, electricity, power, telephone and other purposes and any other similar public or quasi-public improvements or facilities, and each purchaser, by acceptance of a deed to his Unit, expressly consents to such easements. However, no such easement shall be granted if it would interfere with the use, occupancy or enjoyment by any Owner of his Unit.

Section 2.11.

Right to Combine Units.

Any Owner shall have the right to combine one or more adjoining Units subject to the following provisions:

a. Prior Consent of Board. Prior to the Owner's combination of adjoining Units, the Board must give its approval thereto, which approval shall not be unreasonably withheld. In evaluating its consent to a combination of Units, the Board shall first receive and separately approve the following:

i. Architectural plans of the proposed combination of the Units.

ii. A certificate stating that any portion of the Common Area to be affected by the proposed combination is not required for the structural support of any other Unit or any part of the Condominium Project. Said certificate shall be given by a structural engineer licensed in the State of California and approved by the Association.

iii. A certified bid stating the cost of the proposed combination and the time for its completion. Said bid shall be made by a contractor licensed in the State of California and approved by the Association.

iv. A bond or bonds assuring the prompt completion of the proposed combination in a workmanlike manner free of mechanic's liens which names the Association as an obligee thereunder. The Association may also require such other security as is necessary to guarantee the foregoing.

v. All building and other governmental permits required for the construction of the proposed combination.

vi. A certificate stating, in detail, the effect of the proposed combination on any Common Area plumbing and wiring. Said certificate shall be made by electrical and plumbing contractors licensed in the State of California and approved by the Association.

b. Prohibition Against Combination. Any proposed combination of the Units which in any way would result in the removal of any structural support for any Unit or Units not involved in the combination and/or any other portion of the Condominium Project not involved in the proposed combination is strictly prohibited.

c. Effect of Combination. The effect of a completed combination shall have the following consequences upon its Owner:

i. Undivided Interest in Common Area. The undivided interest in the Common Area allotted to the combined Units shall be equal to the sum of the undivided interests in the Common Area of each of the combined Units.

ii. Assessments. With respect to the assessments required of each Unit's Owner, more particularly set forth in Exhibit "A" hereto, the assessments due and owing on the combined Units shall be equal to the sum of the assessments levied against each of the respective Units so combined.

iii. Voting Rights. The Owner of the combined Unit shall have the number of votes equal to the number of votes of the Units that were combined. For example, if two (2) prior Units were combined into one (1), the Owner of the new Unit would retain two (2) votes as a Member of the Association.

iv. Prior Easements. Any easements existing in, over, across, or through the Common Area, which, subsequent to the combination of the Units, is located within the new perimeter area of the combined Units shall cease to exist, and shall be deemed conveyed to the Owner of the combined Units.

Notwithstanding the foregoing, the Declarant shall not be required to obtain the prior written consent of the Association for the combination of the Units described herein as provided in subsection a. above, but shall be bound by subparagraphs b. and c. above.

### ARTICLE III

#### ASSOCIATION, ADMINISTRATION, MEMBERSHIP, VOTING RIGHTS AND ASSOCIATION RULES AND REGULATIONS

##### Section 3.01.            Association to Manage Common Area.

The management of the Common Area shall be vested in the Association. The Owners of all the Condominiums covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, and of the Articles and Bylaws of the Association.

##### Section 3.02.            Membership.

Every person or entity who is an Owner of a Condominium which is subject to this Declaration, shall automatically be a Member of the Association. Membership and the right to vote shall be appurtenant to and may not be separated from the Ownership of any Condominium which is subject to this Declaration. Ownership of a Condominium within the Project shall be the sole qualification for Membership in the Association.

Section 3.03.

Transfer of Membership.

The Association Membership appurtenant to each Condominium shall not be assigned, transferred, pledged, conveyed or alienated in any way, except on the transfer of title (including transfer on death of an Owner) to the Condominium and then only to the transferee of title to the Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Condominium shall operate automatically to transfer the Membership in the Association appurtenant thereto to the new Owner thereof. The Board shall have authority to impose a reasonable transfer fee in connection with the transfer of any Membership on the transfer of title to any Condominium.

A Mortgagee does not have Membership rights until it obtains title to the Condominium by foreclosure or deed in lieu thereof. No Member may resign his or her Membership. On notice of a transfer, the Association shall record the transfer on its books.

Section 3.04.

Membership Classes and Voting Rights.

The Association shall have two (2) classes of voting Membership:

Class A.

Class A Membership shall be that held by each Owner, other than Declarant, and Class A Membership entitles the holder to one (1) vote for each Condominium owned. If a Condominium is owned by more than one person, each such person shall be a Member of the Association but they shall exercise their vote as they among themselves determine, but there shall be no more than one (1) vote cast for each Condominium. Fractional votes shall not be allowed.

Class B.

Class B Membership shall be that held by Declarant who shall be entitled to three (3) votes for each Condominium owned; provided that, Class B Membership shall be converted to Class A Membership and shall cease to exist on the occurrence of whichever of the following events first occurs: (i) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership; or (ii) the second anniversary of the first conveyance of a Unit authorized for sale by the original Final Subdivision Public Report for the Project issued by the State of California Department of Real Estate.

The voting rights of both classes of Membership shall be subject to the restrictions and limitations provided in this Declaration, the Articles and Bylaws of the Association.

Where the Declaration, Articles, or Bylaws prescribe two classes of voting Membership and require the vote or written consent of each class of Membership for the initiation of action by or in the name of the Association, any requirement in this Declaration, the Articles or Bylaws, other than the provisions set forth in Article XVII hereafter, that the vote of the Declarant shall be excluded in any such determination shall be applicable only if there has been a conversion of Class B Membership to Class A Membership, in which case the vote or written consent of a prescribed percentage of the total voting power of the Association as well as the vote or written consent of the prescribed percentage of the total voting power of Members other than the Declarant shall be required.

Except as stated in the above referenced provisions of this Declaration, the Articles or Bylaws of the Association, so long as there is in existence two (2) outstanding classes of Membership, the approval of any action to be taken by the Association shall expressly require the vote or written consent of a prescribed percentage of the Class B voting power as well as the vote or written consent of the prescribed percentage of the Class A voting power.

Section 3.05. Association Rules and Regulations.

~~The Association Rules and Regulations shall govern the use of the Common Area by all Owners and tenants, and their respective family Members, guests or invitee. However, the Association Rules and Regulations shall not be inconsistent with or materially alter any provision of this Declaration, the Articles or Bylaws of the Association. A copy of the Association Rules and Regulations as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and a copy may be posted in a conspicuous place within the Project.~~

The Association Rules and Regulations shall govern the use of the Common Area by all Owners and tenants, and their respective family Members, guests or invitee. However, the Association Rules and Regulations shall not be inconsistent with or materially alter any provision of this Declaration, the Articles or Bylaws of the Association. A copy of the Association Rules and Regulations as adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and a copy may be posted in a conspicuous place within the Project.

In case of any conflict between any of the Association Rules and Regulations and any other provision of this Declaration, the Articles, or Bylaws, the conflicting Association Rules and Regulations shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

Section 3.06. Notice and Hearing.

a. Association Enforcement Rights.

In the event of an alleged violation of the provisions of this Declaration, the Bylaws or duly enacted Rules and Regulations for the operation and use of the Common Area and facilities, and after written notice of such alleged failure is delivered, personally or by certified mail to the Owner ("respondent") alleged to be in default, the Association shall have

the right, after affording the respondent an opportunity for an appropriate hearing (as hereinafter provided) to take any one or more of the following actions: [redacted] suspend an Owner's voting privileges as an Owner; [redacted] impose a monetary penalty which shall not exceed One Hundred Dollars (\$100.00) for any one violation or One Thousand Dollars (\$1,000.00) in any one calendar year.

Any such suspension pursuant to (i) above shall be for a period not exceeding thirty (30) days for any noncontinuing infraction, but in the case of a continuing infraction (including nonpayment of assessment after the same becomes delinquent) may be imposed for so long as the violation continues.

The failure of the Board to enforce the provisions of this Declaration, the Bylaws or duly enacted Rules and Regulations for the operation and use of the Common Area and facilities shall not constitute a waiver of the right to enforce the same thereafter.

The remedies set forth above and as otherwise provided in this Declaration, shall be cumulative and none shall be exclusive. However, the Board must exhaust all available internal remedies of the Association prescribed by this Declaration, the Bylaws or duly enacted Association Rules and Regulations, before the Board may resort to a court of law for relief with respect to any alleged violation. If Section 1354 of the California Civil Code is amended in any manner, this Section 3.06 automatically shall be amended in the same manner without the necessity of amending this Declaration.

The foregoing limitation pertaining to exhaustion of administrative remedies shall not apply to the Board where the complaint alleges nonpayment of assessments.

b. Written Complaint.

A hearing to determine whether a right or privilege of the respondent should be suspended or conditioned, or whether a monetary penalty should be imposed shall be initiated by the filing of a written complaint by any Owner, or by any officer or Member of the Board, with the President of the Association or other presiding Member thereof. The complaint shall constitute a written statement of charges which shall set forth in concise language the acts or omissions with which the respondent is charged and a reference to the specific provision(s) of this Declaration, the Bylaws or duly enacted Association Rules and Regulations for the operation and use of the Common Area and facilities which the

respondent is alleged to have violated. A copy of the complaint shall be delivered to the respondent in accordance with the notice provisions set forth below.

c. Notice of Hearing.

The Board shall serve a notice of hearing on all parties at least ten (10) days prior to the hearing date. The notice to the respondent shall be substantially in the following form, but may include other information:

① "You are hereby notified that a hearing will be held before the Board of Directors of the Association at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at the hour of \_\_\_\_\_ upon the charges made in the complaint served upon you. You may be present at the hearing and may, but need not be represented by counsel, may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors."

d. Hearing.

The hearing shall be held in executive session pursuant to the notice, affording the respondent a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery is entered by the officer or director who delivered or mailed the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

e. Limitation on Association Enforcement Rights.

Notwithstanding the foregoing enforcement rights, the Association is not empowered to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Unit because of the failure of the Owner to comply with the provisions of this Declaration, the Bylaws or duly enacted Association Rules and Regulations for the operation and use of the Common Area and facilities, except by judgment of a court or a decision arising out of arbitration or because of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments duly levied by the Association.

A monetary penalty imposed by the Association as a disciplinary measure for failure of an Owner to comply with the provisions of this Declaration, the Bylaws or duly enacted Rules and Regulations for the operation and use of the Common Area and facilities, or as a means of reimbursing the Association for costs incurred in the repair of damage to the Common Area and facilities for which the Owner was allegedly responsible, or in bringing the Owner and his subdivision interest into compliance with this Declaration, cannot be characterized or treated as an assessment which may become a lien against the Owner's Unit enforceable by a sale of the Unit in accordance with the provisions of Sections 2924, 2924b and 2924c of the California Civil Code.

However, the immediately preceding prohibition does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments.

#### ARTICLE IV

##### POWERS AND DUTIES OF THE ASSOCIATION AND BOARD

###### Section 4.01. Management of the Project.

The management and control of the Project, from and after the conveyance of the first Condominium to a purchaser, shall be the responsibility of the Association, acting alone or through its Board of Directors, its officers or other duly authorized representatives or agents, in accordance with the provisions of this Declaration, the Articles, the Bylaws and such rules and regulations as may be adopted by the Board, and amendments, changes, modifications thereto as may come into effect from time to time. Such management and control shall transfer from Declarant to the Association on the conveyance of the first Condominium to a purchaser.

###### Section 4.02. Statement of Board Powers.

The Association, acting through its Board, shall have all the powers of a nonprofit mutual benefit corporation organized under the General Nonprofit Mutual Benefit Corporation Law of California, subject only to such limitations on the exercise of its powers as are set forth in the Articles, the Bylaws, and this Declaration. It shall have the power to do any lawful thing that 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 act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limiting the foregoing, the following:

a. Enacting reasonable rules and regulations to supplement this Declaration, the Articles and Bylaws as set forth in Article III, Section 3.05 hereinabove.

b. Enforcing the provisions of this Declaration, the Articles, Bylaws and Association Rules and Regulations relative to the management and control of the Project.

c. Paying nonsegregated taxes and assessments which are or could become a lien on the Common Area or a portion thereof.

d. Contracting for casualty, liability and other insurance on behalf of the Association, as more particularly set forth in Article VIII (Insurance) hereinafter.

e. Contracting for goods and/or services for the Common Area and facilities or for the Association, subject to the limitations set forth in Section 4.03 hereof.

f. Delegating its powers to committees, officers, managers or employees of the Association, as expressly authorized herein and in the Bylaws.

g. Preparing budgets and financial statements for the Association, as more particularly set forth in Article V (Assessments) hereinafter and in Article IX of the Bylaws.

h. Initiating and executing disciplinary proceedings against Members of the Association for violations of provisions of this Declaration, the Articles and Bylaws, subject to the notice and hearing provisions set forth in Article III, Section 3.06.

i. Entering any privately owned Unit as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common. However, unless the situation is an emergency, such entry shall be made only after at least three (3) days notice has been given to the Owner and any damage caused by such entry shall be repaired by and at the expense of the Association. The right of entry shall be immediate in the case of an emergency originating in or threatening the Unit or the Common Area, whether or not the Owner or occupant is present.

j. Electing officers of the Board.

k. Filling vacancies on the Board except for a vacancy created by the removal of a Board Member.

l. Maintaining the Common Area, all improvements thereon and all utilities thereunder (except those

maintained by public utility companies) in good, clean, attractive and sanitary order and repair.

m. Repainting the exterior surfaces of the buildings situated on the property, as such repainting is required, in order to preserve the attractiveness of the Project as a whole. Painting of exterior surfaces shall be deemed to include, but not be limited to, front doors, shutters, window trim, pot shelves, masonry, exterior walls, underneath sides of roof overhangs and garage doors.

n. Maintaining, repairing and re-roofing as necessary, the roofs of the buildings situated on the Project.

o. Bonding Members of the Board who directly participate in financial affairs of the Association.

p. Filing liens against Owners due to nonpayment of assessments duly levied by the Association and foreclosing said liens, as more fully provided in Article VI (Assessment Liens; Enforcement) hereinafter.

q. Settling or compromising any claim or cause of action (threatened or after suit is instituted) on behalf of the Association for damages, alleged or otherwise, to the Common Area.

r. Maintaining such policy or policies of insurance as required by Article VIII (Insurance) of this Declaration.

s. Paying all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

t. Contracting for security service for the Common Area.

u. Acting on behalf of the Association, the Board has the power to appoint or designate a trustee to enforce assessment liens by sale as provided in California Civil Code Section 1367(b).

v. Except in the case of an action to enforce the provisions of this Declaration, the Bylaws or the Association's Rules and Regulations or to collect assessments (in which case the Board may act by majority vote), the Board has authority to file a suit, or file a demand for arbitration, or incur litigation costs, or enter into a contingent fee contract with an attorney, whether pursuant to Code of Civil Procedure Section 374, or on behalf of Members, only after getting the vote at a duly noticed and properly

held Membership meeting of a majority of a quorum of the Members other than Declarant.

This section shall not be construed to limit the power of the Board to defend the Association and its officers, directors and Members against any suit. In any case where the Board determines that the Association's claim will be barred by an applicable statute of limitations by reason of the delay in obtaining the vote required above, and in any case where a quorum of Members other than Declarant was not obtained despite two (2) attempts to call a special meeting following proper notice requirements contained in applicable provisions of the Bylaws, a vote of Members approving the action described above shall not be required, provided that in such case a majority of the entire Board approves of the action.

w. Enforcing this Declaration, the Bylaws or the Association Rules and Regulations.

Section 4.03. Limitations on Authority.

The Board shall not take any of the following actions, except with the vote or written consent of a majority of the total voting power of the Association of a majority of members other than Declarant:

a. Entering into a contract with a third person, wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one (1) year, with the following exceptions:

i. a management contract, the terms of which have been approved by the Federal Housing Administration and/or the Veterans Administration;

ii. a contract with a public utility company if the rates charged for the services or materials are regulated by the Public Utility Commission; provided that, the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

iii. prepaid casualty and/or liability insurance policies not exceeding three (3) years duration; provided that, the policies permit for short-rate cancellation by the Association;

iv. lease agreements for laundry room fixtures and equipment not exceeding five (5) years; provided that, the lessor under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more;

v. agreements for cable television services and equipment or satellite dish television services and equipment not exceeding five (5) years duration; provided that, the supplier under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more; and

vi. agreements for the sale or lease of burglar alarm and/or fire alarm equipment not exceeding five (5) years duration; provided that, the supplier under the agreement is not an entity in which Declarant has a direct or indirect Ownership interest of ten percent (10%) or more.

vii. contracts for a term not exceeding three (3) years that are terminable by the Association after no longer than one (1) year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.

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

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

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

Section 4.04. Delegation of Authority by Board.

a. The Board, acting on behalf of the Association, may employ a manager or other person and may contract with independent contractors or managing agents to perform the duties and responsibilities of the Association, provided that such employment or contract may not exceed one (1) year in duration unless a longer term has been approved by the vote or written assent of a majority of the voting power and a majority of the votes residing in Members other than Declarant. Any management contract exceeding one (1) year in duration shall be terminable by the Board with cause upon thirty (30) days written notice or without cause or payment of a termination fee upon ninety (90) days written notice.

b. The Board may delegate their authority and powers to committees, officers and employees of the Association,

provided the Board shall not delegate the following responsibilities:

i. To make expenditures for capital additions or improvements chargeable against the reserve funds.

ii. To conduct hearings concerning compliance by an Owner or his tenant, lessee, guest, or invitee with the Declaration, Bylaws, or Association Rules and Regulations promulgated by the Board.

iii. To make a decision to levy monetary fines, impose special assessments against individual Condominiums, temporarily suspend an Owner's rights as a Member of the Association, or otherwise impose discipline.

iv. To make a decision to levy regular or special assessments. or

v. To make a decision to bring suit, record a claim of lien, or institute foreclosure proceedings for default in payment of assessments.

Section 4.05. Duties of the Association.

In addition to the powers delegated to it by this Declaration, and the Articles and Bylaws of the Association and without limiting their generality, the Association, acting by and through the Board, has the obligation to conduct all business affairs of common interest to all Owners and to perform each of the following duties:

To operate, maintain, and otherwise manage or provide for the operation, maintenance and management of the Common Area and all its facilities, improvements, and landscaping including any private driveways and private streets, if any, and any other property acquired by or subject to the control of the Association, including personal property, in a first-class condition and in a good state of repair. Any and all irrigation and drainage devices and equipment on the property shall at all times be the personal property of the Association and shall not become part of the real estate upon or in which it is located.

To enter into contracts for services or materials for the benefit of the Association or the Common Area.

To pay all real and personal property taxes and assessments and all other taxes levied against the Common Area, personal property owned by the Association or against the Association. Such taxes and assessments may be contested or compromised by the Association; provided, that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

To acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area and for Condominiums when the Condominiums are not separately billed.

To obtain, from reputable insurance companies, and maintain the insurance described in Article VIII (Insurance).

f. To perform such other acts, whether or not expressly authorized by this Declaration, that may be reasonably necessary to enforce any of the provisions of this Declaration, the Articles and Bylaws, and the Association Rules and Regulations.

g. To cause to be kept a complete record of all of its acts and to present a statement thereof to the Members at each annual meeting or at any special meeting.

h. To supervise all officers, agents, committees and employees of the Association and to see that their duties are properly performed.

i. To perform such other duties as may be set forth in this Declaration or the Bylaws to effectuate the responsible and efficient management and operation of the Project as a whole.

## ARTICLE V

### ASSESSMENTS

#### Section 5.01. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Condominium owned by him, and each owner of a Condominium, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees:

a. to pay to the Association regular assessments or charges, and special assessments for purposes permitted herein, such assessments to be established and collected as hereinafter provided; and

b. to allow [REDACTED] enforce any assessment lien established hereunder by nonjudicial proceedings under a power of sale or by any other means authorized by law. The regular and special assessments, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which each such assessment is made, the lien to

become effective upon recordation of a notice of delinquent assessment.

Each such assessment, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Condominium at the time when the assessment was levied. No Owner shall be exempt from liability for payment of assessments by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of the Owner's Condominium.

Section 5.02. Purpose of Assessments.

The assessments levied by the Association shall be collected, accumulated and used exclusively for the purpose of providing for and promoting the economic interests, pleasure, recreation, health, safety and social welfare of the Members, including the enhancement of the value, desirability and attractiveness of the Project, the improvement and maintenance of the Common Area for the common good of the Project and the discharge of any obligations or duties imposed on the Association by this Declaration.

Notwithstanding  
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OWNER'S  
INCURRED  
EXPENSES

Section 5.03. Regular Assessments.

a. Assessment Procedure.

Not more than sixty (60) days nor less than forty-five (45) days in advance of each fiscal year of the Association, the Board shall estimate the total Common Expenses to be incurred by the Association for the forthcoming fiscal year and shall, at the time, determine and fix the amount of regular assessments against each Condominium. [REDACTED] regular assessments shall be mailed or otherwise delivered to every Owner subject thereto, at least [REDACTED] days in advance of each assessment period. Each Owner shall thereafter pay to the Association his regular assessment in monthly installments.

[REDACTED] shall provide notice by first-class mail to each Owner of any increase in the assessments provided for in this Section 5.03 or Section 5.04 not less than thirty (30) days nor more than sixty (60) days prior to the increased assessment becoming due.

b. Date of Commencement.

Regular assessments against the Condominiums covered by this Declaration shall commence on the first day of the month following the conveyance of the first Condominium in the Project to a purchaser. Voting rights attributable to each Condominium shall not vest until assessments against that Condominium have been levied upon by the Association.

c. Amount of Payment.

The total estimated Common Expenses shall be divided among, assessed and charged to the individual Owners and their Condominium (including Declarant with respect to any Condominiums owned by Declarant) in proportion to each Owner's undivided interest in the Common Area as set forth on Exhibit "A" hereto. As and when the Association's budget shall increase or decrease, such assessments shall be adjusted so that the Owner of each Condominium bears the same relative proportion to the total budget as that initially borne as set forth on Exhibit "A" hereto.

i. The Board may increase the regular assessment for any fiscal year up to twenty percent (20%) above the regular assessment for the Association's preceding year but only if:

(a) the Board has complied with requirements of California Civil Code Section 1365(a) as it may be amended, as set forth in Section 9.07(d) of the Association's Bylaws or

(b) has obtained approval of said increase by the majority vote or written consent in person or by proxy, by the Members at a duly held meeting or election of Board members of the Association.

ii. The Board may not increase the regular assessment for any fiscal year more than twenty percent (20%) above the regular assessment for the Association's preceding fiscal year, unless it has obtained approval of said increase of more than twenty percent (20%) by a majority vote or written consent in person or by proxy, by members at a duly held meeting or election of Board members of the Association.

iii. The foregoing restrictions do not apply to any assessment increases necessary for emergency situations. For purposes of this subsection, an emergency situation is any one of the following:

(a) An extraordinary expense required by an order of a court.

(b) An extraordinary expense necessary to repair or maintain the Common Area or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.

(c) An extraordinary expense necessary to repair or maintain the Common Area or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual proforma operating budget. However, prior to the imposition

or collection of an assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of assessment.

d. Reserve Fund.

For the purposes of creating reserves to insure payment when due of the cost of expenditures relative to the repair and replacement of the Common Area equipment, fixtures and furnishings, an appropriate amount of the regular assessments collected in each fiscal year shall be set aside as a reserve fund. All such reserve contributions shall be collected in equal monthly installments, shall be accounted for separately, held in trust and used to pay for specific expenditures in such manner and at such times as the Board, acting in its discretion, shall determine. Immediately upon receipt, all such reserve contributions shall be deposited in a separate interest-bearing account(s), designated "Reserve Account" in any insured bank or savings and loan association, as determined by resolution of the Board.

i. Withdrawal of funds from the Association's reserve account shall require the signatures of either:

(a) two Members of the Board; or

(b) one Member of the Board and an officer of the Association who is not a Member of the Board.

ii. The Board shall not expend funds designated as reserve funds for any purpose other than:

(a) The repair, restoration, replacement or maintenance of major Common Area components for which the Association is obligated and for which the reserve fund was established, or

(b) Litigation involving use of reserve funds for the purposes set forth in (i) above.

iii. Notwithstanding the provisions of (i) and (ii) above the Board:

(a) May authorize the temporary transfer of money from the reserve account to meet short term cash flow requirements or other expenses in accordance with Section 8.02 of the Bylaws.

(b) Shall cause the transferred funds to be restored to the reserve account within one (1) year of the date of the initial transfer; however, the Board may, upon

making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interests of the Project, delay the restoration until such time it reasonably determines to be necessary. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

(c) Shall exercise prudent fiscal management in delaying restoration of the transferred funds to the reserve account and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits specified in (b) above. Any such special assessments shall not be subject to the limitations specified in Section 5.04.

iv. The Board shall do all of the following:

(a) At least once every three (3) years, cause a study to be conducted of the reserve account requirements, if the current replacement value of the major components is equal to or greater than one-half (1/2) of the gross budget for any fiscal year.

(b) Annually review the reserve account study and shall consider and implement necessary adjustments to its analysis of the reserve account requirements as a result of that review.

(c) Cause the reserve account study to include at a minimum:

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

(ii) Identification of the probable remaining useful life of the components identified in (i) above as of the date of the study.

(iii) An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in paragraph (i) during and at the end of its useful life.

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

e. Assessment Roll.

An assessment roll shall be accurately maintained and be available for inspection at all reasonable times by any Owner or his authorized representative. The assessment roll shall indicate for each Condominium, the name and address of the record Owner thereof, all assessments levied against him and his Condominium, and the amount of assessments, paid and unpaid.

At the request of any Owner, the Board shall provide such Owner with a statement of any delinquent assessments on the Owner's Condominium. It shall be the obligation of such Owner to provide a statement of delinquent assessments (if any exist) and a copy of the most recent financial statement of the Association to the purchaser of his Unit.

Section 5.04. Special Assessments.

a. If the Board determines that the estimated total amount of funds necessary to defray the Common Expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including without limitation, unanticipated delinquencies, unexpected repairs or replacements of improvements on the Common Area or facilities, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board it shall become a special assessment.

b. The Association may, in the discretion of the Board, prorate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each Condominium. As used herein, "special assessments" shall not include charges to or obligations of an Owner or group of Owners incurred as a result of action by the Association to bring the Owner or group of Owners or their Condominiums into compliance with the provisions of this Declaration, the Bylaws or Articles of the Association or Rules and Regulations for the operation and use of the Common Area and facilities. Such term shall however include assessments levied pursuant to Article IX (Damage or Destruction of Improvements).

c. The foregoing notwithstanding, except for special assessments levied pursuant to Article IX, any special assessment which, singularly or in the aggregate with previous special assessments for the fiscal year in which [REDACTED] a [REDACTED] assessment is levied [REDACTED] (5%) of the budgeted gross expenses of the Association for the fiscal year, [REDACTED] [REDACTED], in person or by proxy, by the Members at a [REDACTED] meeting or election of Members of the Association. [REDACTED] [REDACTED] as used in this subsection (c) shall [REDACTED] [REDACTED]

No EMERGENCY

d. The foregoing restrictions do not apply to any special assessment necessary for emergency situations. For purposes of this subsection, an emergency situation is any one of the following:

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

ii. An extraordinary expense necessary to repair or maintain the Common Area or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.

iii. An extraordinary expense necessary to repair or maintain the Common Area or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual proforma operating budget. However, prior to the imposition or collection of a special assessment under this subsection, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of special assessment.

iv. An extraordinary expense in making the first payment of the earthquake insurance surcharge pursuant to Section 5003 of the Insurance Code.

e. Special assessments shall be levied on the same basis as prescribed for the levying of regular assessments; provided that, special assessments against Owners to raise funds for the rebuilding or major repair of the structural Common Area housing the Units, shall be levied on the basis of the ratio of the square footage of the floor area of each Unit to be assessed in relation to the square footage of the floor area of all Units to be assessed.

Section 5.05. Deposit; Bank Accounts.

All sums received or collected by the Association from assessments, together with any interest attributable thereto, shall be promptly deposited in a checking or savings account (or both) in an insured bank or savings and loan association selected by the Board, which account(s) shall be clearly designated in the name of the Association. The Board and the manager, if any, shall have exclusive control of said account(s) and shall be responsible to the Owners for the maintenance of accurate records thereof at all times.

Section 5.06.                    Personal Liability for Assessments.

No Owner may waive or otherwise escape personal liability for the assessments provided for herein or release of the Condominium owned by him from the liens and charges hereof by nonuse of the Common Area or by abandonment of his Condominium.

Section 5.07.                    Late Charge and Interest.

Any assessment payment, including any installment payment, shall become delinquent if payment is not received by the Association within fifteen (15) days after its due date. There shall be a late charge of ten percent (10%) of the delinquent payment or Ten Dollars (\$10.00), whichever is greater. A late charge may not be imposed more than once on any delinquent payment, but it shall not eliminate or supersede any charges imposed on prior delinquent payments.

Interest also shall accrue on any delinquent payment at the rate of twelve percent (12%) per annum. Interest shall commence thirty (30) days after the assessment becomes due.

The Association may accept late payments and partial payments for assessments, late charges, interest, service charges, or any money due the Association which are marked "Payment in Full" (or similar language) without losing any rights under this Declaration, including the right to obtain full payment of the amount owed to the Association.

Section 5.08.                    Estoppel Certificate.

Within ten (10) days of the mailing or delivery of a written request by any Owner, the Board shall provide the Owner with a written statement containing the following information:

a. whether to the knowledge of the Association, the Owner or the Owner's Condominium is in violation of any of the provisions of this Declaration, the Articles, Bylaws, or Rules and Regulations;

b. the amount of regular and special assessments, including installment payments, paid by the Owner during the fiscal year the request is received; and

c. the amount of any assessments levied against the Owner's Condominium that are unpaid as of the date of the statement, including any late charges, interest, or costs of collection that as of the date of the statement are or may be made a lien against the Owner's Condominium as provided by this Declaration, the Articles, Bylaws or Rules and Regulations.

The Board may charge the Owner a fee to recover its reasonable costs in preparing the statement. Any prospective purchaser or Mortgagee of the Owners Condominium may rely on the information in this written statement, provided that reliance may not extend to any violation of the Declaration, the Articles, Bylaws or Rules and Regulations of which the Association does not have actual knowledge.

## ARTICLE VI

### ASSESSMENT LIENS; ENFORCEMENT

#### Section 6.01. Association's Powers to Sue and to Establish Assessment Lien.

The Association shall have the right to collect and enforce assessments. In addition to the enforcement powers heretofore described in this Declaration, and subject to the restriction on the enforcement of monetary penalties described in Article III, Section 3.06, the Association may enforce delinquent assessments, including delinquent installments, by suing the Owner directly on the debt established by the assessment, or by establishing a lien against the Owner's Condominium as provided in Section 6.02 hereof and foreclosing the lien through either judicial proceedings or nonjudicial proceedings under a power of sale as provided in Section 6.03 hereof.

The Association may commence and maintain a lawsuit directly on the debt without waiving its right to establish a lien against the Owner's Condominium for the delinquent assessment. In any action instituted by the Association to collect delinquent assessments, accompanying late charges, or interest, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

#### Section 6.02. Creation of Assessment Lien.

A delinquent assessment or installment, together with any accompanying late charges, interest, costs (including reasonable attorneys' fees), and penalties as may be authorized under this Declaration shall become a lien on the Condominium against which the assessment was levied from and after the recordation of a notice of delinquent assessment in the Office of the County Recorder of the County in which the Condominium is located.

The notice shall describe the amount of the delinquent assessment or installment, the related charges authorized by this Declaration, a description of the Condominium, the name of the Owner, and, if the lien is to be enforced by power of sale under nonjudicial foreclosure proceedings, the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice shall be signed by any officer of the

Association, or any employee or agent of the Association authorized to do so by the Board.

Unless the Board considers the immediate recording of the notice to be in the best interests of the Association, the notice shall not be recorded until fifteen (15) calendar days after the Association has delivered a written notice of default and demand for payment. If the delinquent assessment or installment and related charges are paid or otherwise satisfied, the Association shall record a notice of satisfaction and release of lien.

Section 6.03. Foreclosure Under Assessment Lien.

The Board may enforce any assessment lien established under Section 6.02 hereof by filing an action for judicial foreclosure, or, if the notice of delinquent assessment contained the name and address of the trustee authorized by the Association to enforce the lien by nonjudicial foreclosure, by recording a notice of default in the form described in California Civil Code Section 2924c(b)(1) to commence a nonjudicial foreclosure. Any nonjudicial foreclosure shall be conducted in accordance with the requirements of California Civil Code Section 2924, 2924b, 2924c, 2924f, 2924g, and 2924h that apply to nonjudicial foreclosures of Mortgages or deeds of trust. The sale shall be conducted by the trustee named in the notice of delinquent assessment or by a trustee substituted in accordance with the provisions of California Civil Code Section 2934a.

The Association may bid on the Condominium at the sale, and may hold, lease, Mortgage, and convey the acquired Condominium. If the default is cured before the sale, or before completing a judicial foreclosure, including payment of all costs and expenses incurred by the Association, the Association shall record a notice of satisfaction and release of lien, and on receipt of a written request by the Owner, a notice of rescission of the declaration of default and demand for sale.

Section 6.04. Cumulative Remedies.

The assessment lien and the right to foreclosure and sale thereunder shall be in addition to and not in substitution of all other rights and remedies which the Association may have hereunder and by law.

Section 6.05. Priority of Assessment Lien.

Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of the beneficiary of any first deed of trust or First Mortgage on any Unit therein made in good faith and for value, and such lien shall in no way defeat, invalidate or impair the obligation or priority of such first deed of trust or

First Mortgage unless the beneficiary thereof shall expressly subordinate his interest in writing to such lien.

Each holder of a First Mortgage lien on a Unit who comes into possession of the Unit by virtue of foreclosure, or any purchaser at a foreclosure sale of a first deed of trust or First Mortgage, shall take the Unit free of any claim for unpaid assessments and charges against the Unit which accrued prior to the time the holder comes into possession of the Unit. No transfer of the Unit as a result of a foreclosure or exercise of a power of sale shall relieve the new Owner, whether it be the former beneficiary of the first deed of trust or First Mortgage, or another person, from liability for any assessments thereafter becoming due nor from the lien thereof.

Section 6.06. Rights of Board; Waiver by Owners.

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

Section 6.07. Waiver of Homestead Exemption.

Each Owner does hereby waive to the fullest extent permitted by law, with respect only to liens created pursuant to this Declaration, the benefit of any homestead or exemption or redemption laws of the State of California in effect at the time any payment of any assessment become delinquent as herein provided, and such Owner shall be deemed to be estopped to raise said homestead or other exemption or redemption in any action or proceeding to enforce or foreclose such liens.

  
USE RESTRICTIONS

So as not to interfere with or have a reasonable likelihood of interfering with, the rights of other Owners to the peaceful and quiet enjoyment of their property, the following use restrictions shall be applicable:

Section 7.01. Single Family Residential Use.

No Owner shall occupy or use his Unit or permit the same or any portion thereof, to be occupied or used for any purpose other than as a residential Condominium. No industry, business, trade, occupation or profession of any kind, whether commercial or otherwise designed for profit, shall be conducted,

maintained or permitted in any Unit, except professional and administrative occupations without external evidence thereof, so long as such occupations are in conformance with local governmental ordinances and are merely incidental to the use of the Unit as a single family residential Condominium. The leasing or renting by an owner of his unit for residential purposes shall not be deemed to constitute a nonresidential use by such owner.

The use and occupancy of a Unit either by an owner or a tenant shall be by no more persons than can be reasonably and comfortably accommodated therein; the terms "reasonably and comfortably accommodate therein" shall mean no more than two (2) persons per bedroom per unit. Neither a den nor a living room nor a dining room or dining area shall be considered a bedroom. It is the intent herein to limit occupancy based upon the number of bedrooms in each of the units.

Any owner who undertakes a move into a unit or a move out of a unit, including such moves which relate to a tenant under a lease or rental agreement and which are undertaken by such tenant, shall be subject to payment of a fee of \$500.00 for each such move in order to cover the expense of the Association for normal wear and tear repairs to the common areas generally affected by such moves. Such fees shall constitute an assessment of the Association and as such shall be subject to the provisions of this Declaration regarding payment, collection and enforcement of assessments. No owner shall, by payment of the above fee, be relieved of the obligations set forth in this Declaration regarding liability for damage or destruction of the common areas, the repair expense of which exceeds said \$500.00.

The lease by an Owner of his Unit for residential purposes shall not be deemed to constitute a nonresidential use by such Owner. The use and occupancy of a Unit shall be by no more persons than can be reasonably and comfortably accommodated therein. Units owned by the Declarant may be used by the Declarant or his designees, as models, sales offices and construction offices for the purpose of developing, improving or selling or leasing Condominiums in the Project for a period of three (3) years from the date of issuance of the Final Subdivision Public Report by the State of California Department of Real Estate or the sale of all the Units within the Project, whichever event occurs earlier.

Section 7.02. Leasing or Renting of Condominium.

Nothing in this Declaration shall prevent an Owner from leasing or renting his Condominium but not on a "time-share" or transient (which shall mean not less than a thirty (30) day period) basis. Any lease or rental agreement shall be in writing and shall be subject to all provisions of this Declaration, the Bylaws and Association Rules and Regulations whether they are included within the lease or not. Any lease or rental agreement

must specify that failure to abide by the provisions of the Declaration, Bylaws, and Association Rules and Regulations shall be a default under the lease or rental agreement. Any Owner leasing or renting his Condominium shall additionally:

a. be liable to the Association for all obligations contained in this Declaration, including the obligations to pay assessments in respect to his Condominium;

b. be liable to and responsible to the Association for any violation of this Declaration, the Bylaws or Association Rules and Regulations, committed by his renter or lessee (or any persons entering his Condominium with the permission of or at the request of his renter or lessee);

c. be deemed to have agreed, in connection with such renting or leasing, that upon being requested so to do by the Association he will forthwith and immediately take such action or actions including the institution of proceedings in unlawful detainer in respect to his renter or lessee as may be necessary or required to cause such renter or lessee to fully comply with each and all of the terms and provisions of this Declaration, the Bylaws, Association Rules and Regulations, and resolutions of the Board (and, upon failing to take such action or actions, the Board upon behalf of the Association may then take such action or actions, including the institution of proceedings in unlawful detainer, if required, against such renter or lessee, and the costs of all such action or actions taken by the Association, including reasonable attorney's fees and costs of suit shall be charged to such Owner and the Association may obtain reimbursement therefor by any remedy set forth in this Declaration or at law); and

d. be deemed to have agreed to save, hold harmless, indemnify and defend the Association of and from any and all claims, demands, actions, causes of action, liabilities, damages and expenses arising out of, or incurred as a result of, the leasing or renting by such Owner of his Condominium, together with all costs and expenses including reasonable attorneys' fees resulting therefrom.

Prior to renting or leasing his Condominium, an Owner shall obtain and deliver to the Board from his proposed renter or proposed lessee a written statement to the effect that such renter or lessee agrees to be bound by, and abide by, each and all of the terms and provisions of this Declaration, the Bylaws, Association Rules and Regulations, and resolutions of the Board, which written statement may, if such Owner desires, be contained in the written rental agreement or lease. If no such written statement is obtained by the Owner, the lease shall be presumed to be subject to the provisions of this Declaration, the Bylaws and Association Rules and Regulations.

Section 7.03.

Maintenance of Units.

Each Owner shall maintain, in good repair, and in a clean, sanitary, workable and attractive condition, the interior of his Unit and shall have the responsibility for the maintenance and repair of glass, doors leading to the Common Area, locks and screens and shall have the exclusive right, at his sole cost, to paint, paper, drape, carpet and tile (as hereinafter conditioned) and otherwise refinish and decorate the inner surfaces of the walls, ceilings, windows, floors and doors bounding his Unit, subject to the following provisions:

a. Window Treatments.

So as to preserve aesthetic integrity and attractiveness of the project as a whole, the style and color of the off-white vertical blinds installed by the Declarant as of the date of recordation of this Declaration shall be the only type used when replacement by a unit owner is required, it being the Declarant's intent to prohibit from the exterior view of the project any different and unharmonious window treatment. However, should an owner, at his expense desire to purchase and install draperies as other window treatments within his unit and to the interior of the required exterior off-white vertical blinds, he may do so but only if such interior window treatment is not visible from the exterior of the project. Off-white mini blinds installed by Declarant in the small windows of Units 104, 105, 204, 205, 304 and 305 shall follow the same requirements set forth herein.

b. Floor Coverings.

Carpet and sound deadening padding shall be required in all areas of the units above the first-floor level of the building, with the exception of the entryway, kitchen and bathroom areas, so as to achieve as much acoustical privacy as possible. Installation of hardwood flooring, marble, ceramic tile or other hard floor coverings by owners of units on the first-floor level shall be permitted.

c. Sound Systems.

Sound system loudspeakers shall not be rigidly attached to the ceilings, walls, shelves or cabinets so as to introduce vibrational energy into the Unit. Suitable mounting and/or vibrational isolation shall be incorporated to preclude such occurrence.

d. Water Bed Restrictions.

No water beds shall be permitted except in ground floor bedrooms.

e. [REDACTED]

Wherever a patio and/or balcony is attached to a Unit, the Owner shall not have the right, without the prior written approval of the Board or its designee, to paint, alter, remodel or enclose, any such patio and/or balcony, and then only in a manner which does not impair the uniform appearance of such patio and/or balcony in comparison with other patios and/or balconies within the Project.

Each Owner of a Unit which has a patio and/or balcony attached to it shall have the right to furnish such patio or balcony with outdoor furniture in keeping with the architecture of the Project and reasonable family use, and shall keep such patio or balcony in a clean and sanitary condition. In no event shall unsightly objects be placed or stored on a patio or balcony where they may be seen by other Owners from their Units, their patios or balconies, or when using the Common Areas, or by the public in general.

Section 7.04. Distinguishing Maintenance Responsibilities.

With respect to the maintenance, repair and/or replacement of all furnishings, fixtures, equipment and machinery not owned by or under the control of the Association nor owned solely by any Owner, including but not limited to carpeting, other floor coverings, drapes, blinds, shutters, shades, curtain rods or devices, plumbing fixtures, electrical fixtures, electric outlets and/or switches, gas or electric heaters, hot water heaters, furnaces, gas or electric air conditioners or coolers, thermostats or other controls, humidifiers, fans, gas or electric ovens or ranges, gas or electric refrigerators, gas or electric washers or dryers, wires, pipes, conduits, vents, flues, dampers, locks, windows (glass or otherwise), security or warning devices, railings, cabinets, countertops, tile, plaster or plaster board, door, window, cabinet and other hardware, the following rules shall apply:

a. To the extent that the same is situated within the boundaries of any Unit and is intended by size, design, capacity and location primarily for the use of the occupants thereof and to service a particular Unit, the Owner of the Unit shall conduct such maintenance, repair and replacement and shall bear the cost and expense of the same without reimbursement by the Association or any other Owner, provided that such Owner shall be entitled to the benefit of the proceeds of any insurance policy insuring damage or destruction thereof under Article IX (Damage or Destruction of Improvements), or otherwise.

b. To the extent that the same is situated in the Common Area(s), outside the boundaries of a Unit, and is intended by size, design, capacity and location to service more than one Unit or is so intended for the use and convenience of all

of the Owners, the Association shall conduct such maintenance, repair and/or replacement of its cost and expense without reimbursement from any Owner.

c. Notwithstanding anything to the contrary herein and for all other purposes, except as the same may have been separately acquired by any Owner, all such furnishings, fixtures, equipment and machinery shall nevertheless be deemed a part of and included in the Common Area(s).

d. In the event of any dispute as to the meaning or intent of or as to whether an Owner or the Association shall be liable for the maintenance, repair or replacement of any of the furnishings, fixtures, equipment or machinery contemplated under this Section 7.04, the determination of the Board shall be conclusive as to all Owners.

Section 7.05.                    No Offensive Activity; Compliance with Laws.

No noxious, offensive or illegal activity shall be carried on, nor shall anything be done or placed in or on any Unit or in or on any portion of the Common Area which is or may become a nuisance, or cause unreasonable noise, embarrassment, disturbance or annoyance to other Owners in the use and enjoyment of their Units or of the Common Area or in the use and enjoyment of their property which shall in any way increase the rate of insurance for the Project or cause any insurance policy to be cancelled or to cause a refusal to renew the same. 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 Project, shall be placed in or used in or upon any portion of the Project. This Section shall not preclude the use and operation of stereos, radios, televisions, or musical instruments where the volume is maintained at a reasonable level.

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

Section 7.06.                    Signs.

The Owner of a Unit, or his agent, may display a sign advertising his Unit for sale or lease, only in the manner pursuant to the provisions of this Section 7.06. A common sign post shall be provided for display of signs on the exterior grounds of the project. Signs "FOR SALE" and "FOR LEASE" may only be displayed from the common sign post. Any sign must be approximately six (6) inches in height by thirty-two (32) inches in width with white lettering on a dark background. Individual signs must be procured at the expense of the owner.

Signs should indicate, at a minimum, the name and telephone number of the person or real estate agency to be contacted for information on the unit for sale or lease. The only exception may be a single "OPEN HOUSE" sign which may be displayed from the exterior grounds of the project only during hours which an open house is in process. The Board of Directors shall have the authority to remove signs not complying with the above specification. No sign, notice, name place, card or advertisement of any kind shall be displayed to the public view on or from any unit (including, without limitation, on any window).

Nothing contained in this Section 7.06. shall prohibit or restrict Declarant's right to construct such promotional signs or other sales aids on or about the Project premises or to use one or more Units as a model(s); provided that, such use shall not unreasonably interfere with the use of the Common Area by the other Unit Owners; and provided that such use shall terminate no later than three (3) years after the issuance of the Final Subdivision Public Report by the State of California Department of Real Estate.

Section 7.07.                    Exterior Alteration.

Except as may be provided for in Sections 7.03 and 7.04, the Board or its duly authorized agent shall have the exclusive right to paint, repair, maintain, alter or modify the exterior door surfaces, exterior of balconies, railings, roofs and all installations and improvements relating to the Common Area. No Owner, without prior written Board approval, shall be permitted to do or have done any such work. The restrictions set forth in this Section shall not apply to the initial construction of the Project or renovation of improvements thereto made by Declarant.

Section 7.08.                    Structural Alterations.

Nothing shall be done in, on, or to any Unit or any portion of the Common Area which might impair the structural integrity of any building or any portion thereof.

Section 7.09.                    Liability of Owners.

Each Owner shall be liable to the Association for any damage to the Common Area which may be sustained by the negligence or willful misconduct of said Owner or Members of his family, or his tenants, social guests, employees, servants, agents, or invitee, and shall be assessed by the Board for the repair or replacement thereof. In the event of any damage or destruction to any portion of the Common Area caused by any negligent or malicious act or omission of any Owner, or by any Member of his family or his guests, tenants, servants, employees, agents or invitee, the Board shall immediately cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not covered or reduced by insurance proceeds paid to or

received by the Association) shall be assessed and charged solely to and against said Owner.

Said assessment shall be made by written notification from the Board to the Owner and shall be payable in full to the Association within thirty (30) days following such notice, unless the Board, after conducting a hearing, if any, determines that said assessment is not warranted. In the event that any Owner fails to pay for damages assessed to him as a result of damage to the Common Area sustained by the negligence or willful misconduct of said Owner or Members of his family, or his tenants, lessees, social guests, employees, servants, agents, or invitee, then the Board shall have the right to pursue its available legal rights and remedies in order to satisfy said obligation. In the event that the Board resorts to legal proceedings in order to satisfy said Owner's obligations provided for in this Section, then said Owner shall be liable for all costs and attorneys' fees in connection therewith.

Section 7.10. Personal Injury.

In the event of personal injury or property damage sustained by any person while physically within the Unit of any Owner and in the further event any other Owner shall be sued or a claim made against him for injury or damage, the Owner of the Unit in which the injury or damage occurs shall indemnify and hold harmless all such other Owners against which a claim may be made and shall further defend all such other Owners, at his own expense (to the extent such expense is not covered by his insurance) in the event of litigation of the claim; provided that, such protection shall not extend to any other Owner whose own negligence or willful misconduct may have caused or contributed to the cause of the injury or damage.

Section 7.11. No Drilling/Mining Operations.

The use of any portion of the property for drilling operations, mining or quarrying of any kind, including without limitation, oil well drilling, boring for water or mining operations of any kind, is prohibited.

Section 7.12. Antennae and External Fixtures.

No television antennae, radio poles, dish antennae, flag poles, clotheslines, or other external fixtures other than those originally installed by Declarant, if any, or any replacements shall be constructed, erected or maintained on or within the Common Area without prior written approval by the Board. In considering whether to approve applications, the Board shall consider and give great weight to considerations of aesthetics and uniformity of appearance and potential structural damage and potential for water leaks. No wiring, insulation, air-conditioning, or other machinery or equipment other than that

originally installed by Declarant or any replacements shall be constructed, erected or maintained on or within the Common Area, including any structures on it.

Each Owner shall have the right to maintain television or radio antennae within the completely enclosed portions of his Unit so long as it is not visible from the exterior of the Unit. However, if cable television is or becomes available to an Owner, his right to maintain television antennae within completely enclosed portions of his Unit may be terminated by the Board. The location of common antennae or connection facilities for cable television serving more than one Unit shall be as designated by the Board and each Unit and its Owner shall be subject to the right of other Owners or the Board to install, use and maintain such common antennae or facilities.

Section 7.13. Vehicle Restrictions.

No automobile, truck (other than standard size pickup truck or standard size van), trailer, camper, mobilehome, recreational vehicle, or any other similar vehicle shall be permitted to be parked, stored or remain on any portion of the Common Area garage other than completely within an Owner's parking space(s).

No Owner, nor any Member of his family, nor his tenants, guests, invitee, agents, licensees, servants or employees shall park or cause to be parked any vehicle in such a manner as to impede or prevent ready access to any entrance or exit of any building, or any of the parking spaces as designated in the Condominium and/or Parking Plan by another vehicle. No Owner shall permit any Member of his family, or his guests, tenants, agents, licensees, servants or employees to use any of the parking spaces, 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 Project, except for emergency repairs thereto to the extent necessary for the movement thereof to a proper repair facility.

Each owner shall be responsible for the cleanliness of their parking space(s) which shall include the owners responsibility for cleaning the oil drippings. Car washing in the Common Area garage shall be prohibited.

The Board may establish rules and regulations from time to time for the parking (or nonparking) of vehicles in the Common Area garage.

Section 7.14. Pets.

No reptile or animal of any kind shall be raised, bred or kept in any Unit, or in any Common Area, except that one (1) dog or one (1) cat, neither of which exceed twenty

(20) pounds in weight, or fish in aquariums and birds inside bird cages may be kept as household pets; provided that no bird, reptile or animal of any kind shall be kept, bred or maintained (i) for any commercial purpose, or (ii) for any purpose if there would be involved an odor or noise which in the Board's opinion would unreasonably disturb the use and enjoyment of any portion of the project by other owners.

The owner of any pet shall and does hereby indemnify all other owners, their tenants, the Association, its Board of Directors, officers, the Manager and his 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 project. Any inconvenience, damage or injury caused by such domestic pet or pets shall be the responsibility of the owner to whom such pet belongs. In no event shall any such domestic pet or pets be permitted in or on any portion of the Common Area unless carried or on a leash. It shall be the responsibility and duty of each owner to clean up after his pet which has soiled any portion of the Common Area.

Section 7.15.            Trash Disposal.

Trash, garbage or other waste shall be kept only in sanitary containers and shall be regularly removed from the Project and shall not be allowed to accumulate thereon. No Owner shall permit or cause any trash or refuse to be kept on any portion of the Project other than in the receptacles customarily used for it, which shall be located only in places specifically designated for such purpose except on the scheduled day for trash pickup.

Section 7.16.            Enforcement.

The failure of any Owner to comply with any provision of this Declaration, the Articles or Bylaws of the Association or the Rules and Regulations of the Association shall give rise to a cause of action by the Association and any aggrieved Owner for the recovery of damages or for injunctive relief, or both.

## ARTICLE VIII

### INSURANCE

To the extent such insurance is reasonably obtainable, the Association shall obtain and maintain the following insurance:

#### Section 8.01. Types of Insurance.

The Association shall obtain and maintain the following insurance:

a. (1) A comprehensive public liability insurance insuring the Association, any manager, the Declarant and the Owners and occupants of Condominiums, and their respective family Members, guests, invitee, and the agents and employees of each, against any liability incident to the Ownership or use of the Common Area or any other Association-owned or maintained real or personal property and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured and (2) individual liability insurance for officers and directors of the Association for negligent acts or omissions of those persons acting in their capacity as officers and directors.

The limits of such insurance shall not be less than Two Million Dollars (\$2,000,000.00) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for nonowned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to Projects similar in construction, location, and use.

b. A master or blanket policy of fire insurance coverage for the full insurable value of all of the improvements, equipment and fixtures within the Project, including the Units as originally constructed. The form, content and term of the policy and its endorsements and the issuing company must be satisfactory to all First Mortgagees. If more than one First Mortgagee has a loan of record against a Condominium in the Project, the policy and endorsements shall meet the maximum standards of the various First Mortgagees represented in the Project.

To the extent available the policy shall contain an agreed amount endorsement or its equivalent; an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or their equivalent; an extended coverage endorsement; vandalism, malicious mischief coverage; a special form endorsement; and a determinable cash adjustment clause or a similar clause to permit cash

settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the Board. The policy shall name as insured the Association, the Owners and Declarant, as long as Declarant is the Owner of any Condominium, and all Mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee hereafter described.

c. Worker's compensation insurance to the extent required by law or such greater amount as the Board deems necessary. The Association shall obtain a Certificate of Insurance naming it as an additional insured in regard to worker's compensation claims from any independent contractor who performs any service for the Association, if the receipt of such a Certificate is practicable.

d. To the extent such insurance is available at [REDACTED], fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible for handling funds of the Association. Such fidelity bond or insurance shall name the Association as obligee or insured and shall be written in an amount equal to not less than three (3) months' assessments (including reserves) and shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression.

e. Flood insurance if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area.

f. Such other insurance [REDACTED] in its discretion, considers necessary or advisable. The Board shall annually determine whether the amounts and types of insurance it has obtained, provide adequate coverage as required by this Declaration.

Section 8.02. Premiums and Proceeds.

Insurance premiums for any such insurance coverage obtained by the Association pursuant to Section 8.01 and such other insurance deemed necessary by the Board, shall be a Common Expense to be included in the regular assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in Article IX (Damage or Destruction of Improvements). The Board is hereby granted the authority to negotiate loss settlements with appropriate insurance carriers. A majority of the Board may sign a loss claim form and release form in connection with the settlement of a loss claim and such signatures shall be binding on the Association and the Members.

Section 8.03.            Provision Appointing Trustee.

All fire and casualty insurance proceeds payable under Section 8.01 for losses to real property and improvements, subject to the rights of Mortgagees under Article XIV (Protection of Mortgagees), may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the County in which the Project is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.

Section 8.04.            Individual Fire Insurance Limited.

Except as provided in this Section, no Owner shall separately insure his Condominium against loss by fire or other casualty covered by any insurance carried under Section 8.01. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under policies described in Section 8.01 that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance, and such Owner will be liable to the Association to the extent of any such diminution. Any Owner can insure his personal property against loss. In addition, any improvements made by an Owner within his Condominium may be separately insured by the Owner, but the insurance is to be limited to the type and nature of the coverage commonly known as "condominium owners" or "tenants improvements." All such insurance that is individually carried must contain a waiver of subrogation rights by the insurer as to other Owners, the Association, Declarant and First Mortgagees of such Condominiums.

Section 8.05.            Authority to Adjust Losses.

The Association is authorized to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 8.01. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Section 8.06.            Owner's Liability Insurance.

Any Owner may carry whatever personal liability and property damage liability insurance with respect to his or her Condominium that he or she desires. However, any such policy shall include a waiver of subrogation clause acceptable to the Board and to any First Mortgagee.

Section 8.07.                    Distribution to Mortgagees.

Subject to the provisions of Article XIV (Protection of Mortgagees), any Mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the Mortgage of such Mortgagee.

Section 8.08.                    FNMA/FHLMC Requirements.

Notwithstanding the foregoing provisions of this Article VIII, the amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insured, the loss payees, standard Mortgage clauses, and notices of changes or cancellations) shall satisfy the minimum requirements imposed for this type of Project by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") or any successor thereto. If the FNMA or FHLMC requirements conflict, the more stringent requirement shall be met. If FNMA and FHLMC do not impose requirements on any policy required hereinabove, the term, amount, and coverage of such policy shall be no less than that which is customary for similar policies on similar Projects in the area.

Section 8.09.                    Annual Notification to Owners.

The Association shall, upon issuance or renewal of insurance, but no less than annually, notify its owners as to the amount and type of insurance carried by the Association, and it shall accompany this notification with statements to the effect that the Association is or is not insured for no less than Two Million Dollars (\$2,000,000.00) (1) general liability of the Association and (2) individual liability of officers and directors of the Association for negligent acts or omissions of those persons acting in their capacity as officers and directors, and that if not so insured, owners may be individually liable for the entire amount of a judgement, and if the Association is insured for no less than Two Million Dollars (\$2,000,000.00) (1) general liability of the Association and (2) individual liability of officers and directors of the Association for negligent acts or omissions of those persons acting in their capacity as officers and directors, then the owners may individually liable only for their proportional share of assessments levied to pay the amount of any judgement which exceeds the limits of the Association's insurance.

## ARTICLE IX

### DAMAGE OR DESTRUCTION OF IMPROVEMENTS

Section 9.01.            Destruction; Proceeds Exceed 85% of Reconstruction Costs.

If there is a total or partial destruction of any of the improvements in the Common Area, and if the available proceeds of the insurance carried pursuant to Article VIII (Insurance) are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, Members then holding at least seventy-five percent (75%) of the total voting power of each class of Members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Association shall be required to execute, acknowledge and record in the Office of the County Recorder not later than one hundred twenty (120) days from the date of destruction, a certificate declaring the intention of the Members to rebuild.

Section 9.02.            Destruction; Proceeds Less than 85% of Reconstruction Costs.

If the proceeds of insurance carried pursuant to Article VIII (Insurance) are less than eighty-five percent (85%) of the costs of repair and reconstruction, repair and reconstruction shall take place unless, within ninety (90) days from the date of destruction, Members then holding at least sixty-seven percent (67%) of the total voting power of each class of Members present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Association shall execute, acknowledge and record in the office of the County Recorder not later than one hundred twenty (120) days from the date of destruction a certificate declaring the intention of the Members to rebuild.

Section 9.03.            Apportionment of Assessments for Reconstruction.

If the Members determine to rebuild, pursuant to Sections 9.01 or 9.02, each Owner shall be obligated to contribute his proportionate share of the cost of repair or reconstruction over and above the available insurance proceeds. The proportionate share of each Owner shall be based upon the ratio the square footage of the floor area of his Unit bears to the total square footage of the floor area of all Units. If any Owner fails or refuses to pay his proportionate share, the Association may levy a special assessment against the Condominium of such Owner which

may be enforced under the lien provisions contained in this Declaration.

Section 9.04. Rebuilding Contract.

If the Members determine to rebuild, the Association or its authorized representative shall obtain bids from at least two reputable contractors and shall award the repair and reconstruction work to the lowest bidder that otherwise meets the requirements set forth by the Association in soliciting bids. The Association shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and any insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the Association to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

Section 9.05. Rebuilding Not Authorized.

If the Members determine not to rebuild, then any insurance proceeds then available for rebuilding shall be used or distributed as follows:

a. Purchase by Association. If, prior to the expiration of one hundred twenty (120) days from the date of destruction, seventy-five percent (75%) of all Owners and First Mortgagees with Mortgages encumbering Condominiums in the Project consent by vote or in writing, the Board acting on behalf of the Association shall have the right to purchase the Condominiums of which the Units were rendered uninhabitable by such damage or destruction at the fair market value thereof immediately prior to the damage or destruction (as determined pursuant to Section 9.07), using the available proceeds of insurance for such purpose. The Board's decision as to whether or not a Unit is uninhabitable shall be final and binding on all parties.

Any payment of the purchase price shall be made jointly to the selling Owner and all Mortgagees of his Condominium and each Owner by accepting a deed to a Condominium agrees to be bound by these provisions and to sell his Condominium by grant deed to the Association as provided herein. Concurrently with such purchase, the Association, acting as attorney-in-fact of all Owners shall amend the Condominium Plan, the Subdivision Map (if necessary) and this Declaration to eliminate from the Project the Condominiums so purchased and to adjust the undivided Common Area Ownership interest of the remaining Owners to reflect the reduced number of Condominiums in the Project and the Association shall convey to each remaining Owner a proportionate share of the undivided interests in the Common Area represented by the Condominiums purchased, which proportion shall be in the ratio that each remaining Owners' undivided interest in the Common Area bears to all remaining Owners' undivided interest in the Common Area.

b. Notwithstanding the determination not to rebuild pursuant to Sections 9.01 or 9.02, any Units which are not rendered uninhabitable shall be repaired and reconstructed to a condition as near as possible to their condition immediately before such damage or destruction. Such repair and reconstruction shall be paid for first, from the insurance proceeds remaining after the purchase of Units pursuant to Section 9.05(a), if any, and second, from a special assessment levied against all remaining Owners in the Project in the manner described in Section 9.03 (but without the consent or approval of Members, despite any contrary provisions in this Declaration).

c. Procedure if Purchase Not Authorized. If the required seventy-five percent (75%) of all Owners and First Mortgagees do not consent to purchase of the Condominiums of which the Units were rendered uninhabitable, the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to the relative fair market values of their Condominiums determined pursuant to Section 9.07.

The Association shall have the duty, within one hundred twenty (120) days from the date of destruction, to execute, acknowledge and record in the office of the County Recorder, a certificate declaring the intention of the Members not to rebuild. On recordation of the certificate, the right of any Owner to partition through legal action as described in Article XI (Partition) shall revive immediately.

Section 9.06. Minor Repair and Reconstruction.

The Association shall have the duty to repair and reconstruct improvements, without the consent of Members and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed Five Thousand Dollars (\$5,000.00) in the case of improvements to a Unit and Twenty-Five Thousand Dollars (\$25,000.00) in the case of Common Area improvements. The Association is expressly empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Section 9.03 (but without the consent or approval of Members, despite any contrary provisions in this Declaration).

Section 9.07. Fair Market Value.

Wherever in this Article IX reference is made to a determination of the relative fair market value of one or more Condominiums, it shall mean the relative fair market value of each such Condominium as of a date immediately prior to any damage or destruction as determined by an appraisal by an independent licensed appraiser selected by the Association, who shall be a Member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such

other organization's standards in determining the relative fair market value of each such Condominium. The cost of such appraisal shall be paid from the insurance proceeds.

## ARTICLE X

### CONDEMNATION

#### Section 10.01. Sale by Unanimous Consent or Taking.

If an action for condemnation of all or a portion of the Project is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all First Mortgagees, the Project, or a portion of it, may be sold and conveyed to the condemning authority by the Association or its designees acting as the attorney-in-fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Condominium in the Project grants to the Association and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board. If the requisite number of Owners or First Mortgagees do not consent to a sale of all or a portion of the Project, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

#### Section 10.02. Distribution of Sale Proceeds or Condemnation Award.

a. Total Sale or Taking. If there is a total sale or taking of the Project, meaning a sale or taking (i) that renders more than fifty percent (50%) of the Units uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking); or (ii) that renders the Project as a whole uneconomical as determined by the vote or written consent of sixty-seven percent (67%) of those Owners and their respective First Mortgagees whose Units will remain habitable after the taking, the right of any Owner to partition through legal action as described in Article XI (Partition) shall revive immediately.

However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Project, together with the proceeds of any sale pursuant to a partition action, after payment of all expenses relating to the sale, taking, or partition action, shall be paid to all Owners and to their respective Mortgagees in the proportion to the fair market value of all Condominiums in the Project. The fair market value of Condominiums shall be determined in the condemnation action, if such be instituted, or by an appraiser pursuant to Section 10.03.

b. Partial Sale or Taking. In case of a partial sale or taking of the Project, meaning a sale or taking that is not a total taking as described in (a) hereinabove, the proceeds from the sale or taking shall be paid or applied in the following order of priority, and any judgment of condemnation shall include the following provisions as part of its terms:

i. To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then

ii. To Owners and their respective Mortgagees, as their interests may appear, of Condominiums in the Project whose Units have been sold or taken, an amount up to the fair market value of such Condominiums as determined by the Court in the condemnation proceedings or by an appraiser selected by the Board, who meets the qualifications described in Section 10.03, less such Owner's share of expenses paid pursuant to the preceding subsection (i) (which share shall be in proportion to each Owner's undivided interest in the Common Area). After such payment, the recipient shall no longer be deemed an Owner, and the Board or individuals authorized by the Board, acting as attorney-in-fact of all Owners shall amend the Condominium Plan, the Subdivision Map (if necessary), and this Declaration to eliminate from the Project the Condominiums so sold or taken and to adjust the undivided Ownership interest of the remaining Owners in the Common Area based upon the ratio that each remaining Owner's undivided interest bears to all the remaining Owner's undivided interest in the Common Area; then

iii. To any remaining Owner and to his or her Mortgagees, as their interest may appear, whose Condominium has been diminished in fair market value as a result of the sale or taking disproportionately to any diminution in value of all Condominiums, as determined pursuant to Section 10.03, but as of a date immediately after any announcement of condemnation, an amount up to the total diminution in value; then

iv. To all remaining Owners and to their respective Mortgagees, as their interest may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Condominium bears to the fair market value of all remaining Owners' Condominiums as determined by the Court in the condemnation proceeding or by an appraiser pursuant to Section 10.03.

Section 10.03. Fair Market Value as Appraisal Standard.

Where in Section 10.02 reference is made to a determination of the value or fair market value of one or more Condominiums, it shall mean the relative fair market value of each such Condominium as of a date immediately prior to the announcement

of condemnation, as determined by an appraisal by an independent licensed appraiser selected by the Association, who shall be a Member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale proceeds.

## ARTICLE XI

### PARTITION

#### Section 11.01. Suspension.

Except as expressly provided in this clause, an Owner shall have no right to partition or divide his or her Ownership of the Common Area. Partition of the Common Area can be had on a showing that the conditions to such partition as stated in Article IX (relating to damage or destruction) or in Article X (relating to condemnation) or in California Civil Code 1359(b) have been met. Nothing in this Declaration shall prevent partition of a cotenancy in a Condominium.

#### Section 11.02. Distribution of Proceeds.

Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owners' Condominium bears to the fair market value of all Owners' Condominiums determined as provided in Section 10.03, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Area.

#### Section 11.03. Power of Attorney.

Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Project, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Project may be had under California Civil Code Section 1359 and under the circumstances authorizing partition under this Declaration.

The power of attorney shall (i) be binding on all Owners, whether they assume the obligations under this Declaration or not; (ii) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of all first Mortgagees; and (iii) be exercisable only after recordation with the County Recorder of a certificate executed by those who have

power to exercise the power of attorney that the power of attorney is properly exercisable under the authority of this Declaration. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

## ARTICLE XII

### NONSEVERABILITY OF CONDOMINIUM COMPONENT INTEREST

#### Section 12.01. Provision Against Severance.

An Owner shall not be entitled to sever his Unit in any Condominium from his Membership in the Association, and shall not be entitled to sever his Unit and his Membership from his undivided interest in the Common Area for any purpose. None of the component interests in a Condominium can be severally sold, conveyed, encumbered, hypothecated, or otherwise dealt with; and any violation or attempted violation of this provision shall be void.

The suspension of such right of severability will not extend beyond the period set forth in Article XI (Partition) respecting the suspension of partition. It is intended by this provision to restrict severability under California Civil Code Section 1358(d).

#### Section 12.02. Provision to Limit Interests Conveyed.

After the initial sales of the Condominiums, unless otherwise expressly stated, any conveyance of a Unit or any portion of it by an Owner shall be presumed to convey the entire Condominium. However, nothing contained in this Section shall preclude the Owner of any Condominium from limiting the duration of the enjoyment of his or her Condominium estate, such as by creating an estate for life or an estate for years, or from creating a cotenancy or joint tenancy in the Ownership of the Condominium with any other person or persons.

## ARTICLE XIII

### UTILITIES

#### Section 13.01. Owners Rights and Duties.

The rights and duties of the Owners of Condominiums within the Project with respect to sanitary sewer, water, drainage, electricity, gas, television receiving, telephone equipment, cables and lines, exhaust flues, and heating and air conditioning facilities (hereinafter referred to, collectively, as "utility facilities") shall be as follows:

a. Whenever utility facilities are installed within the property, which utility facilities or any portion

thereof lie in or on Condominiums owned by other than the Owner of a Condominium served by said utility facilities, the Owners of any Condominium served by said utility facilities shall have the right of reasonable access for themselves or for utility companies to repair, replace, and generally maintain said utility facilities as and when necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

b. Whenever utility facilities are installed within the property, which utility facilities serve more than one (1) Condominium, the Owner of each Condominium served by said utility facilities shall be entitled to the full use and enjoyment of such portions of said utility facilities as service his Condominium.

c. In the event of a dispute between Owners with respect to the repair or rebuilding of said utility facilities, or with respect to the sharing of cost thereof, then, upon written request of one (1) of such Owners addressed to the Association, the matter shall be submitted to arbitration pursuant to the rules of the American Arbitration Association, and the decision of the arbitrator(s) shall be final and conclusive on the parties.

Section 13.02. Easements for Utilities and Maintenance.

Easements over and under the property for the installation, repair, and maintenance of electric, telephone, water, gas, and sanitary sewer lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping as shown on the recorded Subdivision Map of the property, and as may be hereafter required or needed to service the property, are hereby reserved by Declarant and its successors and assigns, until the sale of the first Condominium, and thereafter the Association, together with the right to grant and transfer the same. Said easements shall be for the benefit of the Project, and to all Common Areas.

Section 13.03. Association's Duties.

The Association shall maintain all utility facilities located in the Common Area except for those facilities maintained by utility companies, public, private, or municipal, and those maintained by the Owners as described in this Declaration. The Association shall pay all charges for utilities supplied to the Project except those metered or charged separately to the Condominiums.

ARTICLE XIV

PROTECTION OF MORTGAGEES

Section 14.01. Mortgage Permitted.

Any Owner may encumber his Condominium with a Mortgage.

Section 14.02. Subordination.

Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any First Mortgage that encumbers all or a portion of the Project, or any Condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates his interest, in writing, to such lien. If any Condominium is encumbered by a First Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in this Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the Mortgage.

On foreclosure of the Mortgage, the lien for assessments, or installments, that has accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Condominium free of the lien for assessments, or installments, that has accrued up to the time of the foreclosure sale. On taking title to the Condominium the foreclosure-purchaser shall only be obligated to pay assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title to the Condominium. The subsequently levied assessments or other charges may include previously unpaid assessments, provided all Owners including the foreclosure-purchaser and his successors and assigns are required to pay their proportionate share as provided in this Section.

Section 14.03. Control of Amendment or Revocation of Project Documents.

In addition to the requirements of Article XV (Amendment or Revocation of Declaration) and unless a greater percentage is expressly required by this Declaration, the Articles, the Bylaws or by law, the prior written consent (or deemed consent as provided hereinafter) of first Mortgagees of Condominiums which have at least fifty-one percent (51%) of the votes of all Condominiums encumbered by First Mortgages shall be required to add or amend any material provisions of this Declaration, the Articles, the Bylaws, the Condominium Plan or the Subdivision Map, which establish, provide for, govern or regulate any of the following:

- a. Voting.
- b. Reserves for maintenance, repair and replacement of Common Area or improvements thereon.
- c. Casualty and liability insurance or fidelity bonds.
- d. Rights to use the Common Area.
- e. Responsibility for maintenance and repair of Condominiums and Common Area and the improvements thereon.
- f. Expansion or contraction of the Project or the addition, annexation or withdrawal of real property to or from the Project.
- g. Boundaries of any Condominium.
- h. The interest or rights of the Association or Owners in and to the Common Area.
- i. The convertibility of Condominiums into Common Area or of Common Area into Condominiums.
- j. The leasing of Condominiums.
- k. Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey his or her Condominium. or
- l. Any provisions which are for the express benefit of first Mortgagees or insurers or governmental guarantors of First Mortgages.

For purposes of this Section, an addition or amendment shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any First Mortgagee who receives a written request to consent to additions or amendments requiring consent under this Section who does not deliver or post to the requesting party a negative response within thirty (30) days after such receipt shall be deemed to have consented to such request.

Section 14.04. Restrictions on Certain Changes.

Unless at least sixty-seven percent (67%) of First Mortgagees of Condominiums have given their prior written approval, neither the Association nor the Owners shall be entitled:

- a. By act or omission to seek to abandon or terminate the Condominium Project, except for abandonment provided

by statute in case of substantial loss to the Units and Common Area.

b. To change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner, or to change the pro rata interest or obligations of any Condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of Ownership of each Owner in the Common Area.

c. To partition or subdivide any Unit.

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

e. To use hazard insurance proceeds for losses to Units or Common Area in the development or to any other Association owned real property, for other than the repair, replacement or reconstruction of such improvements or property.

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

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

Section 14.05. Mortgagee's Right to Examine Books and Records.

First Mortgagees can examine the books and records of the Association or the Project and can require the submission of financial data concerning the Association or the Project, including annual financial reports, budgets and operating statements as furnished to the Owners.

Section 14.06. Priority in Distribution of Insurance and Condemnation Proceeds.

No Owner, or any other party, shall have priority over any right of First Mortgagees of Condominiums pursuant to their Mortgages in case of a distribution to Owners of

insurance proceeds or condemnation awards for losses to or a taking of Units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses accepted to the affected First Mortgagees naming the Mortgagees, as their interest may appear.

Section 14.07. Status of Amenities.

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

Section 14.08. Notices to Mortgagees of Record.

If any Owner is in default under any provision of this Declaration or under any provision of the Bylaws or the Association Rules and Regulations, which default is not cured within thirty (30) days after written notice to that Owner, the Association shall give to the Mortgagee of record of such Owner written notice of such default and of the fact that said thirty (30) day period has expired.

Section 14.09. Payments by Mortgagees.

Mortgagees of Condominiums may, jointly or singularly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, covering any Common Area improvements or other insured property of the Association and, upon making any such payments, such Mortgagees shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all Mortgagees and upon request of any Mortgagee the Association shall execute and deliver to such Mortgagee a separate written agreement embodying the provisions of this Section 14.09.

Section 14.10. Effect of Breach on Mortgage; Lien Not Invalidated.

No breach of any provision of this Declaration shall invalidate the lien of any Mortgage in good faith and for value, but all of the covenants, conditions and restrictions shall

be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

Section 14.11. Noncurable Breach.

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

Section 14.12. Status of Loan to Facilitate Resale.

Any First Mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed-in-lieu of foreclosure or by an assignment-in-lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protection of this Article XIV.

Section 14.13. Right to Appear at Meetings.

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

Section 14.14. Right to Furnish Information.

Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

Section 14.15. Right of First Refusal Inapplicable to Mortgagee.

No right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Condominium shall be granted to the Association without the written consent of any Mortgagee of the Condominium. Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other person, firm, or entity) shall not impair the rights of a First Mortgagee (i) to foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage; or (ii) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage; or (iii) to sell or lease a Condominium acquired by the Mortgagee.

Section 14.16.            Limitation on Term of Management Contracts.

Any agreement between the Association and Declarant pursuant to which the Declarant agrees to provide services, and any agreement for professional management by a manager shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days written notice and shall have a maximum contract term of one (1) year; provided that the Board can renew any such contract on a year-to-year basis. If the Project is professionally maintained or managed, the Board shall not terminate professional management and assume self-management without the consent of sixty-seven percent (67%) of the voting rights of each class of Members, or of all Members if only one class exists, and of fifty-one percent (51%) of First Mortgagees.

Section 14.17.            Cal-Vet Contracts.

As to Cal-Vet contracts, the Board is expressly authorized to adopt such resolutions as may be required in connection with Cal-Vet financing in order to reflect the fact that such Cal-Vet contracts are superior in right to the assessment liens created in the within instrument in the same manner and to the same extent as Mortgages and deeds of trust are superior thereto.

Section 14.18.            Amendment to Article.

No amendment to this Article XIV shall affect the rights of any Mortgagee holding a first deed of trust or Mortgage against the Project prior to the recordation of such amendment, who does not join in the execution thereof.

Section 14.19.            Conflicts.

In the event of any conflict between any of the provisions of this Article XIV and any other provisions of this Declaration, the Articles or the Bylaws, the provisions of this Article XIV shall control.

ARTICLE XV

AMENDMENT OR REVOCATION OF DECLARATION

Section 15.01.            Amendment Before Close of First Sale.

Before the close of the first sale of a Condominium in the Project to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in any respect or revoked by the execution by Declarant of an instrument amending or revoking the Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments, shall be acknowledged and shall become effective

immediately upon being recorded in the Office of the County Recorder.

Section 15.02. Amendment After Close of First Sale.

After the close of the first sale of a Condominium in the Project to a purchaser other than Declarant, this Declaration may be amended or revoked in any respect by the vote or written consent of the holders of not less than fifty-one percent (51%) of the voting rights of each class of Owners, or if a single class of Owners is then in effect, by the vote or written consent of not less than (i) fifty-one percent (51%) of all the votes and (ii) fifty-one percent (51%) of the votes excluding Declarant. However, if any provision of this Declaration requires a greater or lesser percentage of the voting rights of any class of Owners in order to take affirmative or negative action under such provision, the same percentage of such class or classes of Owners shall be required to amend or revoke such provision.

Also, if the consent or approval of any governmental authority, Mortgagee or other person, firm, agency, or entity is required under this Declaration with respect to any amendment or revocation of any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained. Any amendment or revocation subsequent to the close of such first sale shall be evidenced by an instrument certified by the Secretary or other duly authorized officer of the Association and shall make appropriate reference to this Declaration and its amendments, shall be acknowledged and shall become effective immediately upon being recorded in the office of the County Recorder.

Section 15.03. Control if Amendment Provisions Conflict with Mortgagee Protection or Other Provisions.

To the extent any provisions of this Article XV conflict with the provisions of Article XIV (Protection of Mortgagees) of this Declaration, except those contained in Section 15.04, the provisions of Article XIV shall control.

Section 15.04. Compliance with Business and Professions Code Section 11018.7.

All amendments or revocations of this Declaration shall comply with all applicable provisions of California Business and Professions Code Section 11018.7.

Section 15.05. Reliance on Amendments.

Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

Section 15.06.

Amendments to Conform with Mortgagee Requirements.

It is the intent of Declarant that this Declaration and the Articles and Bylaws of the Association, and the Project in general, shall now and in the future meet all requirements necessary to purchase, guarantee, insure, or subsidize any Mortgage of a Condominium in the Project by the Federal Home Loan Mortgage Administration, Federal National Mortgage Association, and the U.S. Department of Veterans Affairs. The Association and each Owner shall take any action or shall adopt any resolution required by Declarant or any Mortgagee to conform this Declaration or the Project to the requirements of any of these entities or agencies.

ARTICLE XVI

TERM OF DECLARATION

Subject to the other provisions hereof, the covenants contained in this Declaration shall run with and benefit the land within the Project and shall be binding upon the Owners, Declarant, the Association, its Board of Directors, its officers, its manager and his staff and their successors or assigns and shall continue in full force and effect for a term of fifty (50) years from the date of recordation of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within one (1) year prior to the expiration period, a written instrument executed and acknowledged by the Owners of at least seventy-five percent (75%) of the Condominiums in the Project shall be recorded in the Office of the County Recorder, terminating this Declaration, in whole or in part.

ARTICLE XVII

ENFORCEMENT OF DECLARANT'S OBLIGATION TO COMPLETE COMMON AREA IMPROVEMENTS

If the Project includes Common Area improvements which have not been completed prior to the close of escrow on the sale of the first Condominium, and where the Association is obligee under a bond or other arrangement (hereafter "bond") to secure performance of the commitment of Declarant to complete said improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that improvement in the planned construction statement appended to the bond.

If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question if a notice

of completion has not been filed within thirty (30) days after the expiration of the extension. A special meeting of Members of the Association for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the bond or on the failure of the Board to consider and vote on the question shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by Members representing five percent (5%) or more of the total voting power of the Association. At such special meeting a vote of a majority of Members of the Association other than the Declarant shall be required to take action to enforce the obligations under the bond and a vote of a majority of the voting power of the Association, excluding Declarant, shall be deemed to be the decision of the Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

#### ARTICLE XVIII

##### ASSIGNMENT OF RENTS

a. Each person who is now or becomes an Owner in the Project and a Member of the Association agrees that, in the event the monthly maintenance assessment levied by the Association becomes more than thirty (30) days delinquent or otherwise in arrears in payment, the Association is permitted, upon fifteen (15) days written notice to the Owner, to notify any tenant renting or leasing said Owner's Unit that the monthly rental sum due the Owner be paid directly to the Association.

b. Each Owner who rents or leases his Unit to a tenant during the period he is a Member of the Association is required to include in any rental agreement executed with said tenant a provision notifying said prospective tenant that in the event the Owner becomes delinquent in the payment of his assessments that said tenant may be required to pay said rental or lease payment directly to the Association upon notice and demand.

c. In the event the Owner does not execute a written rental agreement with said tenant, he is required to immediately notify the Association of which he is a part that the premises are to be rented to said tenant in order that the Association may notify said tenant in writing that the non-payment of Owner assessments may result in a request to said tenant to pay said rental or lease payment directly to the Association, said Owner agreeing that by virtue of his Membership in the Association that the Board or its agent is empowered to do this. All notices called for by this paragraph are to be in writing.

d. In the event of either an oral or written agreement to rent or lease, the tenant must also be advised in writing, as appropriate and by either Owner if the lease is in writing or the Association if it is not, that in the event that

said tenant fails to comply with a proper and written request from said Association to tender rental payments directly to the Association, that he may become personally liable along with the Owner for the payment of the monthly assessment.

e. In the event the Owner becomes delinquent and the assignment of rents provided for in this paragraph is invoked, the Owner is not permitted to require that the tenant pay the full sum of rent normally due for that month and an additional sum to cover said assessment the Owner is not paying, said limitation to be in effect for as long as said delinquency or delinquencies are being assigned to said Association. In the event the rent assigned to the Association exceeds the sum of the delinquencies, (including late fees, costs and all other allowable fees or charges) the excess will be returned to the Owner within sixty (60) days by the Association or their agent.

f. The rights, limitations and restrictions contained within this Article do not limit, restrict, abrogate or impair any other statutory or common-law right held by any party referred to as may be permitted by public policy.

#### ARTICLE XIX

##### ENFORCEMENT OF MANAGEMENT DOCUMENTS

###### Section 19.01. Remedy at Law Inadequate.

Except for the nonpayment of any assessments provided for herein, it is hereby expressly declared, stipulated and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants contained in this Declaration is inadequate and the failure of any Owner, tenant, occupant or user of any Condominium or any portion of the Common Area or facilities thereof to comply with each and all of the terms and provisions of this Declaration, the Association Rules and Regulations, decisions, resolutions and Bylaws of the Association and its Board, all as lawfully amended from time to time, may be enjoined by appropriate legal proceedings instituted by Declarant, an Owner, the Association, its Board, its officers, or the manager, or their respective successors and assigns.

###### Section 19.02. Costs and Attorneys' Fees.

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

The foregoing sentence shall not be interpreted to include legal action taken by the Association, Board, or Member against the Declarant and its successors based upon improper or

inadequate construction or design of any Unit or of the Common Area.

Section 19.03. Cumulative Remedies.

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

Section 19.04. Failure Not a Waiver.

The failure of Declarant, any Owner, the Board of Directors of the Association, the Association, its officers, manager or his staff to enforce any of the covenants contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Declarant.

ARTICLE XX

GENERAL PROVISIONS

Section 20.01. Headings.

The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

Section 20.02. Severability of Provisions.

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions shall not invalidate any other provisions.

Section 20.03. Violations as Nuisance.

Every act or omission in violation of the provisions of this Declaration shall constitute a nuisance and, in addition to all other remedies set forth, may be abated or enjoined by any Owner, any Member of the Board, the manager, or the Association.

Section 20.04. No Discriminatory Restrictions.

No Owner shall execute or cause to be recorded any instrument that imposes a restriction upon the sale, leasing, or occupancy of his Condominium on the basis of race, sex, marital status, national ancestry, color, or religion.

Section 20.05.            Owner's Obligation for Individual Taxes.

To the extent allowed by law, all Condominiums, including their pro rata undivided interest in the Common Area and the Membership of an Owner in the Association, shall be separately assessed and taxed so that all taxes, assessments and charges which may become liens prior to First Mortgages under local law shall relate only to the individual Condominiums and not to the Project as a whole. Each Owner shall be obligated to pay any taxes or assessments assessed by the County Assessor against his Condominium and against his personal property.

Section 20.06.            Nonsegregated Tax Assessment.

In the event that individual tax assessments for each Unit within the Project have not been made by the County Assessor's office but rather there exists one (1) tax assessment against the entire Condominium Project as a whole, then the total tax assessment shall be prorated among, assessed and charged to and against the individual Owners and their respective Condominiums (including Declarant with respect to any retained or unsold Condominiums) in accordance with the interest in the Common Area appearing after the respective Unit in Exhibit "A" attached hereto. The Board is authorized to make the above described prorations and assessments, and any assessment made pursuant to this Section shall be and constitute a special assessment against such Owner and such Owner's Condominium in accordance with the provisions and procedures for special assessments contained hereinafter.

Section 20.07.            Owner's Access to Books.

Any Owner may, at any reasonable time and upon reasonable notice to the Board or manager at his own expense, cause an audit or inspection to be made of the books and financial records of the Association.

Section 20.08.            Liberal Construction.

The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision of the Declaration shall not constitute a waiver of the right to enforce the provision thereafter.

Section 20.09.            Notification of Sale.

Concurrently with the consummation of the sale of any Condominium under circumstances where the transferee becomes an Owner of the Condominium, or within five (5) business days thereafter, the transferee shall notify the Association in writing of such sale. Such notification shall set forth the name of the transferee and his Mortgagee and transferor, the common address of the Condominium purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Before the

receipt of such notification, any and all communications required or permitted to be given by the Association, the Board, or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to the transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Association. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to his transferor if the Association has received no notice of transfer as above provided, by certified mail, return receipt requested, at the mailing address above specified. Notices shall also be deemed received twenty-four (24) hours after being sent by telegram or upon personal delivery to any occupant of a Condominium over the age of twelve (12) years.

Section 20.10. Number; Gender.

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

Section 20.11. Incorporation of Exhibits.

All exhibits referred to are attached to this Declaration and incorporated by reference.

Section 20.12. Easements Reserved and Granted.

Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in a deed to any Condominium.

Section 20.13. Limitation of Restrictions on Declarant:

Declarant is undertaking the work of construction of residential Condominiums and incidental improvements upon the Project. The completion of that work and the sale, rental and other disposal of said Condominiums is essential to the establishment and welfare of said Project as a residential community. In order that said work may be completed and said Project be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

a. Prevent Declarant, its contractors, or subcontractors from doing on the Project or any Condominium, whatever is reasonably necessary or advisable in connection with the completion of said work; or

b. Prevent Declarant or its representatives from erecting, constructing and maintaining on the Project (except upon Units owned by others), such structures as may be reasonable and necessary for the conduct of its business of completing said

work and establishing said Project as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

c. Prevent Declarant from conducting on the Project (except upon Units owned by others) its business of completing said work and of establishing a plan of Condominium ownership and of disposing of the Project as Condominiums by sale, lease or otherwise (including use of one (1) or more Condominiums as a sales office). The use of the recreation room by Declarant as a sales office after close of escrow on the first sale of a Condominium shall require payment of a reasonable rental fee by Declarant to the Association; or

d. Prevent Declarant from maintaining such sign(s) or flag(s) on the Project (except upon Units owned by others) as may be necessary for the sale, lease or disposition thereof;

e. Subject Declarant to any architectural control provisions for construction of any Condominium or other improvements on the Project.

The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the Project, or three (3) years after the date of recordation of the deed of the first Condominium to be sold in the last phase of the Project to be annexed (if the Project consists of annexable phases), whichever occurs first.

So long as Declarant, its successors or assigns, owns one (1) or more of the Condominiums established and described herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of their Condominiums (and the Common Area) by Owners, while completing any work necessary to said Condominiums or Common Area.

Section 20.14. Termination of Any Responsibility of Declarant.

In the event Declarant shall convey all of its right, title and interest in and to the project to any person, then and only in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

Section 20.15.            Binding Effect.

This Declaration shall inure to the benefit of and be binding on the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, tenants, successors, and assigns of the Owners.

Section 20.16.            Nonliability.

To the fullest extent permitted by law, neither the Board, nor any Member thereof, nor any officer of the Association, nor any committee of the Association or any Member thereof, shall be liable to any Member or Owner or the Association for any damage, loss or prejudice suffered or claimed because of any decision, course of action, act, omission, error, negligence or the like, made in good faith within which the Board, officers, committees or persons reasonably believed to be within the scope of their duties.

Section 20.17.            Arbitration.

IN CASE OF ANY CLAIM OR DISPUTE BETWEEN THE DECLARANT, ITS BUILDER, GENERAL CONTRACTOR, OR BROKER, OR THEIR AGENTS OR EMPLOYEES, ON THE ONE HAND, AND THE ASSOCIATION OR ANY LOT OR UNIT OWNER(S), ON THE OTHER HAND, WHICH CLAIM OR DISPUTE RELATES TO THE RIGHTS AND/OR DUTIES OF THE PARTIES UNDER THE PROJECT DOCUMENTS, OR RELATES TO THE DESIGN OR CONSTRUCTION OF THE PROJECT OR ANY PART THEREOF, THE PROCEDURE SHALL BE AS FOLLOWS:

(a) Notice.

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

(b) Right to Inspect and to Correct.

Within a reasonable period after receipt of the Claim Notice, which period shall not exceed sixty (60) days, the Declarant and the Claimant shall meet at a mutually-acceptable place within the project to discuss the claim. At such meeting, or at some other mutually-agreeable time, Declarant and Declarant's representatives shall have full access to the property that is subject to the claim for the purposes of inspecting the property. The parties shall negotiate in good faith in an attempt to resolve the claim. If the Declarant elects to take any corrective action, Declarant and Declarant's representatives and agents shall be provided full access to the property to take and complete corrective action.

(c) Alternative Dispute Mechanism.

If the parties cannot resolve the claim pursuant to the procedures described in subparagraph B above, prior to the commencement of any litigation, parties may negotiate in good faith regarding the submission of the claim to arbitration pursuant to the rules of the American Arbitration Association, or to a referee pursuant to Code of Civil Procedure Sections 638 - 645.1 or any successor statutes thereto, or other appropriate alternative dispute mechanism.

If the Claimant has complied with the requirements of subparagraph a, b, and c above and the Declarant denies any responsibility for the claim, accepts only partial responsibility, or accepts responsibility but the parties cannot in good faith agree on an appropriate remedy or alternate dispute forum for resolving the dispute, the Claimant may bring an action in any court of competent jurisdiction to resolve the dispute. The Association and each owner covenants that each shall forbear from commencing any litigation against the Declarant without complying with the procedures described in subparagraphs a, b, and c above. If the Association or any owner breaches the foregoing covenant, Declarant may obtain an appropriate order compelling the Association and/or owner to comply with the procedures described in subparagraphs a, b and c.

Notwithstanding any other provision herein to the contrary, in any dispute between the Association and/or any owner and the Declarant, each party shall bear its own attorneys' fees.

Any and all communications by and between the parties, whether written or oral, which are delivered by the parties or their attorneys or other representatives in an effort to settle, mediate or arbitrate the claim shall be considered communications undertaken in the course of effecting a settlement and compromise as such shall not be admissible as the admission on the part of any party or any representative or agent of that party to be utilized for any such purpose in any action or proceeding.

The procedures set forth in subparagraphs a, b, and c above shall not apply to any action taken by the Association against Declarant for delinquent assessments as may herein be provided in this Declaration.

If the matter proceeds to arbitration, discovery shall be allowed pursuant to Code of Civil Procedure Section 1283.05. Arbitration of any matter pursuant to this clause shall not be deemed a waiver of the attorney/client or attorney/work product privilege in any manner.

In the event that a third party, such as a general contractor or broker, who is an indispensable party to the

claim or dispute, refuses to participate in arbitration, and is not legally obligated to participate therein, the remaining parties shall nevertheless proceed to arbitration without that party and all parties shall retain their rights to file suite or take other legal action against such party.

IN WITNESS WHEREOF, Declarant has executed this Declaration, the day and year first hereinabove written.

William T. Macaya

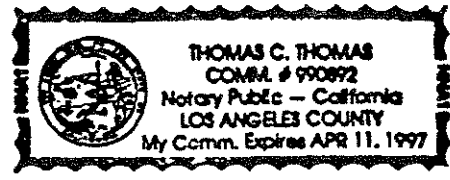
*William T. Macaya*  
\_\_\_\_\_  
William T. Macaya

STATE OF *California*  
COUNTY OF *Los Angeles* } SS

On *October 26, 1995* before me, the undersigned, a Notary Public in and for said State, personally appeared *William T. Macaya* personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature *Thomas C. Thomas*  
Notary Public in and for  
said County and State



IV

No part of the net earnings of the Association shall inure to the benefit of any private individual (except through acquiring, constructing or providing management, maintenance and care of property held by the Association, or commonly held by the members of the Association, or located in the project and owned by members of the Association, or through rebates of excess membership dues, fees or assessments).

V

The authorized number and qualifications of members of the Association, the different classes of members, if any, the voting and other rights and privileges of members, their liability for assessments and the method of collecting them shall be controlled by the Declaration and the Bylaws of this corporation.

VI

If the two-class voting structure is still in effect in the Association, these Articles may be amended only with the vote or written assent of a majority of the Board and a majority of each class of membership in the Association.

If the two-class voting structure is no longer in effect in the Association because of the conversion of Class B to Class A membership, these Articles may be amended only by a majority of the Board and a majority of the voting power of the Association, including a majority of the votes of members other than the Declarant of the Declaration.

VII

The name and address in the State of California of this corporation's initial agent for service of process is:

Andrew S. Gombiner  
29170 Heathercliff Road, #3  
Malibu CA 90255

Date: 10/26/95

Andrew S. Gombiner  
Andrew S. Gombiner, Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

Andrew S. Gombiner  
Andrew S. Gombiner

PURSUANT TO ARTICLE II, SECTION 2.03 AND  
ARTICLE V, SECTION 5.03 OF THIS DECLARATION  
THIS EXHIBIT IS ATTACHED HERETO AND MADE A PART HEREOF

<u>UNIT</u>	<u>UNDIVIDED FRACTIONAL INTEREST IN COMMON AREA OF LOT 1</u>	<u>ESTIMATED INITIAL MONTHLY MAINTENANCE CHARGE*</u>
101	1/15th	\$235.75
102	1/15th	235.75
103	1/15th	235.75
104	1/15th	235.75
105	1/15th	235.75
201	1/15th	235.75
202	1/15th	235.75
203	1/15th	235.75
204	1/15th	235.75
205	1/15th	235.75
301	1/15th	235.75
302	1/15th	235.75
303	1/15th	235.75
304	1/15th	235.75
305	1/15th	235.75

\*OR, IF DIFFERENT, THAT AMOUNT AS IS SHOWN IN THE FINAL SUBDIVISION  
PUBLIC REPORT ISSUED BY THE CALIFORNIA DEPARTMENT OF REAL ESTATE.

TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA WAGNER-KERR ASSOCIATES, INC.

CERTIFICATE CALIFORNIA CIVIL CODE SECTION 1351(e)

WE, THE UNDERSIGNED, BEING ALL PARTIES REQUIRED BY CALIFORNIA CIVIL CODE SECTION 1351(e) TO EXECUTED THIS CERTIFICATE, DO HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THE WITHIN CONDOMINIUM PLAN PURSUANT TO SAID SECTION 1351(e).

Handwritten signature of William T. MacDya

WILLIAM T. MACDYA - OWNER

FIRST FEDERAL BANK OF CALIFORNIA, A CORPORATION (BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED NOVEMBER 30, 1990 AS INSTRUMENT NO. 90-1988560, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: Robert L. How Sr. PRES.

BY: MARTHA S. LOE, ASS'T SEC.

RONALD WHYTE, (BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED JULY 26, 1994 AS INSTRUMENT NO. 94-1383657, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

Handwritten signature of Ronald Whyte and name RONALD WHYTE

EQUITABLE FACTORS COMPANY, INC., A CORPORATION, (BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED MAY 11, 1995 AS INSTRUMENT NO. 95-762003, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: ROBERT M. MAGID, PRES.

BY: ROBERT M. MAGID, SEC.

HERBERT S. STRICKSTEIN LAW CORPORATION, A CORPORATION, (BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED MAY 19, 1995 AS INSTRUMENT NO. 95-803363 AND MAY 23, 1995 AS INSTRUMENT NO. 95-818871, BOTH OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: HERBERT J. STRICKSTEIN PRES.

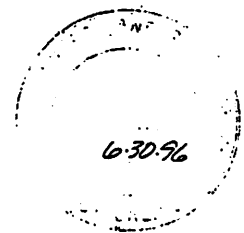
BY: HERBERT J. STRICKSTEIN SEC.

I HEREBY CERTIFY THAT I AM A LICENSED LAND SURVEY OF THE STATE OF CALIFORNIA AND THAT THIS CONDOMINIUM PLAN CORRECTLY REPRESENTS THE BOUNDARY OF THE LAND INCLUDED WITHIN THIS PROJECT AND THE LOCATION OF THE UNITS THEREIN AND IS BASED UPON CONSTRUCTION PLANS AND A FIELD INSPECTION CONDUCTED ON MAY 8, 1995.

Handwritten signature of James D. Kerr and name JAMES D. KERR L.S. NO. 3164

THIS CONDOMINIUM PLAN CONSISTS OF 10 SHEETS.

EXHIBIT B



TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA WAGNER-KERR ASSOCIATES, INC.

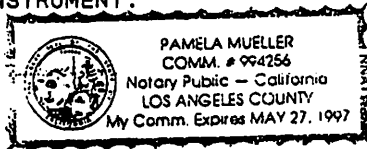
STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES

ON THIS 28th DAY OF JUNE, 19 95 BEFORE ME PAMELA MUELLER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED WILLIAM T. MACAYA

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



[Signature] NOTARY PUBLIC

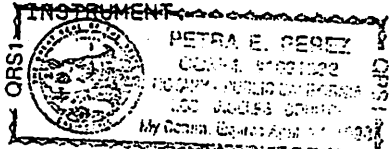
STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES

ON THIS 20th DAY OF June, 19 95 BEFORE ME Petra E. Perez, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED Robert L. Horn + Martha J. Lee

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



[Signature] NOTARY PUBLIC

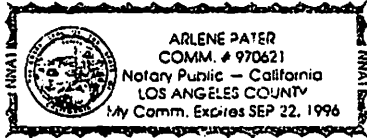
STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES

ON THIS 23 DAY OF JUNE, 19 95 BEFORE ME ARLENE PATER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED RONALD WHYTE

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(X) WHOSE NAME(X) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/~~SHE~~/THEY EXECUTED THE SAME IN HIS/~~HER~~/THEIR AUTHORIZED CAPACITY(~~IES~~), AND THAT BY HIS/~~HER~~/THEIR SIGNATURE(X) ON THE INSTRUMENT THE PERSON(X), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(X) ACTED. EXECUTED THE INSTRUMENT.



[Signature] NOTARY PUBLIC

TRACT NO. 51235

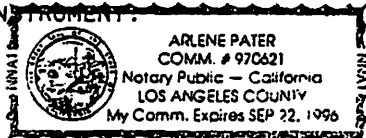
IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA WAGNER-KERR ASSOCIATES, INC.

STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES ON THIS 21 DAY OF JUNE, 19 95 BEFORE ME ARLENE PATER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED ROBERT M. MAGID

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



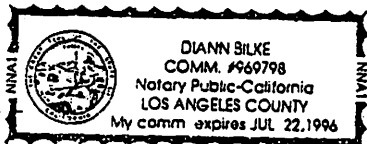
Arlene Pater NOTARY PUBLIC

STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES ON THIS 22 DAY OF JUNE, 19 95 BEFORE ME DIANN SILKE, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED HERBERT J. STRICKSTEIN

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



Diann Silke NOTARY PUBLIC

TRACT NO. 51235  
IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

NOTES AND DEFINITIONS

1. THIS CONDOMINIUM PROJECT (HEREIN THE "PROJECT") IS COMPOSED OF A "COMMON AREA" AND FIFTEEN (15) "UNITS".
2. THE COMMON AREA OF THIS PROJECT IS THE LAND AND REAL PROPERTY, INCLUDING ALL IMPROVEMENTS CONSTRUCTED THEREON, WITHIN THE BOUNDARY LINES OF LOT 1 OF TRACT NO. 51235, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1213, PAGES 51 TO 53, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, EXCEPT THEREFROM THOSE PORTIONS SHOWN AND DEFINED HEREIN AS UNITS 101 TO 105, INCLUSIVE, 201 TO 205, INCLUSIVE, AND 301 TO 305, INCLUSIVE.
3. THE FOLLOWING ARE NOT PART OF A UNIT: BEARING WALLS, COLUMNS, VERTICAL SUPPORTS, FLOORS, ROOFS, FOUNDATIONS, BEAMS, BALCONY RAILINGS, PIPES, FENCES, DUCTS, FLUES, CHUTES, CONDUITS, WIRES, AND OTHER UTILITY INSTALLATIONS, WHEREVER LOCATED, EXCEPT THE OUTLETS THEREOF WHEN LOCATED WITHIN THE UNIT, AND EXCEPT ANY SURFACE NOTED HEREIN WHICH MAY FORM A PART OF A COMPONENT ELEMENT OF A UNIT.
4. THE UNITS OF THIS PROJECT ARE NUMBERED AS SET FORTH ABOVE. [NOTE: UNIT NUMBERS MAY NOT BE THE SAME AS DOOR NUMBERS OR COMMON ADDRESSES OF UNITS.] A UNIT CONSISTS OF ALL THOSE COMPONENT ELEMENTS BEARING AN IDENTICAL NUMBER DESIGNATION. THE NUMBER DESIGNATION OF A COMPONENT ELEMENT COINCIDES WITH THE NUMBER OF THAT UNIT OF WHICH IT IS A PART. WHENEVER REFERENCE IS MADE TO ANY OF SAID UNITS, IT SHALL BE CONSTRUED THAT REFERENCE IS MADE TO THE UNIT AS A WHOLE AND TO EACH AND ALL OF ITS COMPONENT ELEMENTS.
5. THIS CONDOMINIUM PLAN IS INTENDED TO CONFORM TO CIVIL CODE SECTION 1351(e). IT IS NOT INTENDED TO SERVE AS THE BASIS FOR THE ISSUANCE OF ANY BUILDING PERMIT AND DOES NOT CONTAIN DETAILED CONSTRUCTION PLANS OR SPECIFICATIONS. THIS CONDOMINIUM PLAN CONTAINS DIAGRAMMATIC FLOOR PLANS OF THE BUILDING OF THE PROJECT BUILT IN SUFFICIENT DETAIL TO IDENTIFY EACH UNIT, ITS RELATIVE LOCATION AND APPROXIMATE DIMENSIONS. THE DIMENSIONS SHOWN HEREON ARE NOT INTENDED TO BE SUFFICIENTLY ACCURATE TO USE FOR COMPUTATION OF FLOOR AREA OR AIRSPACE VOLUME IN ANY OR ALL OF THE UNITS.
6. THIS CONDOMINIUM PLAN INTENTIONALLY OMITTS DETAILED INFORMATION WITHIN INDIVIDUAL UNITS OF THE FOLLOWING (IF ANY): FURRED CEILINGS; SOFFITS; STEPS, LANDINGS, STOOPS AND STAIRWAYS; AND PROTRUSIONS OF VENTS, BEAMS, COLUMNS, BAY WINDOWS AND WINDOW CASINGS, AND OTHER SUCH FEATURES.
7. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "A" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A DWELLING AREA. THE LATERAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS THEREOF AT THE LIMITS INDICATED ON THE RESPECTIVE PORTIONS THEREOF. EXCEPT AS OTHERWISE SET FORTH IN NOTE 14, BELOW, THE LOWER VERTICAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE FLOORS THEREOF AND THE UPPER VERTICAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE CEILINGS THEREOF AT THE ELEVATIONS SHOWN HEREON. EACH SUCH COMPONENT ELEMENT INCLUDES THE SURFACES SO DESCRIBED, THE SURFACES OF ANY BEARING WALLS, COLUMNS AND BEAMS WITHIN SUCH COMPONENT ELEMENT, THE RESPECTIVE PORTIONS OF THE BUILDING AND IMPROVEMENTS LYING WITHIN SAID BOUNDARIES (EXCEPT AS STATED IN NOTE 3, ABOVE) AND THE AIRSPACE COMPASSED BY SAID BOUNDARIES.

## TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

8. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "B" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A PATIO AREA. THAT AREA SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "C" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A BALCONY AREA. THE LATERAL BOUNDARIES OF SUCH AREA ARE THE EXTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS OF ADJACENT BUILDING STRUCTURE WHERE SUCH SURFACES ADJOIN SUCH AREA; OTHERWISE, THE LATERAL BOUNDARIES OF SUCH AREA ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN HEREON FOR SUCH AREA. THE LOWER VERTICAL BOUNDARY OF EACH SUCH AREA IS THE INTERIOR SURFACE OF THE SLAB OR FLOOR THEREOF AT THE ELEVATION SHOWN HEREON AND THE UPPER VERTICAL BOUNDARY OF AREA IS A HORIZONTAL PLANE AT THE ELEVATION SHOWN HEREON. SUCH AREA INCLUDES ONLY THE AIRSPACE ENCOMPASSED BY SAID BOUNDARIES.
9. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE DESIGNATION "P" IS A PARKING SPACE AND IS AN EXCLUSIVE USE COMMON AREA. THE LATERAL BOUNDARIES OF EACH SUCH SPACE ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN HEREON FOR EACH SUCH SPACE. EXCEPT AS OTHERWISE SET FORTH IN NOTE 15, BELOW, THE LOWER VERTICAL BOUNDARY OF EACH SUCH SPACE IS THE INTERIOR SURFACE OF THE FLOOR THEREOF AT THE ELEVATION SHOWN HEREON, AND THE UPPER VERTICAL BOUNDARY OF EACH SUCH SPACE IS A HORIZONTAL PLANE AT THE ELEVATION SHOWN HEREON. EACH SUCH SPACE INCLUDES ONLY THE AIRSPACE ENCOMPASSED BY SAID BOUNDARIES.
10. FOR PURPOSES HEREOF, "U.E." MEANS UPPER ELEVATION AND "L.E." MEANS LOWER ELEVATION.
11. THE DISTANCE BETWEEN A DWELLING AREA COMPONENT ELEMENT OF A PARTICULAR UNIT AND ANY ADJACENT BALCONY AREA COMPONENT ELEMENT OF THE SAME UNIT IS 0.4 FEET UNLESS OTHERWISE INDICATED. THE DISTANCE BETWEEN A DWELLING AREA COMPONENT ELEMENT OF A PARTICULAR UNIT AND ANY ADJACENT PATIO AREA COMPONENT ELEMENT OF THE SAME UNIT IS 0.4 FEET UNLESS OTHERWISE INDICATED.
12. THE DISTANCE BETWEEN ADJACENT DWELLING AREA COMPONENT ELEMENTS OF DIFFERENT UNITS ON THE SAME LEVEL IS 0.4 FEET UNLESS OTHERWISE INDICATED.
13. UNLESS OTHERWISE INDICATED, ALL TIES TO PROPERTY LINES, UNITS AND COMPONENT ELEMENTS OF UNITS ARE AT RIGHT ANGLES FROM THE LINES WHICH THEY JOIN, AND ALL AIRSPACE BOUNDARY LINES INTERSECT AT RIGHT ANGLES. IN ADDITION, ALL DIMENSIONS (HORIZONTAL AND VERTICAL) ARE IN FEET.
14. IN CERTAIN INSTANCES, CERTAIN UPPER VERTICAL ELEVATIONS OF DWELLING AREA COMPONENT ELEMENTS SHOWN HEREON DO NOT COINCIDE WITH THE INTERIOR SURFACES OF CEILINGS. NEVERTHELESS, WHERE THIS OCCURS IT IS THE INTENTION THAT EACH SUCH COMPONENT ELEMENT'S UPPER VERTICAL BOUNDARIES BE COINCIDENT WITH THE INTERIOR SURFACES OF ITS CEILINGS RATHER THAN THE UPPER VERTICAL ELEVATIONS EXPRESSED HEREIN.
15. IN CERTAIN INSTANCES, CERTAIN LOWER VERTICAL ELEVATIONS OF PARKING SPACE AREAS SHOWN HEREON DO NOT COINCIDE WITH INTERIOR SURFACES OF FLOORS. NEVERTHELESS, WHERE THIS OCCURS IT IS THE INTENTION THAT EACH SUCH AREA'S LOWER VERTICAL BOUNDARIES BE COINCIDENT WITH THE INTERIOR SURFACE OF ITS FLOORS RATHER THAN THE LOWER VERTICAL ELEVATION EXPRESSED HEREIN.

# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES

STATE OF CALIFORNIA

WAGNER-KERR ASSOCIATES, INC.

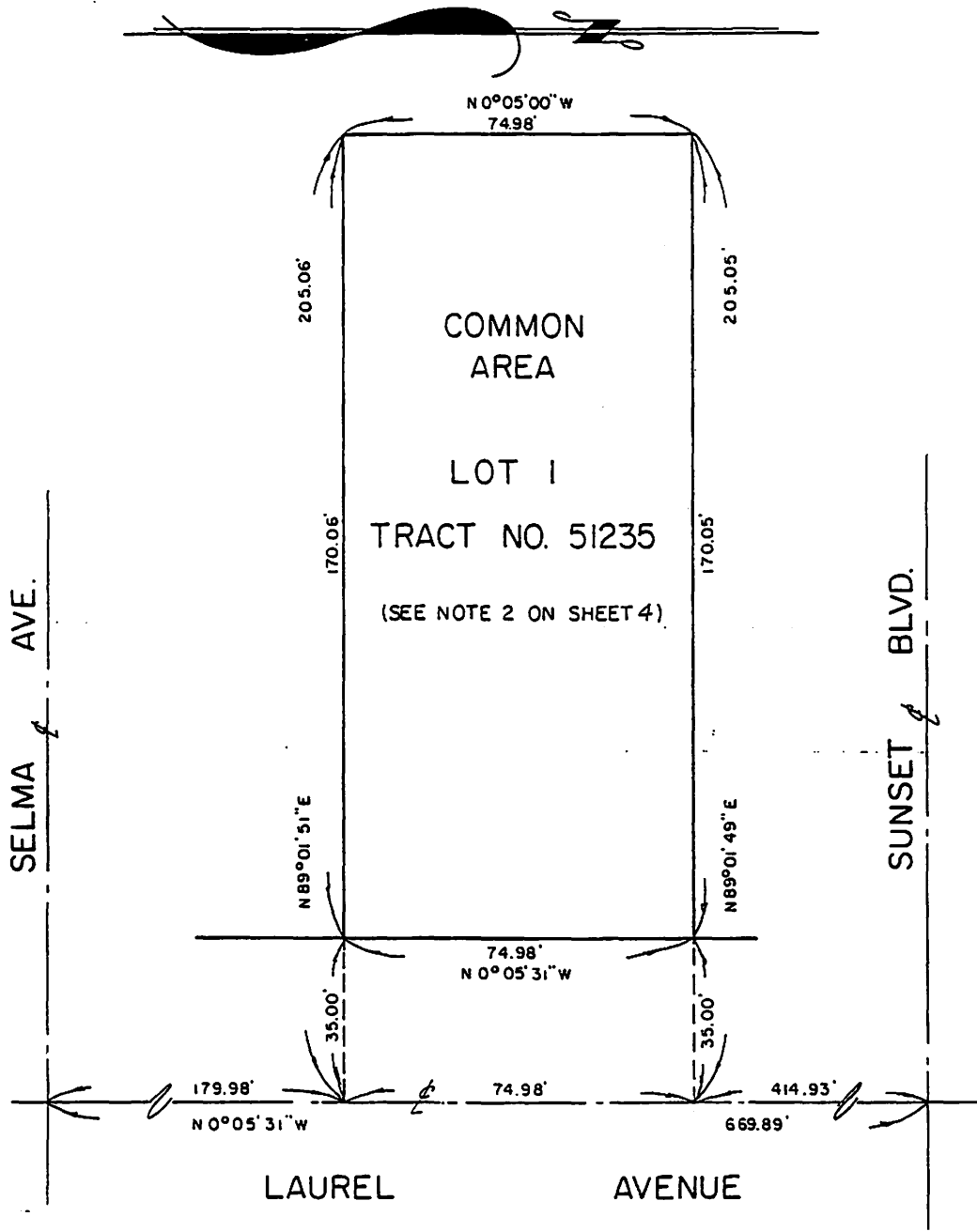
BASIS OF BEARINGS:

THE BEARING N.0°05'31"W. OF THE CENTERLINE OF LAUREL AVENUE AS SHOWN ON THE MAP OF TRACT NO. 51235 PER MAP FILED IN BOOK 1213 PAGES 51 TO 53, INCLUSIVE OF MAPS, RECORDS OF LOS ANGELES COUNTY.

BENCHMARK:

WIRE SPK IN N CURB SELMA AVE 26FT E OF LAUREL CANYON BLVD

B.M. # 13-19070 ELEV. = 443.736 (1980 ADJ.)







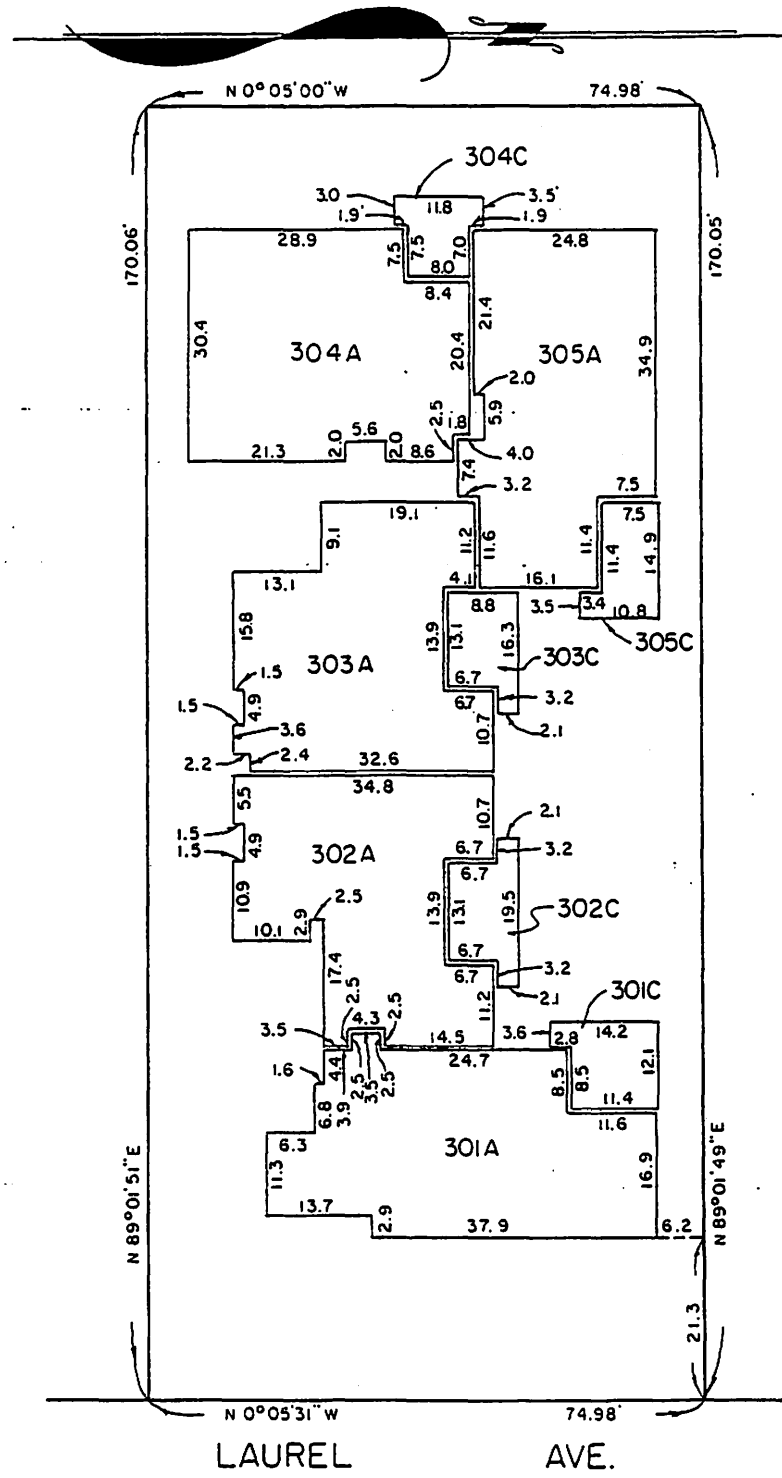
# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER - KERR ASSOCIATES, INC.

## THIRD FLOOR

VERTICAL LIMITS OF ALL "A" AIRSPACES SHOWN HEREON ARE:  
U.E. = 464.0 L.E. = 456.1

VERTICAL LIMITS OF ALL "C" AIRSPACES SHOWN HEREON ARE:  
U.E. = 464.0 L.E. = 456.0





RECORDING REQUEST BY

WHEN RECORDED MAIL TO

NAME

WAGNER-KERR ASSOC.

MAILING ADDRESS

6740 VESPER AVE.

#200

CITY, STATE ZIP CODE

VAN NUYS, CA 91405

This is to certify that the following instrument

was originally recorded 11-1-95

Instrument No. 95-1762658

INVESTORS TITLE COMPANY

By

Paula Fogel

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

CONDOMINIUM PLAN

# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

### CERTIFICATE CALIFORNIA CIVIL CODE SECTION 1351(e)

WE, THE UNDERSIGNED, BEING ALL PARTIES REQUIRED BY CALIFORNIA CIVIL CODE SECTION 1351(e) TO EXECUTE THIS CERTIFICATE, DO HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THE WITHIN CONDOMINIUM PLAN PURSUANT TO SAID SECTION 1351(e).

*William T. MacBya*

WILLIAM T. MACBYA - OWNER

FIRST FEDERAL BANK OF CALIFORNIA,  
A CORPORATION  
(BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED NOVEMBER 30, 1990 AS INSTRUMENT NO. 90-1988580, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: *Robert L. How Sr.*  
Robert L. How Sr. PRES.

BY: *Martha S. Loeb*  
MARTHA S. LOEB, ASST. SEC.

RONALD WHYTE,  
(BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED JULY 28, 1994 AS INSTRUMENT NO. 94-1383657, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

*Ronald Whyte*

RONALD WHYTE

EQUITABLE FACTORS COMPANY, INC.,  
A CORPORATION,  
(BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED MAY 11, 1995 AS INSTRUMENT NO. 95-762003, OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: *Robert M. Magid*  
ROBERT M. MAGID, PRES.

BY: *Robert M. Magid*  
ROBERT M. MAGID, SEC.

HERBERT J. STRICKSTEIN LAW CORPORATION,  
A CORPORATION,  
(BENEFICIARY)

RECORD HOLDER OF SECURITY INTEREST UNDER A DEED OF TRUST RECORDED MAY 19, 1995 AS INSTRUMENT NO. 95-803363 AND MAY 23, 1995 AS INSTRUMENT NO. 95-818871, BOTH OF OFFICIAL RECORDS, RECORDS OF LOS ANGELES COUNTY.

BY: *Herbert J. Strickstein*  
HERBERT J. STRICKSTEIN PRES.

BY: *Herbert J. Strickstein*  
HERBERT J. STRICKSTEIN SEC.

I HEREBY CERTIFY THAT I AM A LICENSED LAND SURVEY OF THE STATE OF CALIFORNIA AND THAT THIS CONDOMINIUM PLAN CORRECTLY REPRESENTS THE BOUNDARY OF THE LAND INCLUDED WITHIN THIS PROJECT AND THE LOCATION OF THE UNITS THEREIN AND IS BASED UPON CONSTRUCTION PLANS AND A FIELD INSPECTION CONDUCTED ON MAY 8, 1996.

*James D. Kerr*  
JAMES D. KERR  
L.S. NO. 3164

THIS CONDOMINIUM PLAN CONSISTS OF 10 SHEETS.



TRACT NO. 51235

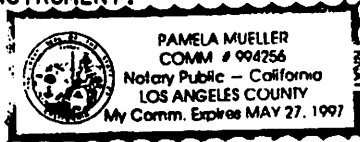
IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA WAGNER - KERR ASSOCIATES, INC.

STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES ON THIS 28th DAY OF JUNE, 19 95 BEFORE ME PAMELA MUELLER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED WILLIAM T. MACAYA

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



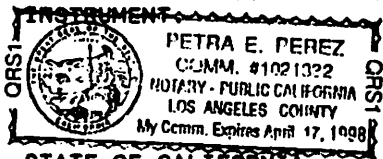
Signature of Pamela Mueller, Notary Public

STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES ON THIS 20th DAY OF June, 19 95 BEFORE ME Petra E. Perez, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED Robert L. Horn + Martha J. Lee

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



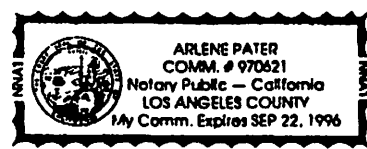
Signature of Petra E. Perez, Notary Public

STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES ON THIS 23 DAY OF JUNE, 19 95 BEFORE ME ARLENE PATER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED RONALD WHYTE

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(X) WHOSE NAME(X) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/ONE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(X) ON THE INSTRUMENT THE PERSON(X), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(X) ACTED. EXECUTED THE INSTRUMENT.



Signature of Arlene Pater, Notary Public

TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA WAGNER - KERR ASSOCIATES, INC.

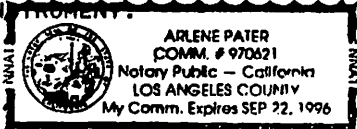
STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES

ON THIS 21 DAY OF JUNE, 19 95 BEFORE ME ARLENE PATER, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED ROBERT M. MAGID

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



Arlene Pater NOTARY PUBLIC

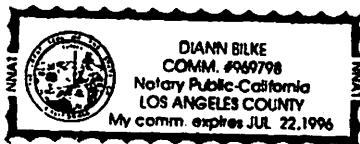
STATE OF CALIFORNIA

SS

COUNTY OF LOS ANGELES

ON THIS 22 DAY OF JUNE, 19 95 BEFORE ME DIANN BILKE, A NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED HERBERT J. STRICKSTEIN

PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED. EXECUTED THE INSTRUMENT.



Diann Bilke NOTARY PUBLIC

**TRACT NO. 51235**

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER - KERR ASSOCIATES, INC.

**NOTES AND DEFINITIONS**

1. THIS CONDOMINIUM PROJECT (HEREIN THE "PROJECT") IS COMPOSED OF A "COMMON AREA" AND FIFTEEN (15) "UNITS".
2. THE COMMON AREA OF THIS PROJECT IS THE LAND AND REAL PROPERTY, INCLUDING ALL IMPROVEMENTS CONSTRUCTED THEREON, WITHIN THE BOUNDARY LINES OF LOT 1 OF TRACT NO. 51235, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1213, PAGES 51 TO 53, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, EXCEPT THEREFROM THOSE PORTIONS SHOWN AND DEFINED HEREIN AS UNITS 101 TO 105, INCLUSIVE, 201 TO 205, INCLUSIVE, AND 301 TO 305, INCLUSIVE.
3. THE FOLLOWING ARE NOT PART OF A UNIT: BEARING WALLS, COLUMNS, VERTICAL SUPPORTS, FLOORS, ROOFS, FOUNDATIONS, BEAMS, BALCONY RAILINGS, PIPES, FENCES, DUCTS, FLUES, CHUTES, CONDUITS, WIRES, AND OTHER UTILITY INSTALLATIONS, WHEREVER LOCATED, EXCEPT THE OUTLETS THEREOF WHEN LOCATED WITHIN THE UNIT, AND EXCEPT ANY SURFACE NOTED HEREIN WHICH MAY FORM A PART OF A COMPONENT ELEMENT OF A UNIT.
4. THE UNITS OF THIS PROJECT ARE NUMBERED AS SET FORTH ABOVE. [NOTE: UNIT NUMBERS MAY NOT BE THE SAME AS DOOR NUMBERS OR COMMON ADDRESSES OF UNITS.] A UNIT CONSISTS OF ALL THOSE COMPONENT ELEMENTS BEARING AN IDENTICAL NUMBER DESIGNATION. THE NUMBER DESIGNATION OF A COMPONENT ELEMENT COINCIDES WITH THE NUMBER OF THAT UNIT OF WHICH IT IS A PART. WHENEVER REFERENCE IS MADE TO ANY OF SAID UNITS, IT SHALL BE CONSTRUED THAT REFERENCE IS MADE TO THE UNIT AS A WHOLE AND TO EACH AND ALL OF ITS COMPONENT ELEMENTS.
5. THIS CONDOMINIUM PLAN IS INTENDED TO CONFORM TO CIVIL CODE SECTION 1351(e). IT IS NOT INTENDED TO SERVE AS THE BASIS FOR THE ISSUANCE OF ANY BUILDING PERMIT AND DOES NOT CONTAIN DETAILED CONSTRUCTION PLANS OR SPECIFICATIONS. THIS CONDOMINIUM PLAN CONTAINS DIAGRAMMATIC FLOOR PLANS OF THE BUILDING OF THE PROJECT BUILT IN SUFFICIENT DETAIL TO IDENTIFY EACH UNIT, ITS RELATIVE LOCATION AND APPROXIMATE DIMENSIONS. THE DIMENSIONS SHOWN HEREON ARE NOT INTENDED TO BE SUFFICIENTLY ACCURATE TO USE FOR COMPUTATION OF FLOOR AREA OR AIRSPACE VOLUME IN ANY OR ALL OF THE UNITS.
6. THIS CONDOMINIUM PLAN INTENTIONALLY OMITTS DETAILED INFORMATION WITHIN INDIVIDUAL UNITS OF THE FOLLOWING (IF ANY): FURRED CEILINGS; SOFFITS; STEPS, LANDINGS, STOOPS AND STAIRWAYS; AND PROTRUSIONS OF VENTS, BEAMS, COLUMNS, BAY WINDOWS AND WINDOW CASINGS, AND OTHER SUCH FEATURES.
7. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "A" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A DWELLING AREA. THE LATERAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS THEREOF AT THE LIMITS INDICATED ON THE RESPECTIVE PORTIONS THEREOF. EXCEPT AS OTHERWISE SET FORTH IN NOTE 14, BELOW, THE LOWER VERTICAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE FLOORS THEREOF AND THE UPPER VERTICAL BOUNDARIES OF EACH SUCH COMPONENT ELEMENT ARE THE INTERIOR SURFACES OF THE CEILINGS THEREOF AT THE ELEVATIONS SHOWN HEREON. EACH SUCH COMPONENT ELEMENT INCLUDES THE SURFACES SO DESCRIBED, THE SURFACES OF ANY BEARING WALLS, COLUMNS AND BEAMS WITHIN SUCH COMPONENT ELEMENT, THE RESPECTIVE PORTIONS OF THE BUILDING AND IMPROVEMENTS LYING WITHIN SAID BOUNDARIES (EXCEPT AS STATED IN NOTE 3, ABOVE) AND THE AIRSPACE COMPASSED BY SAID BOUNDARIES.

## TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

8. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "B" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A PATIO AREA. THAT AREA SHOWN ON THIS CONDOMINIUM PLAN BEARING THE LETTER DESIGNATION "C" IS A COMPONENT ELEMENT OF A UNIT CONSISTING OF A BALCONY AREA. THE LATERAL BOUNDARIES OF SUCH AREA ARE THE EXTERIOR SURFACES OF THE PERIMETER WALLS, WINDOWS AND DOORS OF ADJACENT BUILDING STRUCTURE WHERE SUCH SURFACES ADJOIN SUCH AREA; OTHERWISE, THE LATERAL BOUNDARIES OF SUCH AREA ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN HEREON FOR SUCH AREA. THE LOWER VERTICAL BOUNDARY OF EACH SUCH AREA IS THE INTERIOR SURFACE OF THE SLAB OR FLOOR THEREOF AT THE ELEVATION SHOWN HEREON AND THE UPPER VERTICAL BOUNDARY OF AREA IS A HORIZONTAL PLANE AT THE ELEVATION SHOWN HEREON. SUCH AREA INCLUDES ONLY THE AIRSPACE ENCOMPASSED BY SAID BOUNDARIES.
9. EACH OF THOSE AREAS SHOWN ON THIS CONDOMINIUM PLAN BEARING THE DESIGNATION "P" IS A PARKING SPACE AND IS AN EXCLUSIVE USE COMMON AREA. THE LATERAL BOUNDARIES OF EACH SUCH SPACE ARE VERTICAL PLANES AT THE LIMITS OF THE HORIZONTAL DIMENSIONS SHOWN HEREON FOR EACH SUCH SPACE. EXCEPT AS OTHERWISE SET FORTH IN NOTE 15, BELOW, THE LOWER VERTICAL BOUNDARY OF EACH SUCH SPACE IS THE INTERIOR SURFACE OF THE FLOOR THEREOF AT THE ELEVATION SHOWN HEREON, AND THE UPPER VERTICAL BOUNDARY OF EACH SUCH SPACE IS A HORIZONTAL PLANE AT THE ELEVATION SHOWN HEREON. EACH SUCH SPACE INCLUDES ONLY THE AIRSPACE ENCOMPASSED BY SAID BOUNDARIES.
10. FOR PURPOSES HEREOF, "U.E." MEANS UPPER ELEVATION AND "L.E." MEANS LOWER ELEVATION.
11. THE DISTANCE BETWEEN A DWELLING AREA COMPONENT ELEMENT OF A PARTICULAR UNIT AND ANY ADJACENT BALCONY AREA COMPONENT ELEMENT OF THE SAME UNIT IS 0.4 FEET UNLESS OTHERWISE INDICATED. THE DISTANCE BETWEEN A DWELLING AREA COMPONENT ELEMENT OF A PARTICULAR UNIT AND ANY ADJACENT PATIO AREA COMPONENT ELEMENT OF THE SAME UNIT IS 0.4 FEET UNLESS OTHERWISE INDICATED.
12. THE DISTANCE BETWEEN ADJACENT DWELLING AREA COMPONENT ELEMENTS OF DIFFERENT UNITS ON THE SAME LEVEL IS 0.4 FEET UNLESS OTHERWISE INDICATED.
13. UNLESS OTHERWISE INDICATED, ALL TIES TO PROPERTY LINES, UNITS AND COMPONENT ELEMENTS OF UNITS ARE AT RIGHT ANGLES FROM THE LINES WHICH THEY JOIN, AND ALL AIRSPACE BOUNDARY LINES INTERSECT AT RIGHT ANGLES. IN ADDITION, ALL DIMENSIONS (HORIZONTAL AND VERTICAL) ARE IN FEET.
14. IN CERTAIN INSTANCES, CERTAIN UPPER VERTICAL ELEVATIONS OF DWELLING AREA COMPONENT ELEMENTS SHOWN HEREON DO NOT COINCIDE WITH THE INTERIOR SURFACES OF CEILINGS. NEVERTHELESS, WHERE THIS OCCURS IT IS THE INTENTION THAT EACH SUCH COMPONENT ELEMENT'S UPPER VERTICAL BOUNDARIES BE COINCIDENT WITH THE INTERIOR SURFACES OF ITS CEILINGS RATHER THAN THE UPPER VERTICAL ELEVATIONS EXPRESSED HEREIN.
15. IN CERTAIN INSTANCES, CERTAIN LOWER VERTICAL ELEVATIONS OF PARKING SPACE AREAS SHOWN HEREON DO NOT COINCIDE WITH INTERIOR SURFACES OF FLOORS. NEVERTHELESS, WHERE THIS OCCURS IT IS THE INTENTION THAT EACH SUCH AREA'S LOWER VERTICAL BOUNDARIES BE COINCIDENT WITH THE INTERIOR SURFACE OF ITS FLOORS RATHER THAN THE LOWER VERTICAL ELEVATION EXPRESSED HEREIN.

# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER - KERR ASSOCIATES, INC.

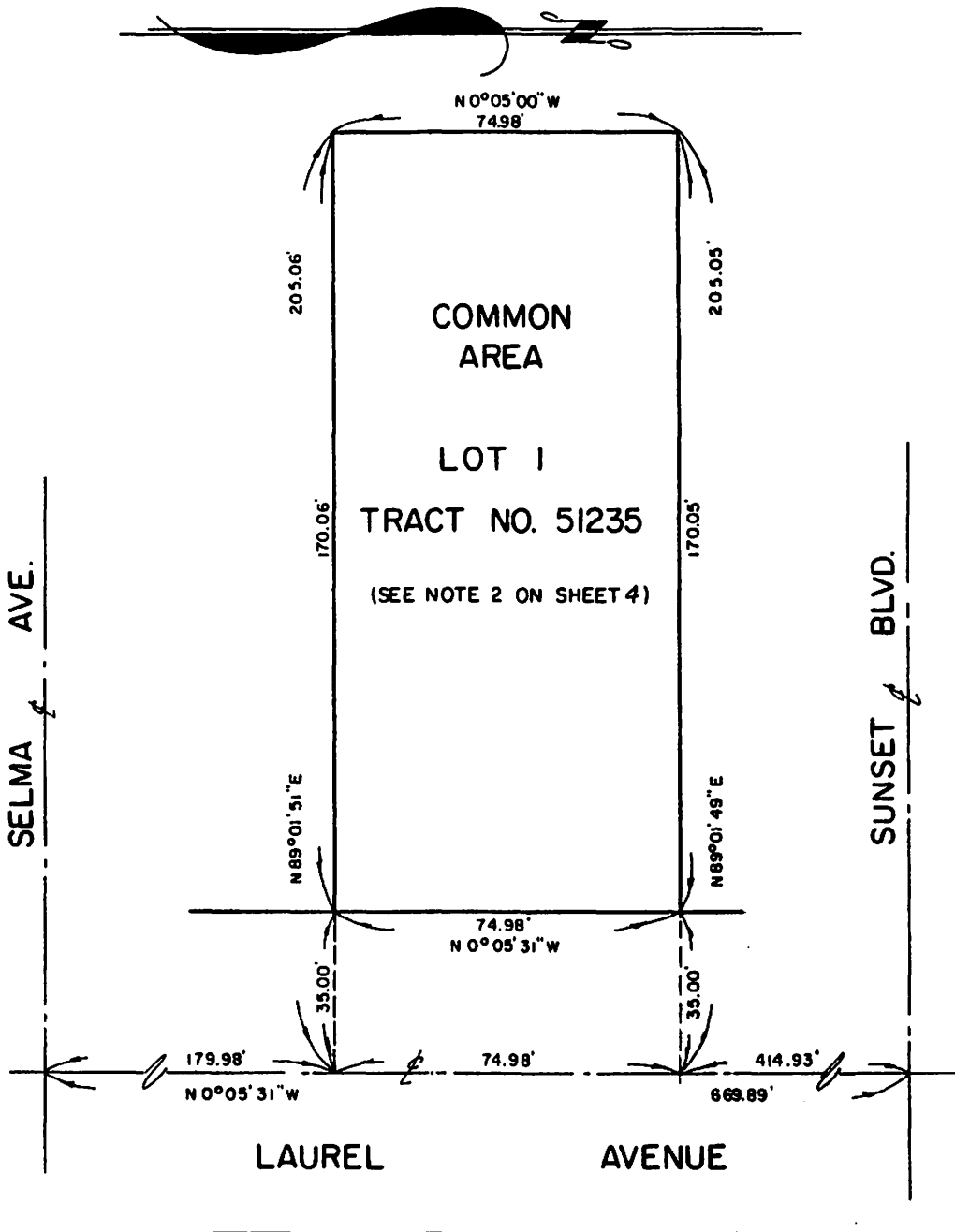
BASIS OF BEARINGS:

THE BEARING N.0°05'31"W. OF THE CENTERLINE OF LAUREL AVENUE AS SHOWN ON THE MAP OF TRACT NO. 51235 PER MAP FILED IN BOOK 1213 PAGES 51 TO 53, INCLUSIVE OF MAPS, RECORDS OF LOS ANGELES COUNTY.

BENCHMARK:

WIRE SPK IN N CURB SELMA AVE 26FT E OF LAUREL CANYON BLVD

B.M. # 13-19070 ELEV. = 443.736 (1980 ADJ.)





SCALE: 1" = 20'

CONDOMINIUM PLAN FOR LOT 1 OF

SHEET 8

# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

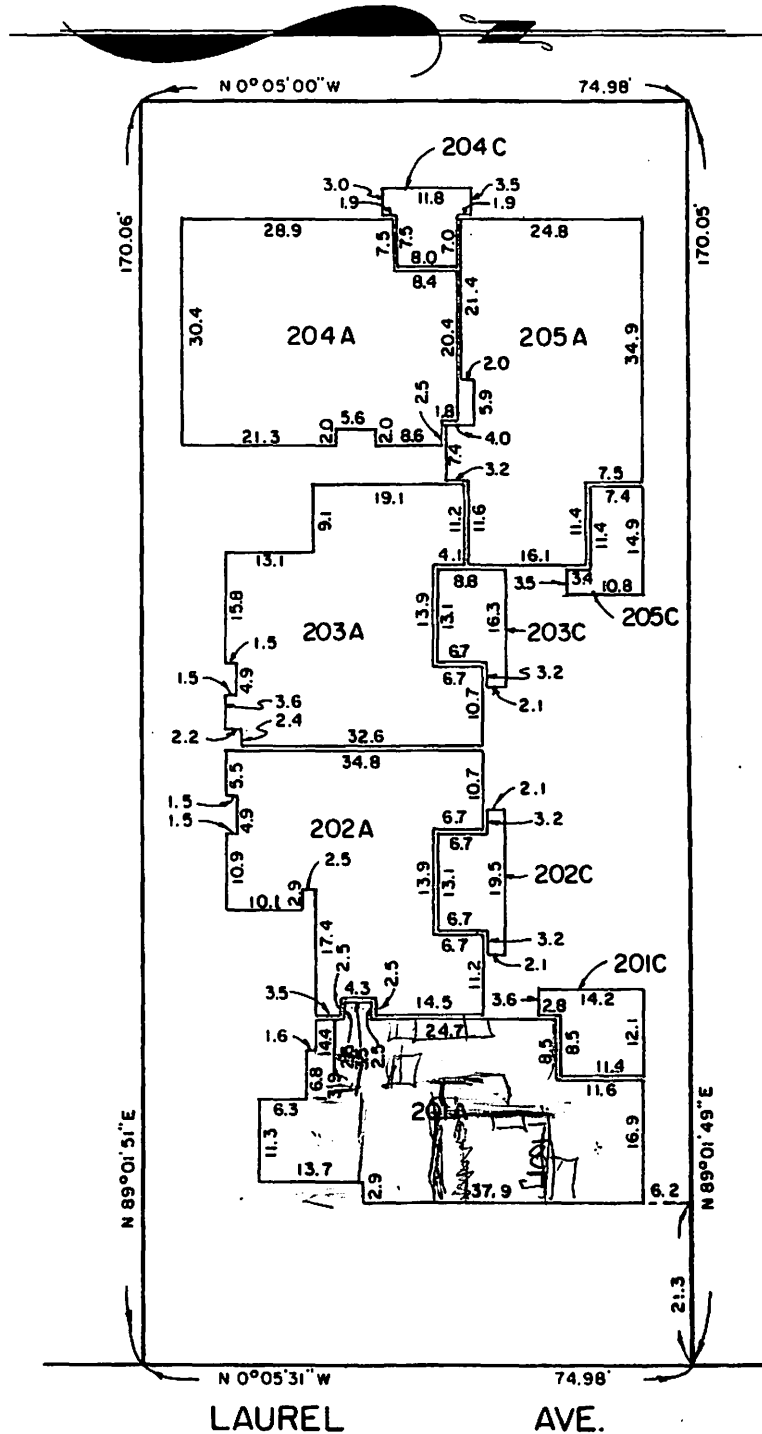
## SECOND FLOOR

VERTICAL LIMITS OF ALL "A" AIRSPACES SHOWN HEREON ARE:

U.E. = 454.9      L.E. = 447.0

VERTICAL LIMITS OF ALL "C" AIRSPACES SHOWN HEREON ARE:

U.E. = 454.9      L.E. = 446.9



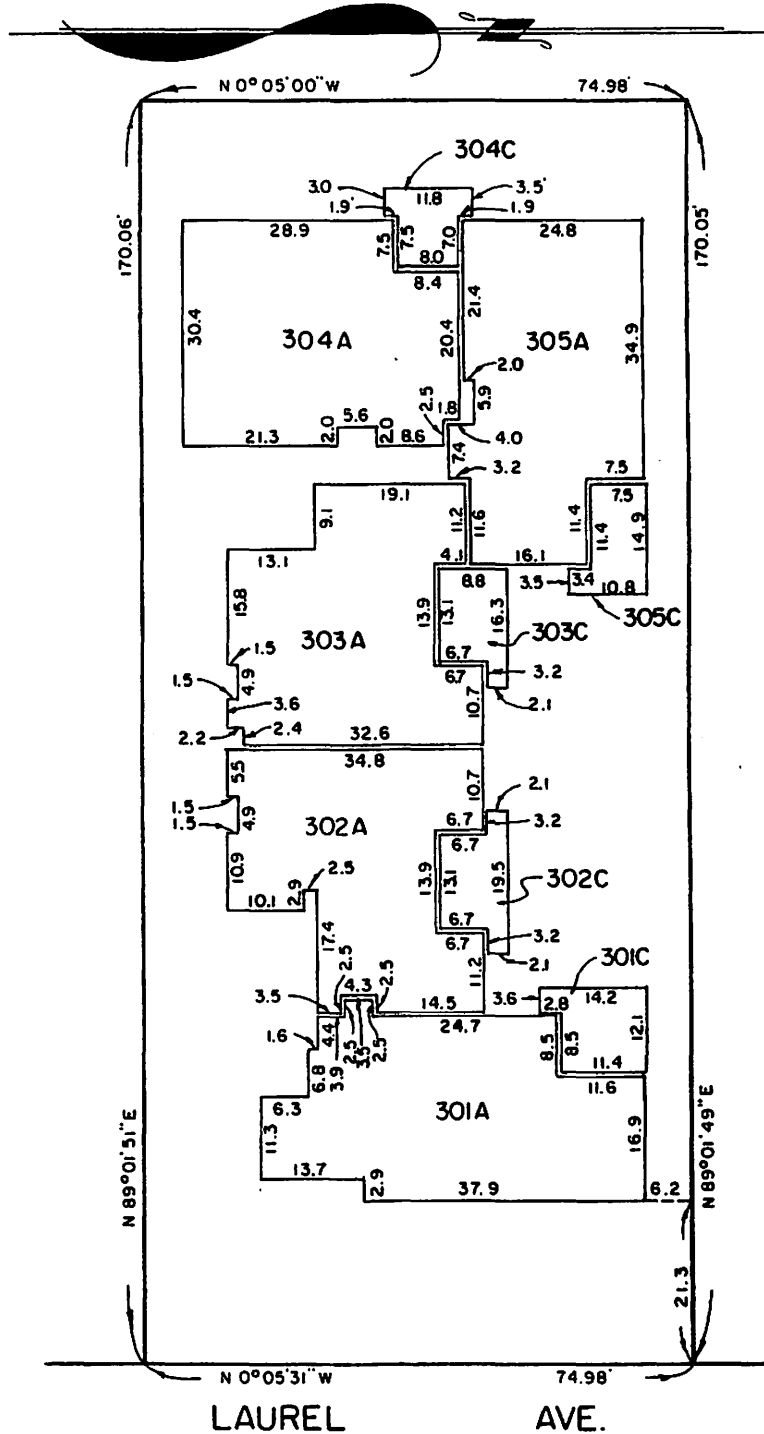
# TRACT NO. 51235

IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA  
WAGNER - KERR ASSOCIATES, INC.

## THIRD FLOOR

VERTICAL LIMITS OF ALL "A" AIRSPACES SHOWN HEREON ARE:  
U.E. = 464.0 L.E. = 456.1

VERTICAL LIMITS OF ALL "C" AIRSPACES SHOWN HEREON ARE:  
U.E. = 464.0 L.E. = 456.0



SCALE: 1" = 20'

CONDOMINIUM PLAN FOR LOT 1 OF

SHEET 10

# TRACT NO. 51235

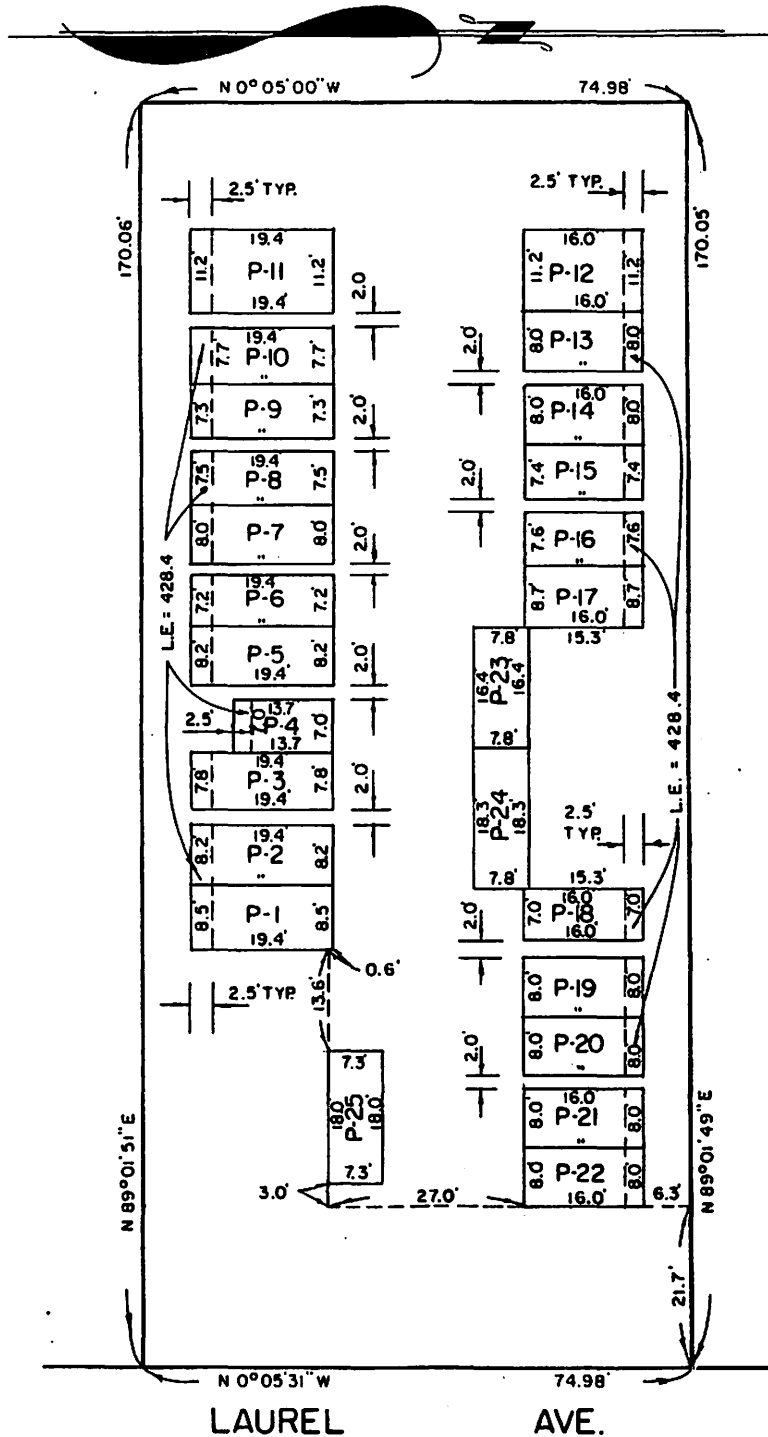
IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES

STATE OF CALIFORNIA  
WAGNER-KERR ASSOCIATES, INC.

## PARKING PLAN

VERTICAL LIMITS OF AIRSPACES P-1 TO P-25 INCLUSIVE ARE:

U.E. = 434.7 ; L.E. = 428.1 EXCEPT AS NOTED



## 1550 LAUREL OWNERS ASSOCIATION, INC.

### ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

Timely payment of regular and special assessments is of critical importance to the Association. The failure of any owner to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

1. Assessment Due Dates. The regular assessment is payable in 12 equal installments on the first day of each calendar month. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than 30 days after the special assessment has been dully imposed. Regular and special assessments shall be delinquent if not paid within 15 days after they become due.
2. Late Charges. When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the Association shall be charged with a late payment of ten (10) percent of the delinquent amount.
3. Collection Costs Are Also Recoverable. As provided by law, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters; (ii) legal expenses incurred; (iii) recording costs; (iv) costs incurred with title companies or foreclosure service providers; and (v) costs associated with small claims court actions (collectively "reasonable costs of collection").
4. Interest. If an assessment payment is delinquent for more than 30 days, interest shall be imposed on all delinquent assessments, late charges, and reasonable costs of collection at the annual percentage rate of twelve (12) percent.
5. The First Demand Letter. When an owner becomes delinquent in the payment of assessments, the Association will mail (by first-class

mail) or personally deliver to the owner a "First Demand" letter advising the owner that he or she is late in the payment of the assessments and requesting immediate payment. The letter shall also inform the owner of the total amount then due and will enclose this Delinquent Assessment Collection Policy.

6. Assignment of Account for Collections. If the owner's assessment account remains delinquent for more than 45 days, the Association shall assign the account to an attorney or lien services company for further action. The Association may pursue one of these alternatives: (1) non-judicial foreclosure proceedings, (2) court action, or (3) judicial foreclosure.
7. Second Demand Followed by Foreclosure Proceedings. If an assessment payment is delinquent for more than 45 days, the Association shall cause a second demand letter to be sent to the delinquent homeowner by certified mail. This letter shall provide an itemized statement of the total amount of assessments then due and the amount of late charges, collection costs, and interest then posted to the owner's account. In addition, this notice shall advise the owner of the Association's late fee and penalty procedures and the Association's collection policies including a copy of this Policy with the letter.
8. Assessment Lien. If payment for all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees is not made within seven (7) days from the mailing of the second demand letter, the Association shall be entitled to cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment and Claim of Lien for all sums that are then delinquent. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's unit that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or under a power of sale.
9. Owner's Payment Under Protest. If an owner disputes the amount of any late charge or other charge, the owner may pay all delinquent amounts in full, under protest and send the Association, by certified mail, a written notice that the amount paid is paid under protest. This notice must be given within 30 days of the recordation of the Notice of Delinquent Assessment. The owner has the right to have the matter resolved through Alternative Dispute Resolution (ADR) in accordance with civil code section 1354. Except to the extent that notices are required by law, the Association shall not provide advice to property owners regarding technical requirements of the ADR

procedures. Owners should consult their own counsel regarding such matters. An owner may not demand Alternative Dispute Resolution more than two times in a single calendar year or three times in any five calendar years.

10. Continuation with Foreclosure Proceedings. Following the later of 30 days from recordation of the Notice of Default or conclusion of Alternative Dispute Resolution procedures, the Association's lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment, or sale by a trustee.
11. Recovery of Attorney Fees and All Reasonable Costs of Collection. If a lawsuit or foreclosure proceeding is initiated by the Association to recover assessments, the Association is entitled, by law, to recover not only the amount in default, plus late charges and interest, but also all reasonable costs of collection, including title company charges and attorney fees.
12. Effective Date of This Policy. This policy was duly adopted by the action of the Board of Directors on November 4, 1998, and shall be effective as of the same date.



**1550 LAUREL OWNERS ASSOCIATION, INC.**

**POOL RULES**  
**(Board Adopted July 14, 1999)**

OLD

**We, your Board of Directors, have revised the Pool Rules, keeping in mind our main objective, to make the use of the pool and spa area safe and enjoyable for all homeowners.**

**We considered many factors before revising the pool rules for the Association; safety issues, including the fact that there is no lifeguard on duty, and consideration of owners who live in close proximity to the pool area. We hope that the pool will be used frequently and safely this summer and for many summers to come.**

**As used herein, "pool areas" shall include the swimming pool and deck.**

1. Pool area hours are: MONDAY - THURSDAY - 8:00AM to 9:00PM.  
FRIDAY & SATURDAY - 9:00AM to 10:00PM  
SUNDAY - 9:00AM to 9:00PM
2. No pets are permitted in the pool area.
3. Excessive noise is to be avoided.
4. No one shall use a radio or any similar sound-emitting device at the pool area unless they are using earphones.
5. An Owner shall be permitted three guests on Monday – Friday, per unit; two guests on Saturday & Sunday.
6. Guests must be accompanied by the Owner or Tenant.
7. Everyone under the age of 18 must be accompanied and supervised by an adult at all times.
8. No glass, dish or any type of breakable material is allowed in the pool area.
9. Each Owner is responsible for ensuring the cleanliness of the area after use by him/her and/or guest(s). Trash must be placed in the receptacles provided.

**Page Two**  
**Pool Rules**  
**(Adopted July 14, 1999)**

- 10. Smoking is not permitted in the pool area.**
- 11. Running is not permitted in the pool area.**
- 12. Life preservers and other safety equipment items are for emergency use only and are not to be used as toys.**
- 13. Rafts and other floatables must not be left unattended in the pool and are to be stored out of sight at all other times.**
- 14. Parties may be scheduled by providing at least two weeks advance notice to the property manager. Provided that Board approval is received, adequate arrangements must be made for safety, clean-up, waste disposal, etc. During parties, all pool rules are applicable.**

**1550 LAUREL OWNERS ASSOCIATION, INC.  
Robert Barry, President  
1550 N. Laurel Avenue  
Los Angeles, CA 90046  
213/654-0870**

**M E M O R A N D U M**

*OLD*

**TO: ALL HOMEOWNERS**

**RE: POOL RULES**

**DATE: JULY 10, 1997**

**Enclosed please find Pool Rules and Regulations that have been adopted by the Board of Directors.**

**These rules are designed to insure that all homeowners have the opportunity to enjoy the pool facilities. Our objective is to keep the pool and its surrounding deck safe and clean.**

**Happy swimming!**

## 1550 LAUREL OWNERS ASSOCIATION, INC.

### POOL RULES AND REGULATIONS (Revised July 10, 1997)

1. The pool is to be used only between the hours of 10:00 a.m. and 10:00 p.m.
2. The pool is reserved exclusively for the use of residents of the building.
3. **TWO GUESTS PER UNIT ARE PERMITTED TO USE THE POOL FACILITIES, WHEN ACCOMPANIED BY A RESIDENT, INCLUDING SATURDAY, SUNDAY OR HOLIDAYS.**
4. No person under the influence of alcohol or drugs is permitted in or around the pool area.
5. No food or alcoholic beverages are allowed in pool area. Non-alcoholic drinks must be in plastic or paper containers. **NO GLASS IS ALLOWED.**
6. No children under the age of thirteen (13) will be allowed in or around the pool area, unless accompanied by an adult.
7. No running, jumping, fighting, boisterous or dangerous conduct and/or noisy behavior is allowed in or around the pool area.
8. No toys, innertubes, air mattresses, rafts, flotation devices or any other objects are allowed in the pool area.
9. Everyone is to wear shoes or slippers to and from the pool.
10. Bathing suits must be worn by everyone. No cut offs, leotards or street clothes **please**. Use your discretion. Babies also should wear bathing suits and not diapers in the pool.
11. All persons using the pool, do so at their own risk. Management is not responsible for accidents or injuries. This does not waive Management's duty of care to prevent injury or property damage where that duty is imposed by law.
12. Management is not responsible for articles lost, damaged or stolen.
13. No lifeguard will be on duty.

# **1550 Laurel Owners Association, Inc.**

## **THE USE OF BBQ GRILLS (Amendment to the Rules and Regulations – A. General Rules (k) BBQs) (Adopted February 10, 2000)**

1. All grills must be accompanied by a working fire extinguisher.
2. The use of lighter fluid or newspaper to start a grill is strictly prohibited. Electric or gas starters are allowed.
3. All grills must be controlled and the unit owner or “cook” must be present at all times during their use.
4. Consideration for your neighbor must be acknowledged at all times.
5. Corner condominium units may not push grills around the corner to avoid smoke from coming into their unit, while sending it to their neighbors.
6. Failure to obey any of these rules will result in a fine.

# **1550 LAUREL OWNERS ASSOCIATION, INC.**

## **Rules and Regulations**

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

# 1550 LAUREL OWNERS ASSOCIATION, INC.

## RULES AND REGULATIONS

(Adopted July 14, 1999)

### Introduction

The social success of our condominium association depends, in large part, on the rules and regulations that govern how residents are expected to conduct themselves. Typically, all unit owners are subject to general Covenants, while by-laws, together with Rules and Regulations, provide specific guidelines for day-to-day living. These guidelines, and means to enforce them, promote a community living experience that can be enjoyable and understandable.

The Rules and Regulations have been developed to provide each resident with the greatest latitude in using the facilities without infringing on other residents and their rights to quiet enjoyment of their homes and community. The Rules and Regulations will help to insure the residents' right to peaceful enjoyment and their right to privacy, as well as, to help preserve the beauty and appeal of Sunset Brentwood Homeowners Association.

The Rules and Regulations supplement the by-laws and Covenants, Conditions and Restrictions (CC&Rs) and do not supersede them. The Rules and Regulations have the same effect as the CC&Rs with the same legal implications. The Rules and Regulations are subject to revision as the Board of Directors deems necessary.

Rules apply to all owners and tenants alike. Owners will be responsible for their own actions, as well as, for those of their tenants and guests. The unit owners will be fined for violations of CC&Rs, by-laws and/or Rules and Regulations committed by their tenants. Any fines assessed will appear on the monthly assessment statement and the owner will be responsible for their payment.

Homeowners may contact the Board of Directors by way of the Management Office. All correspondence will be relayed to the Board of Directors or appropriate committee. Except for emergencies, tenants should deal directly with their unit owners to resolve any problems.

**1550 LAUREL OWNERS ASSOCIATION, INC.  
1550 N. Laurel Avenue  
Los Angeles, CA 90046**

**RULES AND REGULATIONS  
(Adopted July 14, 1999)**

The Board of Directors of 1550 Laurel Owners Association, Inc. has designed the following Rules and Regulations for the comfort and benefit of all homeowners and residents of our condominium community. These Rules and Regulations shall serve as a guideline for the conduct of each Owner. The Rules and Regulations may be amended, from time to time, by the Board of Directors.

**RULES FOR OCCUPYING A CONDOMINIUM UNIT**

As used herein, "Owner" shall be defined as an owner of a particular condominium unit. Unless otherwise stated, all Rules and Regulations shall apply to the Owner, as well as, to the occupants of a unit, e.g., persons living with the Owner, tenants, invitees, those occupying the unit with the Owner's consent, etc. Unless the context otherwise provides, these Rules shall apply to all of the premises owned by the condominium association.

**A. GENERAL RULES**

1. Signs: No Owner shall place or cause to be placed any signs on any of the common areas or other areas except the Owner's own unit. Any sign placed on the Owner's unit shall be consistent with good taste in both size and content, but in no event, shall a sign exceed 6 inches by 12 inches.

2. Disturbances: Owners shall not engage in activities in or about their unit or the common area which cause a disturbance to other residents. The following are specific examples of conduct which shall be prohibited or limited, as the case may be, but shall not be exclusive insofar as this provision is concerned:

(a) Placement of Stereos, Radios, Televisions, etc.: In any upper level (above ground floor) unit located above another unit, no sound-emitting devices may be placed on the floor, but must be elevated no fewer than 12 inches. For the purpose of this rule, console units shall be deemed in compliance, e.g., console televisions.

(b) Shouting and Other Noises: There shall be no shouting, fighting, running, use of foul language, playing or excessive barking of dogs permitted.

(c) Musical Instruments, Appliances, Stereos, Radios, Televisions and other Sound-Emitting Devices: These shall be used at times, and in a manner, so as to not disturb other residents.

(d) Construction: No Owner shall construct or allow construction other than between the hours of 8:00AM and 6:00PM on weekdays, and 9:00AM and 6:00PM on Saturdays; no construction work is permitted on Sunday. Owners must receive prior written consent from the property management company, before beginning any construction or project affecting the common areas of the property. Once approved, the Owner must provide a 48 hour notice to the management company so that all homeowners can be given sufficient notice so as not to be disturbed.

(1) Owner's contractors must contact the management office, prior to starting work at the property. Contractors are required to provide the management office with certificates of insurance, naming the Association and management company as additional insured, for liability coverage in the minimum amount of \$1,000,000 and worker's compensation coverage. Contractors must also provide the management office with a copy of their contractor's license.

(2) The trash containers in the garage are not to be used for construction rubbish. Owners or their workers must arrange for separate and prompt removal.

(e) Moving: An Owner must schedule the moving of furniture in and out of his unit with a view towards seeing that packing cases, barrels, boxes and the like are immediately removed from the premises.

(1) Moving trucks, vans, trailers or other vehicles are not permitted to block any driveway\*, walkway or entrance to any garage or unit of another Owner. Presence of these vehicles is to be cleared with the property manager, in advance.

(2) Owners shall give at least 48 hours notice to the property manager and any resident who may be disturbed by the move.

(f) Common Areas: Playing, bicycling or skateboarding in, as well as obstructing, defacing or in any way damaging the halls, entranceways, paths, sidewalks, grounds, landscaping, fire escapes, parking areas and all other common areas is strictly prohibited.

\*If moving vehicle takes more than 50% of the width of the driveway, moving van may not use the driveway.

- (1) All trash receptacles must be concealed in a conforming manner, and not in plain view as to cause an unsightly and unhealthy condition.
- (2) Water bottles (five gallon size) must not be in plain view or obstructing entranceways, sidewalks and all other common areas.
- (3) Clothing: No clothing, water bottles, etc., or other unsightly articles shall be hung, dried or aired on any portion of the property, including the interior of any unit which is subject to open and plain view.
- (4) Car Washing and Maintenance: Car washing, polishing and drying is prohibited on the property. Driveways must be clear of all vehicles.

(g) Deliveries: When receiving a delivery, including food, owner or Tenant may not "buzz" in delivery person. Owner or tenant must meet delivery person at the front door to the building,

(h) Rental of Units: When renting your unit and, prior to your new tenant moving in, Owner must provide tenant with a copy of the Rules and Regulations. The Owner must submit a letter, signed by the tenant, acknowledging that tenant has received, read and will abide by the Association's rules.

(i) Owner Emergency Questionnaire: All Owners must complete an emergency questionnaire and submit it to the management office. It is essential that the office have important emergency information regarding who to contact in case of an emergency, where the Owner's vehicle is parked, etc.

(j) Conversation on the Terrace/Balcony – Restricted Hours: Due to the configuration of the building, and the fact that bedrooms surround the pool area, the following terrace/balcony conversation/noise restrictions have been established:

Sunday through Thursday	8:00A – 11:00P
Friday and Saturday	9:00A – 1:00A

(k) BBQ's: BBQ's, of any type, are prohibited everywhere on the premises, until further notice.

**PET POLICIES**  
**(Adopted July 14, 1999)**

**As per the CC&Rs, one pet (dog or cat) per household, not exceeding twenty (20) pounds, is permitted with the following provisions:**

- 1. No pet is permitted to run free in the common area;**
- 2. Each pet MUST be on a leash AT ALL TIMES when outside the homeowner's unit;**
- 3. All owners are responsible to immediately pick-up after their animal;**
- 4. No animal may be leashed to any stationary object on the common areas;**
- 5. No animal is permitted in or on any community facilities;**
- 6. No dog shall be permitted to bark, howl, or make other loud noises for such an unreasonable time as disturbs neighbors' rest or peaceful enjoyment of their unit or the common areas;**
- 7. Property owners who lease their property must obtain from the lessee a written agreement to abide by these rules and submit a copy of such agreement to the management office;**
- 8. No occupant is permitted to care for any pet, other than their own, for more than one (1) week, with a maximum of two (2) weeks total time per year. This includes dog-sitting or dog-walking services;**
- 9. The pet owner(s) will be held responsible for violations of any or all the above and, therefore, subject to fines.**

**LAUNDRY ROOM RULES**  
**(Adopted July 14, 1999)**

1. Owners only shall have the right to use the laundry room and this right shall not be transferred except to occupants of an Owner's unit.
2. Each Owner is responsible for the cleanliness of the laundry room and washers and dryers after each use.
3. Smoking is not permitted in the laundry room.

**1550 LAUREL OWNERS ASSOCIATION, INC.**  
(July 14, 1999)

**ARCHITECTURAL STANDARDS AND PROCEDURES**

In order to establish and preserve a harmonious design for the Association and protect, insure, and enhance the value of the property, insure compliance with the CC&Rs and provide each homeowners with a method of making changes and improvements, the Board of Directors has adopted the following Architectural Standards and Procedures.

Since all of the common areas (buildings, grounds, etc.) are owned by the Association, unit owners are very limited as to the improvements they can make. Please carefully review your CC&Rs and call the management office if you have any questions; otherwise, you may find yourself facing fines, delays, damage claims, workers barred from entry and/or court orders returning items to their original condition.

1. Liability: Any damage to the common area, caused by the alterations or improvements are the homeowner's responsibility. If the damage is not repaired in a timely manner, the Association may make the repairs and charge the homeowner's account.
2. Work Location: All work must be done inside your unit. Workers cannot set up equipment in hallways, lobbies or garages. Under special circumstances, permission may be obtained to work in the garage with prior approval from the property management office.
3. Building Permits: Must be obtained from the Los Angeles City Building and Safety Department as needed and must be submitted to the Association prior to the commencement of any work. Permits are required for anything involving removal, or moving of walls, plumbing or electrical work.
4. Inspections: The Association may periodically inspect work to insure that work is in compliance with these rules.
5. Painting and Wallpaper: Does not require approval.

6. Trash and Debris: The Association's garbage bins are not large enough to accommodate construction debris. All trash and debris from remodeling must be carried off site by your contractors. Arrangements for extra bins must be made through the property management office. Construction people are not permitted to store their materials on the property or to use the trash bins to dispose of waste.
7. Balcony Enclosures: Balcony enclosures are strictly prohibited.
8. Landscaping: All landscaping is handled by the Association. Residents are not permitted to plant anything in the common area or to place real or artificial plants in any part of the common area.
9. Front door signs and knockers are not permitted.

#### ARCHITECTURAL RESTRICTIONS:

1. Additional skylights;
2. Additional roof vents and fans;
3. Alterations of parting walls or parting floors and ceilings;
4. Non-conforming exterior light fixtures;
5. Jacuzzi bathtubs permitted on the first floor only.

# 1550 LAUREL OWNER'S ASSOCIATION, INC.

## ENFORCEMENT PROCEDURES (Adopted July 14, 1999)

### I. DEFINITIONS

- A. Words shall have the same meaning in these rules as they have in the governing documents.
- B. "Governing Documents" shall mean the CC&Rs, By-Laws, Articles of Incorporation, and these Rules and Regulations, collectively or individually, as the context may require.

### II. DISPUTE RESOLUTION BETWEEN NEIGHBORS

Neighbor disputes or problems should be taken up first between the neighbors involved. If, after discussion, the matter cannot be resolved, the problem should be brought to the attention of the property management office for their assistance. Please understand that members of the Board of Directors are volunteers and are not paid for their services. To the extent that it is possible, communication with the Board members should be restricted to reasonable hours. Written communication is preferred and should be sent to the property management office, to the attention of the Board of Directors.

- A. The Board shall have the power, but not the obligation, to arbitrate or mediate disputes between neighbors within the community. To the extent that the dispute arises as a result of an alleged violation of the governing documents, then the Board shall not refuse to attempt such arbitration or mediation unless the Board, in good faith and upon reasonable cause, determines that its efforts would be of no meaningful use in resolving the dispute.
- B. In arbitrating or mediating any such dispute, the Board may utilize such reasonable rules and procedures as it may adopt from time to time without limitation.
- C. No member of the Board shall be personally liable to any owner or to any other person for any act performed or omitted in carrying out the responsibilities as a member of the Board.

### III. ENFORCEMENT

- A. The Association has the power, and in some instances, the duty to enforce the governing documents. The Association acts through the Board of Directors in carrying out these responsibilities. The Board may delegate some or all of its enforcement responsibilities to one or more committees.
- B. It is the policy of the Association to use the lowest level of enforcement power available to it to assure that the governing documents are upheld. In serious situations, the Association may omit the use of lower enforcement powers and may seek to pursue the level of enforcement necessary to correct the violation.
- C. Pursuant to the CC&Rs, the following are some of the enforcement powers available to the Association:
  - 1. Warning letter
  - 2. Suspension of use of the common area
  - 3. Suspension of membership rights and/or voting rights
  - 4. Imposition of monetary penalties
  - 5. Legal actions for damages
  - 6. Equitable actions for injunctions
  - 7. Reimbursement assessments
  - 8. Other powers not prohibited by law

- D. As a reasonable necessary adjunct to its enforcement responsibilities, the Association and its Board of Directors shall have the power to impose monetary penalties on members for violations of the governing documents by all residents and their guests, family members, and/or employees.

#### IV. ENFORCEMENT PROCEDURES

- A. No monetary penalty or suspension of a member's rights shall be imposed until after the Board has afforded the member due process by way of the opportunity for a hearing.
  - 1. The member shall have been given at least fifteen (15) days prior written notice of hearing at which such discipline may be imposed. The notice shall indicate the nature of the violation of the governing documents or Rules and Regulations which is alleged to have occurred and the penalties which might be imposed.
  - 2. The member shall have been provided the opportunity to be heard, orally or in writing, not fewer than five (5) days before the effective date of any such penalty, by the Board, as to why the penalty should not be imposed.
  - 3. All enforcement hearings shall be held in Executive Session.
- B. Homeowners may request reconsideration of any decision or penalty concerning a violation which has been found to exist by submitting a written request to the Board of Directors within five (5) days of the decision. Any appeal or request for reconsideration shall state specifically the reason or reasons for the review.

#### V. ATTORNEY FEES AND OTHER EXPENSES

- A. To the extent that it becomes necessary or appropriate for the Association or its Board to retain the services of legal counsel to resolve any dispute or enforce any provision of the governing documents, the Association shall be entitled to full reimbursement of any and all such legal costs or expenses reasonably incurred.
- B. To the extent that the Association incurs expenses in correcting violations of the governing documents and/or the Rules and Regulations, the Association shall be entitled to full reimbursement of any and all such costs or expenses reasonably incurred.
- C. Where it is determined by the Board that such legal costs or expenses should be borne by more than one member of the Association, such cost and expense may be apportioned between or among members, as the Board, in its sole discretion, deems fair and appropriate.

#### VI. COLLECTION OF MONETARY PENALTIES AND EXPENSES

Any monetary penalty or legal expense imposed by the Association or its Board shall be due and payable to the Association on the sixth day following its imposition. Any fine left unpaid will become a charge against the homeowner and will be reflected on the homeowner's account.

#### VII. SCHEDULE OF MONETARY PENALTIES

- A. First offense – Warning
- B. Second offense – Twenty-five dollars (\$25.00)
- C. Third offense – Fifty dollars (\$50.00)
- D. Fourth offense and repeated offenses – One hundred dollars (\$100.00)

#### VIII. ALTERNATIVE DISPUTE RESOLUTION

Upon the request of any member, the Board of Directors shall offer to participate in non-binding mediation of any dispute between the Association and the member. The offer of mediation shall not limit the power of the Board, either before or after the mediation, to pursue any other enforcement mechanism available to the Association.

**1550 LAUREL OWNERS ASSOCIATION, INC.**

**Rules and Regulations**

**Specifications for the  
Installation of Hardwood Flooring**

The use of wall-to-wall carpeting in all areas except entries, kitchens and bathrooms is encouraged because of its superior sound impact insulation. For all units located above the ground floor, hard surface flooring and resilient underlayments are required as specified below.

**The only Board-approved sound-insulating products are:**

**1/2" Underlayment - Accoustocork S130  
Perimeter Isolation Barrier - Accoustocork B60**

Owners must submit their scope of work, including materials specifications, in writing, to the property management company, seven (7) days prior to any installation.

In all circumstances, installation must be pursuant to the installation instructions of the attached "Hard Surface Flooring Installation Detail", marked Exhibit "A".

# WOOD FLOORING INSTALLATION DETAIL

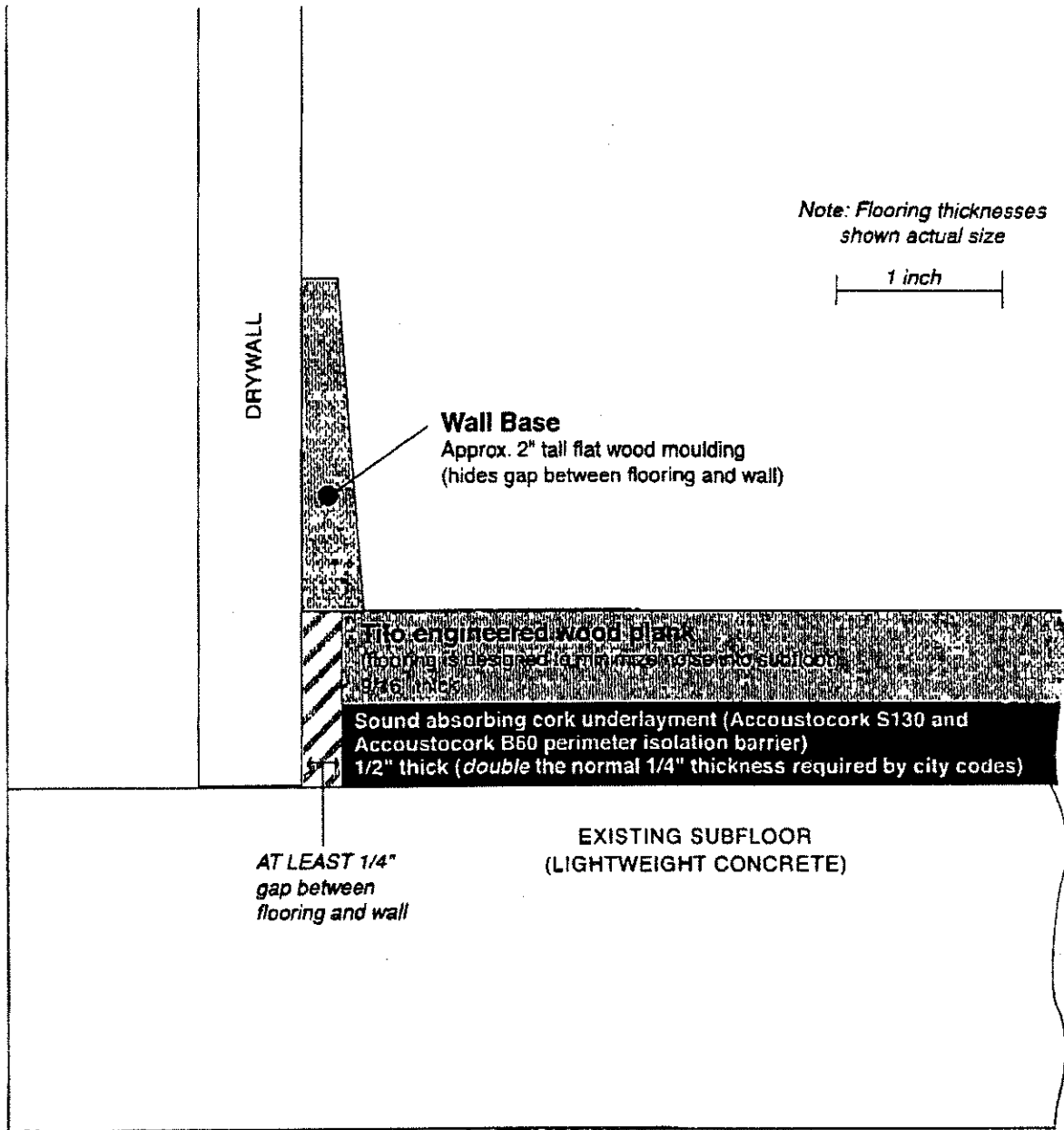


EXHIBIT "A"

# **1550 LAUREL OWNER'S ASSOCIATION, INC.**

## **Insurance Deductible Policy**

(Board Adopted October 16, 2002)

The homeowner is responsible for paying the insurance policy deductible when:

1. The loss occurs as a result of the negligence of the individual homeowner.

OR

2. The loss occurs as a result of a failure of a portion of the unit that is within the homeowner's care, custody and control and/or affects a component that exclusively serves the homeowner's unit.

The Association is responsible for paying the insurance policy deductible when:

1. The loss occurs as a result of the negligence of the Association.

OR

2. The loss occurs as a result of a failure of a portion of the project that is within the Association's care, custody and control.

## **1550 LAUREL OWNERS ASSOCIATION, INC.**

### **Homeowners Responsibility For Interior of Condominium Unit Policy**

1. The Association shall not be liable for any interior damage to the Units (including personal property) unless it can be shown that the Association acted with gross negligence in the maintenance, repair or replacement of those components for which the Association is responsible.
2. The Association is not responsible for loss of use of Units during any maintenance, repair and /or replacement project undertaken by the Association or any loss of use caused for any reason.
3. In the event the Association must disturb interior finished surfaces when performing maintenance, repair or replacement of any component, the Association shall be responsible only for restoring the surface to a paint-ready condition, and shall not be responsible for restoring any Owner finishes.

# 1550 LAUREL OWNER'S ASSOCIATION, INC.

## SATELLITE DISH RULES

### I. Preamble

These rules are adopted by the Board of Directors of 1550 Laurel Owner's Association, Inc. on January 31, 2000 and became effective on March 3, 2000.

### RECITALS

**WHEREAS**, 1550 Laurel Owner's Association, Inc. (the "Association") is responsible for governance and maintenance of the Association premises (the "Community"); and

**WHEREAS**, the Association exists pursuant to California law and the Association's governing documents; and

**WHEREAS**, the Association is authorized to adopt and enforce reasonable rules and regulations in the interests of the Community, pursuant to sections of state law and the governing documents permitting the Association to adopt and enforce rules; and

**WHEREAS**, the Federal Communications Commission ("the FCC") adopted a rule effective October 14, 1996, preempting certain association restrictions on the installation, maintenance and use of direct broadcast satellite, television broadcast, and multipoint distribution service antennas ("antennas"); and

**WHEREAS**, the Association adopts the following restrictions and regulations for the Community, hereinafter referred to as the "Rules," which shall be binding upon all owners and their grantees, lessees, tenants, occupants, successors, heirs, and assigns who currently or in the future may possess an interest in the Community, and which shall supersede any previously adopted rules on the same subject matter.

### II. Definitions

- A. Antenna – any device used for the receipt of video programming services, including direct broadcast satellite (DBS), television broadcast, and multipoint distribution service (MDS). A reception antenna that has limited transmission capability designed for the viewer to select or use video programming is a reception antenna, provided it meets FCC standards for radio frequency emission. Cabling, supports, guy wires, conduits, wiring, fasteners, or other accessories necessary for the proper installation, maintenance and use of a reception antenna shall be considered part of the antenna.
- B. Transmission-only antenna – Any antenna used solely to transmit radio, television, cellular, or other signals.
- C. Owner – Any association unit owner. For the purpose of this rule only, "owner" includes a tenant who has the written permission of the unit owner to install antennas.
- D. Telecommunications signals – Signals received by DBS, television broadcast and MDS antennas.
- E. Exclusive-use area – Limited common area in which the owner has a direct or indirect ownership interest and that is designated for the exclusive use of the owner as defined in the appropriate association document.

### III. Installation Rules

#### A. Antenna Size and Type

1. DBS antennas that are one meter or less in diameter may be installed. Antennas designed to receive satellite signals which are larger than one meter are prohibited.
2. MDS antennas one meter or less in diameter may be installed. MDS antennas larger than one meter are prohibited.
3. Installation of transmission-only antennas is prohibited unless approved by the Board of Directors.
4. All antennas not covered by the FCC rule are prohibited.
5. No more than one antenna for each type of service may be installed by an owner.

#### B. Location

1. Antennas must be installed solely in the owners' unit or on individually-owned property or exclusive-use area, as designated on the Association's Condominium Plan.
2. If acceptable quality signals can be received by placing antennas inside a unit without unreasonable delay or unreasonable cost increase, then outdoor installation is prohibited.
3. Antennas must not encroach upon any common elements, any other owner's individual unit or limited common element, or the air space of another owner's limited common element.
4. Antennas shall be located in a place shielded from view from outside the community or from other units to the maximum extent possible; provided, however, that nothing in this rule would require installation in an exclusive use area where an acceptable quality signal cannot be received. Antennas may not be installed on common property, even if an acceptable quality signal cannot be received from an individually owned or exclusive use area.

#### C. Installation on Exclusive Use Areas

1. Antennas shall be no larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal.
2. All installations shall be completed so they do not materially damage the common elements, limited common elements, or individual units, or void any warranties of the condominium association or other owners, or in any way impair the integrity of the building.
3. Any installer other than the owner shall provide the association with an insurance certificate listing the association as a named insured prior to installation. Insurance shall meet the following minimum limits:
  - a. Contractor's General Liability (including completed operations): \$1,000,000.00
  - b. Workers' Compensation: Statutory Limits
4. The purpose of this regulation is to ensure that antennas are installed in a manner that complies with building and safety codes and manufacturer's instructions. Improper

installation could cause damage to structures, posing a potential safety hazard to Association residents and personnel.

5. Antennas must be secured so they do not jeopardize the soundness or safety of any structure or the safety of any person at or near the antennas, including damage from wind velocity.
6. There shall be no penetrations of exterior, exclusive-use areas of the building.

#### D. Maintenance

1. Owners who install or maintain antennas are responsible for all associated costs, including but not limited to costs to:
  - a. Place (or replace), repair, maintain, and move or remove antennas;
  - b. Repair damage to any property caused by antenna installation, maintenance or use;
  - c. Pay medical expenses incurred by persons injured by antenna installation, maintenance, or use;
  - d. Reimburse residents or the Association for damage caused by antenna installation, maintenance or use;
  - e. Restore antenna installation sites to their original condition.
2. Owners shall not permit their antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for antenna maintenance, repair and replacement, and the correction of any safety hazard.
3. If antennas become detached, owners shall remove or repair such detachment within 72 hours of the detachment. If the detachment threatens safety, the Association may remove antennas at the expense of the owner.
4. Owners shall be responsible for antenna repainting or replacement if the exterior surface of antennas deteriorates.

#### E. Safety

1. Antennas shall be installed and secured in a manner that complies with all applicable city and state laws and regulations, and manufacturer's instructions. Owners, prior to installation, shall provide the Association with a copy of any applicable governmental permit if required for safety reasons.
2. Antennas shall not obstruct access to or exits from any unit, walkway, ingress or egress from an area, electrical service equipment, or any other areas necessary for the safe operation of the condominium. The purpose of this requirement is to ensure the safety of association residents and personnel and safe and easy access to the Association's physical plant.
3. Installations must comply with all applicable codes, take aesthetic considerations into account, and minimize the impact to the exterior and structure of the owner's unit.
4. To prevent electrical and fire damage, antennas shall be permanently grounded.

### IV. Antenna Camouflaging

- A. Antennas shall be painted to match the color of the structure to which they are installed.

- B. Camouflaging antennas through inexpensive screening or plants is required if antennas are visible from the street or other units.
- C. Exterior antenna wiring shall be installed so as to be minimally visible, and must match the building exterior as closely as possible.

#### **V. Antenna Removal**

Antenna removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to restoration of this location.

#### **VI. Association Maintenance of Locations Upon Which Antennas are Installed**

- A. If antennas are installed on property that is maintained by the Association, the owners retain responsibility for antenna maintenance. Antennas must not be installed in a manner that will result in increased maintenance costs for the Association or for other residents. If increased maintenance or damage occurs, the owners are responsible for all such costs.
- B. If maintenance requires the temporary removal of antennas, the Association shall provide owners with 10 days written notice. Owners shall be responsible for removing or relocating antennas before maintenance begins and replacing antennas afterward. If they are not removed in the required time, then the Association may do so, at the owner's expense. The Association is not liable for any damage to antennas caused by Association removal.

#### **VII. Notification Process**

- A. Any owner desiring to install an antenna must complete a notification form and submit it to the Association's manager. If the installation is routine, conforming to all of the above restrictions, the installation may begin immediately.
- B. If the installation is other than routine for any reason, the owner and the Association's manager must establish a mutually convenient time to meet to discuss installation methods.

#### **VIII. Installation by Tenants**

These rules shall apply in all respects to tenants. Tenants desiring to install antennas shall obtain prior written permission of the unit owner. A copy of this permission must be furnished with the notification statement.

#### **IX. Enforcement**

- A. If these rules are violated, the Association, after notice and opportunity to be heard, may bring action for declaratory relief with the FCC or any court of competent jurisdiction. If the court of FCC determines that the Association rule is enforceable, a fine of \$50.00 shall be imposed by the Association for each violation. If the violation is not corrected within a reasonable length of time, additional fines of \$10.00 per day will be imposed for each day that the violation continues. To the extent permitted by law and the governing documents, the Association shall be entitled to reasonable attorney fees, costs and expenses incurred in the enforcement of this policy.
- B. If antenna installation poses a serious immediate safety hazard, the Association may seek injunctive relief to prohibit the installation or seek removal of the installation.

#### **X. Severability**

If any provision is ruled invalid, the remainder of these rules shall remain in full force and effect.

# 1550 LAUREL HOMEOWNERS ASSOCIATION, INC.

## Rules and Regulations

### MOVING POLICY (Adopted March 4, 2003)

1. Moving hours are: Monday – Friday 8:00 a.m. – 9:00 p.m.  
Saturday and Sunday 9:00 a.m. – 5:00 p.m.
2. It is the Homeowner's responsibility to post a \$100.00 non-refundable moving fee with the property management company, **prior to moving in or out of the building**. Posting of the moving fee is the responsibility of the Homeowner, even if the move is being conducted by a tenant.  
*Failure to post this moving fee will result in a \$100 charge to the Homeowner's account.*
3. Checks for the moving fee should be made payable to "1550 Laurel Homeowners Association".
4. At the time of move in, it is the responsibility of the owner to obtain, complete and return an Emergency Information Sheet, to Property Management Solutions, giving contact information for both the owner(s) and tenant(s).

**MOVING FEES ARE TO BE SENT TO:  
1550 Laurel Homeowners Association, Inc.  
c/o Property Management Solutions, Inc.  
18757 Burbank Blvd., Suite 106  
Tarzana, CA 91356**

**1550 LAUREL  
OWNERS ASSOCIATION, INC.**

**RULES AND REGULATIONS  
(Revised November 25, 2003)**

The following Non-Smoking Policy was adopted by 1550 Laurel Owners Association, Inc. Board of Directors and is effective immediately.

**NON-SMOKING POLICY**

Smoking is not permitted in the common areas of the property. This includes hall corridors, elevator, laundry room, front lobby, garage and outside entrance.

Residents who do smoke are reminded not to leave their front doors open as the smoke permeates the corridors and hallways.

*Kenneth Inyard*      *Kavut*  
*QJ QJ QJ*  
*Scott Dyer*  
*Stephan*

Please attach this page to your current Rules and Regulations.

**1550 Laurel Owners Association, Inc.**

**THE USE OF BBQ GRILLS  
(Amendment to the Rules and Regulations –  
A. General Rules (k) BBQs)  
(Adopted February 10, 2000)**

1. All grills must be accompanied by a working fire extinguisher.
2. The use of lighter fluid or newspaper to start a grill is strictly prohibited. Electric or gas starters are allowed.
3. All grills must be controlled and the unit owner or “cook” must be present at all times during their use.
4. Consideration for your neighbor must be acknowledged at all times.
5. Corner condominium units may not push grills around the corner to avoid smoke from coming into their unit, while sending it to their neighbors.
6. Failure to obey any of these rules will result in a fine.

**1550 LAUREL  
OWNERS ASSOCIATION, INC.**

**RULES AND REGULATIONS  
(Effective November 21, 2003)**

The following Non-Smoking Policy was adopted by 1550 Laurel Owners Association, Inc. Board of Directors and is effective immediately.

**NON-SMOKING POLICY**

Smoking is not permitted in the common areas of the property. This includes hall corridors, elevator, laundry room, front lobby, garage and outside entrance.

Residents who do smoke are reminded not to leave their front doors open as the smoke permeates the corridors and hallways.

**SCHEDULE OF MONETARY PENALTIES**  
(Per Enforcement Policy dated 7/14/99)

<b>First Offence</b>	-	<b>Warning</b>
<b>Second Offence</b>	-	<b>Twenty-five dollars (\$25.00)</b>
<b>Third Offence</b>	-	<b>Fifty dollars (\$50.00)</b>
<b>Fourth and Repeated Offences</b>	-	<b>One hundred dollars (\$100.00)</b>

maintained or permitted in any Unit, except professional and administrative occupations without external evidence thereof, so long as such occupations are in conformance with local governmental ordinances and are merely incidental to the use of the Unit as a single family residential Condominium. The leasing or renting by an owner of his unit for residential purposes shall not be deemed to constitute a nonresidential use by such owner.

The use and occupancy of a Unit either by an owner or a tenant shall be by no more persons than can be reasonably and comfortably accommodated therein; the terms "reasonably and comfortably accommodate therein" shall mean no more than two (2) persons per bedroom per unit. Neither a den nor a living room nor a dining room or dining area shall be considered a bedroom. It is the intent herein to limit occupancy based upon the number of bedrooms in each of the units.

Any owner who undertakes a move into a unit or a move out of a unit, including such moves which relate to a tenant under a lease or rental agreement and which are undertaken by such tenant, shall be subject to payment of a fee of \$500.00 for each such move in order to cover the expense of the Association for normal wear and tear repairs to the common areas generally affected by such moves. Such fees shall constitute an assessment of the Association and as such shall be subject to the provisions of this Declaration regarding payment, collection and enforcement of assessments. No owner shall, by payment of the above fee, be relieved of the obligations set forth in this Declaration regarding liability for damage or destruction of the common areas, the repair expense of which exceeds said \$500.00.

The lease by an Owner of his Unit for residential purposes shall not be deemed to constitute a nonresidential use by such Owner. The use and occupancy of a Unit shall be by no more persons than can be reasonably and comfortably accommodated therein. Units owned by the Declarant may be used by the Declarant or his designees, as models, sales offices and construction offices for the purpose of developing, improving or selling or leasing Condominiums in the Project for a period of three (3) years from the date of issuance of the Final Subdivision Public Report by the State of California Department of Real Estate or the sale of all the Units within the Project, whichever event occurs earlier.

Section 7.02.

Leasing or Renting of Condominium.

Nothing in this Declaration shall prevent an Owner from leasing or renting his Condominium but not on a "time-share" or transient (which shall mean not less than a thirty (30) day period) basis. Any lease or rental agreement shall be in writing and shall be subject to all provisions of this Declaration, the Bylaws and Association Rules and Regulations whether they are included within the lease or not. Any lease or rental agreement

must specify that failure to abide by the provisions of the Declaration, Bylaws, and Association Rules and Regulations shall be a default under the lease or rental agreement. Any Owner leasing or renting his Condominium shall additionally:

a. be liable to the Association for all obligations contained in this Declaration, including the obligations to pay assessments in respect to his Condominium;

b. be liable to and responsible to the Association for any violation of this Declaration, the Bylaws or Association Rules and Regulations, committed by his renter or lessee (or any persons entering his Condominium with the permission of or at the request of his renter or lessee);

c. be deemed to have agreed, in connection with such renting or leasing, that upon being requested so to do by the Association he will forthwith and immediately take such action or actions including the institution of proceedings in unlawful detainer in respect to his renter or lessee as may be necessary or required to cause such renter or lessee to fully comply with each and all of the terms and provisions of this Declaration, the Bylaws, Association Rules and Regulations, and resolutions of the Board (and, upon failing to take such action or actions, the Board upon behalf of the Association may then take such action or actions, including the institution of proceedings in unlawful detainer, if required, against such renter or lessee, and the costs of all such action or actions taken by the Association, including reasonable attorney's fees and costs of suit shall be charged to such Owner and the Association may obtain reimbursement therefor by any remedy set forth in this Declaration or at law); and

d. be deemed to have agreed to save, hold harmless, indemnify and defend the Association of and from any and all claims, demands, actions, causes of action, liabilities, damages and expenses arising out of, or incurred as a result of, the leasing or renting by such Owner of his Condominium, together with all costs and expenses including reasonable attorneys' fees resulting therefrom.

Prior to renting or leasing his Condominium, an Owner shall obtain and deliver to the Board from his proposed renter or proposed lessee a written statement to the effect that such renter or lessee agrees to be bound by, and abide by, each and all of the terms and provisions of this Declaration, the Bylaws, Association Rules and Regulations, and resolutions of the Board, which written statement may, if such Owner desires, be contained in the written rental agreement or lease. If no such written statement is obtained by the Owner, the lease shall be presumed to be subject to the provisions of this Declaration, the Bylaws and Association Rules and Regulations.

\*If moving vehicle takes more than 50% of the width of the driveway, moving van may not use the driveway.

- (1) All trash receptacles must be concealed in a conforming manner, and not in plain view as to cause an unsightly and unhealthy condition.
- (2) Water bottles (five gallon size) must not be in plain view or obstructing entranceways, sidewalks and all other common areas.
- (3) Clothing: No clothing, water bottles, etc., or other unsightly articles shall be hung, dried or aired on any portion of the property, including the interior of any unit which is subject to open and plain view.
- (4) Car Washing and Maintenance: Car washing, polishing and drying is prohibited on the property. Driveways must be clear of all vehicles.

(g) Deliveries: When receiving a delivery, including food, owner or Tenant may not "buzz" in delivery person. Owner or tenant must meet delivery person at the front door to the building,

(h) Rental of Units: When renting your unit and, prior to your new tenant moving in, Owner must provide tenant with a copy of the Rules and Regulations. The Owner must submit a letter, signed by the tenant, acknowledging that tenant has received, read and will abide by the Association's rules.

(i) Owner Emergency Questionnaire: All Owners must complete an emergency questionnaire and submit it to the management office. It is essential that the office have important emergency information regarding who to contact in case of an emergency, where the Owner's vehicle is parked, etc.

(j) Conversation on the Terrace/Balcony – Restricted Hours: Due to the configuration of the building, and the fact that bedrooms surround the pool area, the following terrace/balcony conversation/noise restrictions have been established:

Sunday through Thursday	8:00A – 11:00P
Friday and Saturday	9:00A – 1:00A

(k) BBQ's: BBQ's, of any type, are prohibited everywhere on the premises, until further notice.