

This page is part of your document - DO NOT DISCARD



20090055303



Pages:
0042

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

01/15/09 AT 08:00AM

FEES:	131.00
TAXES:	0.00
OTHER:	0.00
PAID:	131.00

TITLE(S) : RESTRICTION



LEADSHEET



200901150210003



001177889

SEQ:
14

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY:

THIS DOCUMENT MAY ONLY BE RECORDED BY
CHICAGO TITLE
ORDER NO. 810001472



AND WHEN RECORDED MAIL TO:

Murakami Law Office
1990 South Bundy Drive, Suite 540
Los Angeles, California 90025-5245

Tel: (310) 979-0325 Fax: (310) 979-8082

**SUPERSEDING DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR
TAMA-LIN
(A Condominium Project)**

[Master: 03-12-08]
[This Set: 10-16-08]

810001472-X19

146

TABLE OF CONTENTS

3

DECLARATION AND RECITALS

SUMMARY OF DECLARATION

ARTICLE I - DEFINITIONS

Pg. 1

ARTICLE II - DIVISION, MAINTENANCE AND INSURANCE OF PROPERTY

Pg. 4

- 2.01 Units
- 2.02 Common Area(s)
- 2.03 Exclusive Use Common Area(s)
- 2.04 Repair and Maintenance of the Property by Owner
- 2.05 Repair and Maintenance of the Property by Association
- 2.06 Association Insurance
- 2.07 Owner Insurance

ARTICLE III - OWNERS GENERAL USE RESTRICTIONS

Pg. 8

- 3.01 Unit Use
- 3.02 Nuisances
- 3.03 Signs
- 3.04 Animal Regulations

ARTICLE IV - ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Pg. 11

- 4.01 Membership
- 4.02 Voting Rights

ARTICLE V - DUTIES AND POWERS OF THE ASSOCIATION

Pg. 12

- 5.01 Specific Association Duties and Powers
- 5.02 Board Powers and Limitations
- 5.03 Budget, Financial Statements and Governing Documents
- 5.04 Right of Entry
- 5.05 Adoption and Amendment of Rules and Regulations

ARTICLE VI - COVENANT FOR ASSESSMENT

Pg. 14

- 6.01 Assessments
- 6.02 Assessment Rate
- 6.03 Assessment Duties of the Board of Directors
- 6.04 Effect of Nonpayment of Assessments:
Delinquency and Remedies of the Association
- 6.05 Collection of Assessment Debts Not Collectible Through Foreclosure
- 6.06 Right of Redemption
- 6.07 Assignment of Rents

TABLE OF CONTENTS

4

ARTICLE VII - MORTGAGEE PROTECTION

Pg. 18

- 7.01 Subordination of Lien and Foreclosure
- 7.02 Mortgagees Are Not Required to Cure Certain Breaches
- 7.03 Exemption from Right of First Refusal
- 7.04 Restrictions on Certain Changes
- 7.05 Inspection of Association Books and Records
- 7.06 Condemnation Awards and Insurance Proceeds
- 7.07 Mortgagee's Right to Attend Meetings
- 7.08 Payments by Mortgagees
- 7.09 Loss Payable Endorsement
- 7.10 Notices to Mortgagees

ARTICLE VIII - DESTRUCTION OF IMPROVEMENTS

Pg. 21

- 8.01 Restoration of the Property
- 8.02 Sale of Property and Right to Partition
- 8.03 Notice to Owners and Listed Mortgagees

ARTICLE IX - CONDEMNATION

Pg. 22

- 9.01 Representation by Board in Condemnation Proceeding
- 9.02 Distribution of Award

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

Pg. 23

- 10.01 No Partition; Exceptions; Power of Attorney
- 10.02 Proceeds of Partition Sale
- 10.03 No Separate Conveyance of Condominium Components

ARTICLE XI - EASEMENTS

Pg. 24

- 11.01 Encroachment
- 11.02 Utility Easements Granted by the Association

ARTICLE XII - AMENDMENT

Pg. 25

- 12.01 Amendment
- 12.02 Power of Attorney

ARTICLE XIII - MISCELLANEOUS PROVISIONS

Pg. 26

- 13.01 Enforcement: Resolution of Disputes
- 13.02 Enforcement: Binding and Non-Binding Arbitration
- 13.03 Term of Declaration
- 13.04 Notices
- 13.05 Attorneys' Fees

TABLE OF CONTENTS

ARTICLE XIV - ARCHITECTURAL CONTROL

Pg. 28

- 14.01 Approval by the Architectural Committee
- 14.02 Architectural Guidelines
- 14.03 Certain Procedures for the Architectural Committee
- 14.04 Review Standards
- 14.05 Appeal
- 14.06 Architectural Committee Meetings

DECLARANT SIGNATURE PAGE

EXHIBIT A - PROPERTY

EXHIBIT B - ASSESSMENT ALLOCATION

**SUPERSEDING DECLARATION OF COVENANTS, CONDITIONS
RESTRICTIONS AND RESERVATION OF EASEMENTS FOR
TAMA-LIN
("Declaration")**

b

This Declaration is dated (for reference purposes) this 19th day of November, 2008, and signed by TAMA-LIN APARTMENTS, INC., a California corporation, its owner in fee ("Declarant").

R E C I T A L S

- A. Declarant is the owner in fee of that certain real property ("Property") in the City of Los Angeles, County of Los Angeles, State of California, legally described in attached Exhibit "A".
- B. Declarant intends to convert the Property, which is a Stock Cooperative project, into a Condominium project ("Project") under the provisions of California Civil Code Section 1351(f). Said conversion is exempt from the provisions of the Subdivision Map Act, Government Code 66412(h).
- C. Declarant declares that any restrictions set forth in recorded or unrecorded declarations of covenants, conditions, and restrictions, and/or recorded or unrecorded occupancy agreements, and/or recorded or unrecorded lease agreements, are hereby terminated, rescinded and canceled in all respects and that said restrictions be of no further force and effect and all rights, duties and obligations which may exist or may arise by virtue of said restrictions shall terminate and be superseded by this Declaration.
- D. This Declaration, and all Governing Documents for this Property, shall be deemed in full force and effect upon recordation of the first conversion Grant Deed conveying fee title of Condominium Units to Owners of the Property.

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

Summary of Declaration

The following "plain English" summary of the contents of this Declaration is provided solely for the convenience of the reader. This summary is not a part of the Declaration and should not be relied upon except as an explanatory index to the detailed provisions of the Declaration.

Article I provides definitions of the terms commonly used in this Declaration. Defined terms are capitalized throughout the Declaration.

Article II defines the extent of a condominium and of common areas, including portions of the common area which owners are exclusively entitled to use, and assigns maintenance and insurance obligations to the owners and the Association respectively. Owner maintenance obligations generally include all interior elements of the unit and certain exterior elements which service only the unit, including any Exclusive Use Common Areas (such as parking spaces or garages). Association maintenance obligations generally include all common areas, including structural and exterior elements of the buildings on the Property. The Association must maintain general liability insurance as required by law, may maintain higher policy limits, and can alter insurance coverage upon notice to members. Owners must insure their own personal property.

Article III defines the manner in which residential condominiums may be used. Units can only be used as a single family dwelling. The unit may be leased (or rented) as long as certain information is given. Usual uses of common areas are allowed. Residents must not cause a nuisance, such as offensive odors or excessive noise, and owners are responsible for the behavior of guests.

Association or Vehicle Code parking restrictions must be obeyed. One pet animal is allowed, unless more is specified in this Declaration. Pets in common areas must be on a leash and must not be allowed to create noise or a nuisance. Owners are responsible for damage their pets cause.

Article IV defines owners' membership and voting rights. Every owner is automatically a member of the Association and must abide with this Declaration and the Association's bylaws and rules and regulations. This Article defines co-owners of a unit, and rights of owners whose payments of assessments are delinquent. Upon sale of a unit, membership is automatically transferred to the new owner.

Article V describes in detail the duties and powers of the Association and its Board to govern its members and maintain the common areas. The Association has the power to adopt and enforce its Rules and Regulations, make contracts, and borrow money. The Association must keep financial records and make copies available to members. Certain notices and disclosures are required by law to be given by the board to owners. The Association can impose penalties for non-compliance with this Declaration, Bylaws or Rules and Regulations, and must provide proper notice and provide for fair proceedings. The Association has the right to enter any unit as necessary to ensure compliance, or in an emergency.

Article VI describes assessments which owners pay in order to fund Association functions, including maintenance, insurance, etc. The Association must charge as regular assessments sufficient amounts to periodically maintain, repair or replace improvements which the Association is required to maintain. Every owner agrees to pay assessments, which are the owner's personal obligation, and if unpaid, can become a recorded lien upon the condominium. Assessments cannot exceed the amount necessary to accomplish their purpose. Assessments are due every month. Assessment amounts depend on the size and use of the Condominium, according to the table attached to this Declaration as Exhibit B, unless Assessments are divided equally among the condominiums. The Board of Directors of the Association must levy regular and special assessments according to law, and must maintain separate bank accounts for operating and reserved funds. Certain notices and disclosures regarding assessments must be given before the beginning of each fiscal year. The Association has various remedies for delinquent assessments, including foreclosure (amounts specified in current California Codes), charging interest and penalties and suspending voting rights. Notice must be given regarding delinquent assessments. An owner who does not use common facilities is not excused from paying assessments. The Board may increase assessments in order to fund extraordinary expenses. The Board must pass a resolution containing written findings as to the necessity for the extraordinary expense and why it was not or could not have been reasonably foreseen while preparing the budget. The resolution must be distributed to the Members together with the notice of assessment. California homestead and exemption laws do not protect a delinquent owner from imposition of a lien on the unit.

Article VII provides certain protections to holders of the first mortgage on any unit, in order to make it easier for owners to obtain purchase money loans or refinancing. Any lien by the Association against a unit for nonpayment of assessments is subordinate to the rights of a mortgagee. Mortgagees are not required to cure violations of the Declaration if cure would be impossible or impractical. An owner's violation of this Declaration does not entitle the Declarant or Association to take back the unit. However, an injunction can be obtained against violation so long as the validity of the mortgage is not impaired. The mortgagee's rights are not impaired if the owner gives a right of first refusal to the Association or other party. For certain kinds of changes, at least 51% of owners and at last 67% of first mortgagees must approve. Any first mortgagee has the right to inspect the Association's books and records. If condemnation awards or insurance proceeds are received for any unit, a mortgagee has the right to receive those moneys up to the amount of the mortgage balance still owed. Insurance policies must name the mortgagee in the loss payable clause of the policy. A mortgagee has the right to attend Association meetings but not to vote, except in limited circumstances. Mortgagees have the right to pay taxes and insurance premiums on common areas and to be reimbursed by the Association for such payments. Mortgagees are entitled to notice of certain kinds of events affecting their security. A loan given to facilitate resale of a unit after foreclosure is treated as a first mortgage. The provisions of this article prevail over any conflicting provisions in another part of the Declaration.

Article VIII concerns restoration or other disposition in the case of damage or destruction of common areas. After a casualty loss, the property is to be repaired or restored to its previous condition, but if insurance proceeds cover less than 85% of the loss, the owners must vote whether to levy a reconstruction assessment, rebuild to a lesser standard, or not rebuild. Notice of material damage must be given to mortgagees. If the Association elects not to rebuild, a licensed appraiser must appraise the units as of just before the casualty, and insurance proceeds must be distributed proportionately to those values. If a unit is damaged, the owner must immediately secure the unit against further damage, and must promptly rebuild.

Article IX concerns condemnation of common areas by a governmental entity. The board will represent the owners at the condemnation hearing and will give the necessary notices and disburse the condemnation proceeds in the manner described in the article on destruction of improvements.

9

Article X governs partition of the property. Common areas cannot be partitioned except on a 75% vote of both owners and mortgagees, but partition of a unit between co-owners is allowed. If there is a partition sale, the proceeds will be shared in the same proportions as the relative values of the units. The components of an owner's interest cannot be severed from each other, such as the separate interest in the unit and the undivided interest in the common areas.

Article XI addresses easements within the property. Easements are reserved for utilities whose lines, pipes, cables, etc. pass through the Property. Easements are also established for drainage and sewer purposes. And easements are established to preserve Owners' respective rights when there are encroachments over other Units or Common Areas.

Article XII concerns amendments to this Declaration. Amendments can only be made by a specified percentage vote of the total membership.

Article XIII covers miscellaneous issues not addressed elsewhere in the Declaration. Enforcement of restrictions, and resolution of disputes is discussed in this Article. The Declaration's term is 60 years, automatically extendable for 10 years at a time. The members can agree that it is in the best interest of the members to terminate the Declaration. This Article also specifies how written notices must be given. If any part of the Declaration is declared invalid, the remainder of the Declaration is valid. The singular includes the plural. The prevailing party in any lawsuit connected with enforcement of this Declaration is entitled to recovery reasonable attorney's fees. Certain documents must be given to owners. In case of future changes in the laws governing common interest developments, those laws will override this Declaration, which would be automatically amended to conform to the changes in the law, without necessity for formally amending or recording an amended Declaration.

Article XIV addresses alterations to the Property. The Association's approval must be obtained for most such changes. An architectural committee of 3 to 5 members shall be appointed. The committee adopts and promulgates guidelines for architectural alterations. Plans for alterations require approval by the committee. Board Members may simultaneously serve on the Committee.

ARTICLE I

DEFINITIONS

10

The following definitions apply unless otherwise required by the context:

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

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

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

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

"Approval" - Prior written approval.

"Architectural Committee" - The committee created pursuant to the Article herein entitled "Architectural Control".

"Architectural Guidelines" - The rules and standards adopted by the Board pursuant to the Section hereof entitled "Architectural Guidelines" in the Article hereof entitled "Architectural Control".

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

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

"Association" - TAMA-LIN ASSOCIATION, INC., a California nonprofit mutual benefit corporation formed (or to be formed) to govern the Project. The term includes all of its members, its agents, the Board or any committee as applicable.

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

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

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

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

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

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

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

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

"Declaration" - This instrument and any amendments.

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

"Directors" - Persons designated in the Articles as such or elected by the incorporators and natural persons designated, elected or appointed by any other name or title to act as directors, and their successors.

"Eligible Mortgagees" - Mortgagees who have requested the Association to notify them of specified proposals and changes to the Governing Documents and other Association matters.

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

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

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

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

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

"Mortgagee" - The party entitled to performance by a Mortgagor. Reference to Mortgagee includes any beneficiary under a Deed of Trust on any portion of the Property.

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

"Occupant" - An Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person residing in a Unit.

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

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

"Quorum" - For meeting purposes, a quorum is a majority of the total number of Units.

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

"Rules and Regulations" - The rules, which may be revised over time, as established and adopted by the Board, or a majority vote of the Owners, or as otherwise provided for in this Declaration.

2

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

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

"Trustor" - The person conveying property in trust.

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

ARTICLE II

DIVISION, MAINTENANCE AND INSURANCE OF PROPERTY

13

Ownership of each Condominium shall include a Unit, an undivided interest in the Common Area (or a portion of it), membership in the Association, and any Exclusive Use Common Area(s) appurtenant to such Unit.

2.01 Units.

Each Unit consists of all the air space and elements and areas identified as such on the Condominium Plan.

2.02 Common Area(s).

- (a) The Property not constituting the Units is the Common Area.
- (b) Each Owner of a Condominium in the Property will receive an undivided one-twelfth (1/12) interest in the Common Area.

2.03 Exclusive Use Common Area(s).

- (a) "Exclusive Use Common Area(s)" are those air space portions of the Common Area(s), more particularly described in the Condominium Plan, for the exclusive use of the Owner(s) of the Unit to which the Exclusive Use Common Area is appurtenant.
- (b) Use of the Exclusive Use Common Area(s) are subject to reasonable restrictions contained in any Governing Documents.
- (c) Portions of the Common Area(s) designed to serve a particular Unit but located outside the boundaries of the Unit, are Exclusive Use Common Areas as set forth in Civil Code Section 1351(i)(1), if not shown and designated as such on the Condominium Plan.
- (d) As shown and designated on the Condominium Plan, the Declarant hereby reserves Parking Space, designated as "G", to be Exclusive Use Common Areas for the exclusive use of the Unit to which it is conveyed by Grant Deed.

2.04 Repair and Maintenance of the Property by Owner.

- (a) In accordance with the Governing Documents, each Owner must maintain and repair all of the following, except as otherwise specifically stated herein:
 - (1) All of the Owner's Unit (see the Condominium Plan for a detailed description) in a clean, sanitary and attractive condition, including, but not limited to, the following *within the Unit's boundaries*:
 - (A) Utility fixtures and equipment;
 - (B) Plumbing fixtures and pipes;
 - (C) Electrical fixtures;

14

- (D) Interior floor covering;
 - (E) Interior wall covering, lath, plaster and drywall; and
 - (F) Interior doors, door frames, and thresholds.
- (2) The improvements within the air space portions of the Unit's Exclusive Use Common Area(s), and the interior finished surfaces thereof, as shown and designated on the Condominium Plan, if any, in a clean, sanitary and attractive condition;
- (3) The following, whether located within or outside the Unit, that solely and exclusively serves the Unit:
- (A) Air conditioning and heating equipment.
 - (B) Communications equipment and wiring.
 - (C) Owners are restricted from installing, or causing to install, air conditioning equipment, antennas, satellite equipment, or any other type of communications equipment, on the roof or exterior of the building. Owners may request approval from the Board for installation of any such equipment on the roof or exterior of the building. Further restrictions regarding installation of air conditioning and communications equipment are set forth in the Rules and Regulations.
- (4) Windows, window frames, exterior doors and related hardware, door frames of exterior doors, balcony doors, balcony door frames, patio doors, and patio door frames, subject to the Board's approval as to structural integrity where doors and windows adjoin the building, and aesthetic uniformity with the building exterior; and
- (5) Any damage to any real or personal property in the Project caused by an Owner or an Owner's Occupants or invitees, even if the damage is to an area otherwise maintained by the Association or another Owner. All the repairs shall be subject to prior approval of the Board.
- (b) An Owner may not do anything that unreasonably increases the level of noise from within the Unit without obtaining the approval of the Board. If an Owner does anything within the Unit that may increase the level of noise or sound that can be heard outside the Unit during normal use and occupancy of the Unit (for example, replacing carpeting with tile or other hard surface), the Owner must first obtain approval from the Board, and upon approval, take all reasonable measures (at own expense) to deaden, insulate or otherwise decrease the level of such noise to the minimum level reasonably possible.
- (c) Any change to the exterior appearance of a Unit must be approved by the Board in accordance with the Governing Documents and applicable laws.
- (d) Any improvements to the interior of a Unit shall be performed by reputable, licensed professionals. An Owner shall assure the Board and/or the Architectural Committee that all interior improvements to the Unit shall not alter, damage, or impair the structural integrity of bearing walls or any portion of the building's Common Areas.
- (e) Any Owner conducting repair, remodel, or improvement of a Unit, must comply with all applicable federal, state and local building codes and ordinances. The Owner shall assure the Board and/or Architectural Committee of said compliance.
- (f) Any damage caused by an Owner, or an Owner's contractor or subcontractor, during any construction, remodel, or improvement in a Unit, to another Unit, or Common Area, shall be the sole responsibility of the Owner of the Unit undergoing construction, remodel, or improvement, including cost of all damages incurred in affected Units and/or Common Areas. All repairs to a Unit or Common Area in which damage was incurred must be completed in a timely manner by a licensed professional, approved by the Board. The timeliness of said repairs will be determined by the Board on a case by case basis.

(g) Other than in case of emergency, any repair, remodel, or improvement to a Unit or Common Area shall be completed during reasonable hours of operation as established by the Board and/or Architectural Committee and set forth in the Rules and Regulations.

16

2.05 Repair and Maintenance of the Property by Association.

Except as otherwise specifically stated, the Association (not individual Owners) is responsible for maintaining, repairing, modifying, and altering Common Areas and exterior surfaces of Exclusive Use Common Areas (where applicable) including the following:

- (a) Subfloors, bearing walls (except for the finished surfaces thereof).
- (b) Plumbing and pipes in Common Area walls between Units, and within exterior building walls.
- (c) Electrical lines in Common Area walls between Units and within exterior building walls, and Common Areas, lighting fixtures in Common Areas.
- (d) Communications equipment and wiring located in Common Areas that serve all Units.
- (e) Common Area landscaping, including irrigation systems and related fixtures.
- (f) Common Area Patio.
- (g) Laundry room and related equipment and hardware.
- (h) Water heater(s) and related equipment and hardware.
- (i) Storage spaces, if any.

2.06 Association Insurance.

(a) The Board shall obtain and maintain the following specified (or equivalent) insurance coverages, provided it is reasonably prudent to do so:

- (1) Fire insurance for one hundred percent (100%) of the full insurable value of all improvements in the Common Area(s), with a guarantee that the improvements are replaced without deduction for depreciation or coinsurance naming as insured the Owners, their Mortgagees, and/or the Association.
- (2) Extended coverage for replacement costs of damage to the Common Area(s) that arises out of vandalism or malicious mischief.
- (3) Comprehensive public liability insurance in a reasonably prudent amount that covers the Association, Board, Managing Agent, Owners, Occupants and any other agents or employees incident to the ownership or use of Common Area(s) against physical injury, death and property damage arising out of a single occurrence. The Board should consider maintaining insurance in the amount specified by Sections 1365.7 and 1365.9, and the notification requirements of Section 1365.9.
- (4) Each hazard insurance policy must be written by a carrier who meets FNMA (Federal National Mortgage Association) "Acceptable Ratings" requirements.

- (5) Coverage for directors and officers liability insurance in the minimum amounts specified in Civil Code Section 1365.7, and a fidelity bond that insures the Association for the estimated maximum amount (or at least three (3) months aggregate Assessments on all Condominiums and reserve funds) that could be affected by the dishonest act of any Member of the Association or Board, managing agent, employee, or Occupant, who handles funds for the Owners' benefit. 16
- (b) Insurance and fidelity bonds must provide for a ten (10) day written notice of modification or termination to any insurance trustee, and to each FNMA servicer (one who services a loan with the Federal National Mortgage Association) who has filed a written request with the carrier for such notice, and to Mortgagee.
- (c) Any insurance maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, directors, and the Owners and occupants of the Condominiums and Mortgagees, and all Owners are deemed to have waived subrogation rights as to the Association and/or other Owners, whether or not their policies so provide.
- (d) The Board in its discretion, shall have the right but not the obligation to limit the insurance provided in this section to a so-called "bare-walls" type of coverage which only insures damage to or replacement of structural improvements (i.e. buildings), but excludes interior non-structural improvements (i.e. floors, cabinets, appliances).

2.07 Owner Insurance.

- (a) No Owner shall separately insure a Unit against loss by fire or other casualty covered by an insurance obtained by the Association. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under the Association policies described herein that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance, and the Owner will be liable to the Association to the extent of any such diminution. An Owner shall insure his personal property against loss. In addition, any Improvements made by an Owner within an Owner's Unit shall be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "improvements".
- (b) Each Owner shall purchase and provide insurance for all improvements to the interior of the Unit, such as a condominium unit policy with an extension for interior building improvements and/or betterments.
- (c) All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, and any institution mortgagee of such Condominium.
- (d) It is each Owner's responsibility to obtain the following additional insurance:
- (1) Insurance for the personal property or potential liability occurring within a Unit; and
 - (2) Loss assessment coverage for certain future special assessments.

ARTICLE III

OWNERS GENERAL USE RESTRICTIONS

3.01 Unit Use.

(a) An Owner may lease (i.e., rent) a Unit for residential purposes subject to Rules and Regulations established by a majority vote of Owners and the provisions of this Article, provided:

- (1) There is a written lease agreement;
- (2) The lease states it is subject to all the provisions of the Governing Documents. Owners, at all times, are responsible for their tenant's compliance with all of the provisions of the Governing Documents in the occupancy and use of the Units and Common Areas;
- (3) Owners must give the Board the names and telephone numbers of all Occupants, tenants, and their roommates;
- (4) Tenants or occupants shall have no voting rights in the Association;
- (5) The Association and each Owner shall have a right of action directly against any tenant/Occupant for any breach of any provision of the Governing Documents.
- (6) No Owner may lease a Unit for hotel, motel, or transient purpose, or any other purpose inconsistent with the provisions of this Declaration; and
- (7) Assignment of Rents: Any Owner leasing a Unit, who is delinquent in the payment of Assessments, hereby assigns to the Association all current and future rents and other monies collected under any lease or agreement or otherwise for the use of any or all parts of the Owner's Unit, for the purpose of collecting all delinquent Assessments pursuant to this Declaration.

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

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

- (1) The Association may reasonably limit occupancy of a Unit to two (2) persons per each bedroom or room considered a sleeping area, plus one additional person per Unit (i.e. a one (1) bedroom Unit may have up to three (3) persons, and a two (2) bedroom Unit may have up to five (5) persons), or as further specified due to special circumstances, as set forth in the Rules and Regulations.
- (2) Special circumstances shall be based on guidelines outlined by the Department of Housing and Urban Development (HUD) and the Federal Fair Housing Act (FHA), and may include, but are not limited to, size of sleeping area(s), additional rooms such as dens or studies, overall size of unit, and age(s) of children.
- (3) The term person may not be qualified as to race, gender, familial status, or relationship.

(d) Each Owner and Occupant shall be accountable to the remaining Owners and Occupants, their families, visitors, guests and invitees, for the conduct and behavior of the residents themselves, any temporary residents, visitors, guests or invitees; and for any property damage caused by such residents, visitors or invitees.

18

3.02 Nuisances.

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

(b) The Property is smoke-free, and smoking of cigarettes, cigars, or other substances, by Owners, occupants, tenants, guests, or invitees, is prohibited anywhere on the Property, including within a Unit, in Common Areas, Exclusive Use Common Areas or any open air areas on the Property, as further set forth in the Rules and Regulations.

(c) An Occupant may not cause the level of noise or sound from the Unit to interfere with the quiet enjoyment of an Occupant of another Unit (i.e., loud music or television, shouting, walking heavily, slamming of doors, and other such actions), as further set forth in the Rules and Regulations.

(d) Weeds, rubbish, debris, objects or materials of any kind that are unsanitary, unsightly, or offensive may not be placed or permitted to accumulate in any Unit or the Common Area(s).

(e) No person shall discharge into the Property's sewer system, storm drain or any toxic or noxious liquids or materials in such concentrations as to be detrimental to or endanger the public health, safety, welfare, violate any law, subject any Owner to liability under state and/or federal law for any clean-up, or cause injury or damage to neighboring property or business elsewhere on the Project, as further set forth in the Rules and Regulations.

(f) The Board shall have the right to determine if any unreasonable situation, action, odor, noise or other conduct constitutes a nuisance, and to appropriately deal with the situation, as further set forth in the Rules and Regulations.

3.03 Signs.

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

(b) Subject to Civil Code Sections 1353.5 and 1353.6, no other sign, poster, display, or advertising device that is visible outside a Unit may be displayed anywhere on the Property without the prior written consent of the Board.

3.04 Animal Regulations.

(a) Each Unit may have one (1) pet animal as defined and set forth in California Civil Code Section 1360.5 or successor statute. By a majority vote of Owners, the Association shall establish and enforce Rules and Regulations regarding the types of animals that may be kept as pets (dogs, cats, birds, hamsters, etc.), including, but not limited to, the number, size, and weight of the pets and enclosures permitted (aquarium, bird cage, etc.), subject to the Association Pet Policy Addendum to the Rules and Regulations, the subparagraphs of this Section, and all applicable laws.

(b) Owners with a pet animal residing in their Units shall pay a security deposit to the Association for the pet animal, as set forth in the Association Pet Policy Addendum to the Rules and Regulations.

(c) Animals, if any, may not be kept, bred or raised for commercial purposes and must be kept under reasonable control at all times.

(d) Animals that unreasonably bother or annoy other Owners or residents may not be kept on the Property or in a Unit.

(e) Any permitted animal may only enter the Common Area(s) while on a leash which is held by a person capable of controlling it, or as otherwise provided for in the Rules and Regulations.

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

(g) Animals residing in the Project as of the date of this Declaration shall be exempt from the weight limitation and maximum number of pets permitted in a Unit as set forth above in Section 3.04(a).

19

ARTICLE IV

20

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.01 Membership.

Every Owner is automatically an Association Member. When a Unit is sold, Membership automatically transfers to the new Owner.

4.02 Voting Rights.

- (a) Each Co-Owner has an indivisible interest in a single Membership.
- (b) Ownership of a Condominium entitles each Owner (or Co-Owners, jointly) to one (1) vote for each Condominium owned, cast as a single Unit without fraction.
- (c) If Co-Owners cannot unanimously agree how to cast their vote, they forfeit their right to vote on the matter in question.
- (d) If a Co-Owner casts a vote representing a certain Condominium, it will be presumed for all purposes to be a vote with the authority and consent of all other joint Owners of the Condominium.
- (e) After Notice and Hearing as provided herein, the Association has the right to suspend the voting rights of any Owner delinquent in the payment of Assessments.
- (f) Unless otherwise specifically stated in any Governing Documents, membership approval of any action requires the approval of a majority of a quorum.

ARTICLE V

21

DUTIES AND POWERS OF THE ASSOCIATION

5.01 Specific Association Duties and Powers.

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

- (a) Enforce the applicable provisions of the Governing Documents and other instruments for the ownership, management and control of the Project.
- (b) Contract for goods and/or services for the Common Areas (not including Exclusive Use Common Areas), facilities, and interests, or for the Association subject to the limitations set forth below.
- (c) Borrow money with the assent of eight (8) out of the twelve (12) Owners of Units constituting the voting power, and/or to mortgage, pledge, or otherwise hypothecate any of its real or personal property as security for money borrowed or debts incurred.
- (d) Exercise any powers normally exercised by residential homeowner associations under the laws of the State of California.

5.02 Board Powers and Limitations.

- (a) Except as to matters requiring the approval of Owners, the affairs of the Association shall be managed and conducted by the Board and the Association's officers consistent with the law.
- (b) The Board is authorized to adopt reasonable Rules and Regulations and a schedule of fines and penalties consistent with this Declaration concerning the Property.
- (c) The Board is authorized to enforce the Rules and Regulations and impose fines and penalties against Owners in violation of the Governing Documents.

5.03 Budget, Financial Statements and Governing Documents.

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

5.04 Right of Entry.

- (a) The Association has the right to enter any Unit or Exclusive Use Common Area to determine compliance with the Governing Documents and to perform its duties, including the duties to maintain the building's common structures and to enforce the Governing Documents.
- (b) In case of emergency, or by Court order, a Unit may be entered immediately.

(c) Absent an emergency or Court order, a Unit or its Exclusive Use Common Areas may only be entered at reasonable hours after the Owner has received three (3) days' written notice. The written notice of entry must state explicitly the Associations reason(s) for the necessity to enter any Unit or Exclusive Use Common Area.

(d) Entry must be made with as little inconvenience as possible to the Owner/Occupant and without a breach of the peace. If the Association has reason to expect a breach of the peace upon entry, it may take such preventive steps as it deems necessary, including obtaining the assistance of law enforcement.

5.05 Adoption and Amendment of Rules and Regulations.

(a) Pursuant to Civil Code Section 1357.100-1357.150, the Board shall adopt or amend new Rules and Regulations according to the following procedure:

- (1) At least thirty (30) days before a vote on adopting or amending an operating rule, the Board must mail a copy of the proposed change to the Owners, along with an explanation of its purpose and effect. When voting on the rule, the Board must take into consideration any Owner comments received. Within fifteen (15) days of voting on an operating rule, the Board must notify the Owners of the results of the vote.
- (2) Within thirty (30) days of this notification, at least five percent (5%) of the Owners can request a special meeting to reverse the Board vote. The Board must give ten (10) to ninety (90) days' notice of a special meeting at which a quorum is present, and at which a majority of the votes represented and voting, can reverse the Board's decision. The Board must notify the Owners of the results of this vote within fifteen (15) days. If an operating rule is reversed, it cannot be re-adopted by the Board for at least one year. However, the Board may vote on other "operating rules" covering the same subject.
- (3) If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change; and no notice is required. An emergency rule change is effective for one hundred twenty (120) days.

(b) If Civil Code Section 1357 is amended, this provision automatically shall be amended in the same manner. If this Section is repealed and no successor section is enacted, this provision shall remain in full force and effect. This Civil Code Section may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.

(c) An operating rule shall be enforceable only if it is: (1) in writing, (2) within the Board's authority, (3) consistent with governing law and the Association's Governing Documents, (4) adopted in good faith, and (5) reasonable.

ARTICLE VI

23

COVENANTS FOR ASSESSMENT

6.01 Assessments.

- (a) Assessments may be levied by the Association for improvement and maintenance of the Common Area(s), administration of the Property, and to promote the recreation, safety, and welfare for the common good of all the Owners.
- (b) Assessments and related interest, collection costs, and reasonable attorneys' fees are the personal obligations of the Owner, and are not the personal obligation of successors in title unless expressly assumed by them. The Condominium does remain subject to any Assessment liens of record, except upon foreclosure of a Mortgage, as stated in the Article entitled "Mortgagee Protection".
- (c) No transfer of an Owner's interest in a Condominium as a result of a foreclosure or exercise of a power of sale shall relieve the new Owner whether it be the former beneficiary of the Mortgage or another person, from liability for any assessment thereafter becoming due or from the lien thereof.

6.02 Assessment Rate.

- (a) All Regular Assessments shall be charged to and divided among the Condominiums, as set forth in attached Exhibit "B."
- (b) All Special Assessments that affect all Units shall be charged to and divided equally among the twelve (12) Condominiums. Special Assessments required for portions of the Property affecting only certain Units, shall be divided equally among the Owners of the affected Units, as approved by a majority vote of all Owners in the Property.
- (c) Reserve funds shall be charged to and divided equally among the twelve (12) Condominiums, or as determined by a majority vote of Owners regarding specific Reserve fund items.

6.03 Assessment Duties of the Board of Directors.

- (a) Regular and Special Assessments shall be levied, collected, and increased in compliance with Civil Code Section 1366.
- (1) The Board may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year without the approval of the Owners constituting a quorum (more than 50% of the Owners), casting a majority of the votes at a meeting or election of the Association.
- (2) The Board may not increase Regular Assessments by any amount if the Association did not distribute to the Owners a proforma budget for the Association's preceding fiscal year, without the approval of the Owners constituting a quorum (more than 50% of the Owners), casting a majority of the votes at a meeting or election of the Association.
- (3) The Board may not impose Special Assessments in a fiscal year aggregating more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless approved by a majority of the votes cast at a meeting in which the need for a Special Assessment is determined. Special Assessments levied by the Board in order to restore funds to the reserve account are included in this limitation.

- 24
- (4) The Association shall provide written notice by first-class mail to the Owners of any increase in the Regular or Special Assessments not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.
 - (b) Reserve funds shall be collected and held in compliance with Civil Code Section 1365.
 - (c) The Board must establish separate bank accounts for operating monies and reserve monies. In the event of transfer or conveyance of an Owner's fee simple title to a Unit, said Owner shall have no further right or interest in any Assessments collected prior to such transfer. Assessments collected in accordance with the provisions of the Governing Documents shall be appurtenant to a Unit and shall automatically transfer to a new Owner in the event of sale.
 - (d) Notwithstanding any other provision of this Article, the Board may increase Regular Assessments, or levy a Special Assessment, in order to fund any of the following:
 - (1) An extraordinary expense required by an order of the court;
 - (2) An extraordinary expense necessary to repair or maintain the Property or any part of it for which the association is responsible if a threat to personal safety on the property is discovered;
 - (3) An extraordinary expense necessary to repair or maintain the Property or any part of it for which the association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget.
 - (e) Prior to imposition or collection of an Assessment for emergency purposes, the Board must pass a resolution containing written findings as to the necessity for the extraordinary expense and why it was not or could not have been reasonably foreseen while preparing the budget. The resolution must be distributed to the Owners together with the Notice of Assessment.

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

- (a) An Assessment is delinquent ("Delinquent Assessment") if not paid within fifteen (15) days after the due date. A Delinquent Assessment includes:
 - (1) A late charge imposed by the Board at the maximum permissible amount not to exceed ten percent (10%) of the delinquent Assessment, or ten dollars (\$10.00), whichever is greater (Civil Code Section 1366(e) or any successor statutes);
 - (2) Reasonable collection costs and attorney's fees; and
 - (3) Interest on all costs and charges at the maximum permissible annual rate not to exceed twelve percent (12%), commencing thirty (30) days after the Assessment is due (Civil Code 1366(e) or any successor statutes).
- (b) Delinquent Assessments and related costs will be a continuing lien on the relevant Condominium when a "Notice of Delinquent Assessment" is recorded against an Owner's fee interest in a Condominium.
- (c) Notwithstanding the foregoing, a Compliance Assessment imposed by the Association as a disciplinary measure for failure of an Owner to comply with the Governing Documents, and may not become a lien against the Owner's Unit enforceable by a sale of the interest in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. However, this does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest or for costs reasonably incurred including attorney's fees in its efforts to collect other delinquent assessments.

- (d) In addition to all other legal rights and remedies, the Association may:
- 25
- (1) Bring legal action against an Owner who is personally obligated to pay the Assessment and charges (without foreclosing or waiving any lien security);
 - (2) Judicially foreclose the lien against the Condominium, including the Assessment, interest, collection costs and late charges;
 - (3) Foreclose the lien by power of sale in accordance with California Civil Code Sections 2924-2924h, or any other lawful manner;
 - (4) Bid on the Condominium through authorized agents at the foreclosure sale, to acquire and thereafter to hold, lease, Mortgage or convey; or
 - (5) Temporarily suspend the voting rights of the Owner in accordance with the provisions of this Declaration.
- (e) The Association may not foreclose a lien unless the amount of Delinquent Assessments exceeds one thousand eight hundred dollars (\$1,800) exclusive of late charges, interest and fees and costs of collection, or unless the assessments have been delinquent for longer than twelve (12) months.
- (f) Foreclosure action may not proceed until thirty (30) days after a Notice of Delinquent Assessment is duly recorded with the relevant County Recorder that meets the requirements of Civil Code Sections 1367 and 1367.1.
- (g) The decision either to record a lien for Delinquent Assessments or to initiate foreclosure upon such a lien shall be made only by the Board and may not be delegated to an agent of the Association. The Board's decision shall be by majority vote of Directors present in an open meeting and shall be recorded in the minutes of that meeting. The confidentiality of the affected Owner shall be maintained by identifying the matter in the minutes by the parcel number of the property rather than the name of the Owner.
- (h) Upon an Owner's timely payment of a default and all related fees, Association officers shall prepare and record (at the Owner's cost) a release of the Notice of Delinquent Assessment.

6.05 Collection of Assessment Debts Not Collectible Through Foreclosure.

Delinquent Regular or Special Assessments of less than one thousand eight hundred dollars (\$1,800), exclusive of interest, charges and fees, may be collected in any of the following ways, as provided by Civil Code Section 1367.1(b) or successor statute:

- (a) By a civil action in small claims court;
- (b) By recording a lien on the Owner's separate interest upon which the Association may not foreclose until the amount of Delinquent assessments exceeds one thousand eight hundred dollars (\$1,800) or the delinquency is for longer than twelve (12) months); or
- (c) Any other manner provided by law except judicial or non-judicial foreclosure.

6.06 Right of Redemption.

A nonjudicial foreclosure by the Association shall be subject to a right of redemption from a foreclosure sale within ninety (90) days after the foreclosure sale.

6.07 Assignment of Rents.

26

- (a) An Owner in default of an Assessment shall pay to the Association all rental fees and any other monies the Owner receives for the Unit until the Delinquent Assessment is paid off.
- (b) Upon written notice, the Association shall have the right to revoke an Owner's authority to collect and retain rents and any other monies the Owner receives for the Unit until the Delinquent Assessment is paid off.
- (c) After revocation of Owner's authority, the Association may collect and retain such rents and monies (whether past due and unpaid or current) pursuant to a court order or by court-appointed receiver.
- (d) Association rights under this Section shall be subordinate to the rights of any Mortgagee.

ARTICLE VII

27

MORTGAGEE PROTECTION

7.01 Subordination of Lien and Foreclosure

- (a) Any lien created or claimed in this Declaration:
 - (1) Is subject and subordinate to the rights of any Mortgage that encumbers any part of the Property made for value in good faith; and
 - (2) May not in any way impair or invalidate the obligation or priority of a Mortgage recorded prior to any recorded lien or claim unless expressly subordinated in writing by the Mortgagee.
- (b) No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.
- (c) Upon foreclosure of a Mortgage, the purchaser:
 - (1) Will take the Condominium title free of any Assessment lien accrued up to the time of the foreclosure sale (provided that nothing herein is intended to impair the rights of the Association to receive payment on any Assessment lien in the event the net sale proceeds are in excess of what is owed on all encumbrances prior to the Assessment lien); and
 - (2) Is only obligated to pay Assessments or other Association charges accruing after the title to the Condominium is acquired.
- (d) Where the Mortgagee obtains title with a deed in lieu of foreclosure, any Assessment lien for that Condominium shall not be extinguished upon recordation of the deed.

7.02 Mortgagees Are Not Required to Cure Certain Breaches.

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

7.03 Exemption From Right of First Refusal.

- (a) Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other party) may not impair the rights of a Mortgagee to do any of the following:
 - (1) Foreclose or take title to a Condominium, pursuant to the remedies provided in the Mortgage;
 - (2) Accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage; or
 - (3) Sell or lease a Condominium acquired by the Mortgagee.
- (b) No right of first refusal or similar restriction may be placed on an Owner's right to sell, transfer, or otherwise convey a Condominium, unless the Mortgagee, if any, grants written consent for the restriction.

7.04 Restrictions on Certain Changes.

(a) In addition to the requirements of Article XII, approval by Owners who represent at least fifty-one percent (51%) of the Total Voting Power and by Eligible Mortgagees who represent at least fifty-one percent (51%) of the votes of Condominiums that are subject to Mortgages held by Eligible Mortgagees, must be obtained prior to adoption of any amendment to any Governing Documents of a material nature potentially affecting the Mortgagees' interests regarding any of the following matters:

- (1) Reallocation of interests in the Common Area or Exclusive Use Common Area or rights to their use;
- (2) Redefinition of any Unit boundary;
- (3) Convertibility of Units into Common Area or Common Area into Units;
- (4) Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
- (5) Hazard or fidelity insurance requirements;
- (6) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit, unless said restriction is expressly made inapplicable to a Mortgagee who acquires title to a Unit;
- (7) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;
- (8) Any provisions that expressly benefit mortgage holders, insurers, or guarantors; or
- (9) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.

(b) If Owners are considering termination of the legal status of the Project for reasons other than substantial destruction or condemnation of the Property, Eligible Mortgagees who represent at least sixty-seven percent (67%) of the votes of the mortgaged Condominiums must agree.

(c) If any Eligible Mortgagee fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal as set forth in paragraphs (a) and (b) of this Section, provided the notice was delivered by certified or registered mail with a return receipt requested, the Eligible Mortgagee shall be considered to have granted approval.

7.05 Inspection of Association Books and Records.

Any Mortgagee holder has the right to examine the books and records of the Association.

7.06 Condemnation Awards and Insurance Proceeds.

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

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

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

Any Mortgagee may appear at Association and Board meetings, but is not eligible to vote, unless authorized to vote on a specific matter set forth in this Declaration. 29

7.08 **Payments by Mortgagees.**

- (a) Mortgagees may pay the following jointly or severally:
 - (1) Taxes or other charges in default which may be a charge against any part of the Common Area(s); and
 - (2) Overdue premiums on hazard insurance policies, or to secure new hazard insurance coverage on the lapse of a policy for the Common Area(s).
- (b) Upon making such payments, the Association:
 - (1) Owes immediate reimbursement to Mortgagees making such payments; and
 - (2) Must, upon Mortgagee's request, execute an agreement that reflects the Mortgagees' entitlement to such reimbursement.

7.09 **Loss Payable Endorsement.**

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

7.10 **Notices to Mortgagees.**

- (a) Each Eligible Mortgage Holder is entitled to timely written notice of:
 - (1) Any condemnation or casualty loss that affects a material portion of the Project or the Unit securing its mortgage;
 - (2) Any sixty-day delinquency in the payment of Assessments or charges owed by the Owner of any Condominium on which it holds the mortgage;
 - (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
 - (4) Any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders.
- (b) To obtain the information above, the mortgage holder, insurer or guarantor must send a written request to the Association, stating both its name and address and the Condominium number or address of the Condominium it has the mortgage on.
- (c) Each Eligible Mortgage Holder is entitled to timely written notice of the recordation of any amendment to or restatement of the Condominium Plan the Association deems to be reasonably necessary to correct errors, to conform to as built conditions, or to bring the Condominium Plan into compliance with any City, County, State or Federal laws or regulations. If any Eligible Mortgagee fails to submit a written response to such written notice within thirty (30) days after it receives written notice delivered by certified or registered mail with a return receipt requested, the Eligible Mortgagee shall be considered to have granted approval.

DESTRUCTION OF IMPROVEMENTS

8.01 Restoration of the Property.

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

- (a) If insurance proceeds cover at least eighty-five percent (85%) of restoration costs, the Association shall cause Common Area damage to be repaired unless seventy-five percent (75%) of the Total Voting Power elect not to repair.
- (b) If insurance proceeds cover less than eighty-five percent (85%) of restoration costs, then the vote (or written assent) of seventy-five percent (75%) of the Owners and Mortgagees must approve proceeding with restoration. A Special Assessment shall be levied by the Board against each Condominium, to pay for the difference between insurance proceeds and the actual costs.
- (c) If the estimated cost of repair does not exceed ten thousand dollars (\$10,000.00), the Board must cause the repair to occur without the consent of Members irrespective of the available amount of insurance proceeds. The Board is empowered to levy a Special Assessment if necessary as described herein.
- (d) If the Owners and Mortgagees determine that restoration costs would be substantial and reconstruction would not be in their best interests, the Owners may proceed as provided below.

8.02 Sale of Property and Right to Partition.

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

8.03 Notice to Owners and Listed Mortgagees.

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

ARTICLE IX

CONDEMNATION

9.01 Representation by the Board in Condemnation Proceedings.

In case any portion of the Common Area is taken by condemnation or sale by eminent domain the Board will be the representative of all Owners in any action to recover awards and all aspects of condemnation proceedings.

9.02 Distribution of Award.

- (a) In case of condemnation or sale by eminent domain, the Board must distribute any award according to these provisions (after deducting fees and expenses related to the condemnation proceedings).
- (b) Any award must first be distributed to the Owner(s) in proportion to the fair market value of their Condominium, provided that if at the time of distribution there is a Mortgage on any individual Condominium, the balance of such Mortgage (in order of priority) shall first be paid before the distribution of any awards or proceeds to the Owner whose Condominium is mortgaged.
- (c) If condemnation judgment apportions the award among the Owners and Mortgagees, the Board will distribute the remaining amount (after deductions above) according to the terms of the judgment allocation.
- (d) If by sale under threat of condemnation (or if the judgment of condemnation fails to apportion the award), the Board will distribute the award based upon relative values of the affected Condominiums as determined by an independent M.A.I. appraiser(s) hired by the Board and approved by fifty-one percent (51%) of the Mortgagees. If said percentage of Mortgagees do not approve, then any Mortgagee may hire an M.A.I. appraiser at their own cost, and the award amount will be calculated based upon the average of all appraisals obtained.
- (e) The determination of the appraiser(s) of each Condominium's value and degree of affect by the proceedings will be final and binding on all Owners and Mortgagees.

ARTICLE X

32

**COVENANT AGAINST PARTITION AND RESTRICTION ON SEVERABILITY OF
CONDOMINIUM COMPONENT INTEREST**

10.01 No Partition; Exceptions; Power of Attorney.

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

10.02 Proceeds of Partition Sale.

- (a) Whenever an action is brought for partition by sale, the Owners will share the proceeds in the same proportion as the relative values of each Condominium, determined by comparing its fair market value on partition date (established by an M.A.I. Appraiser selected by the Association) to the fair market value of all Condominiums in the Property on that date.
- (b) If applicable, distribution of partition sale proceeds must be adjusted to reflect prior condemnation awards or insurance proceeds paid to Owners and Mortgagees.

10.03 No Separate Conveyance of Condominium Components.

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

33

ARTICLE XI

EASEMENTS

11.01 Encroachment.

- (a) Easement rights are hereby created, established and granted to the Association and Owners of any Unit or Common Area, with improvements encroaching on, over and across any portion of a contiguous Unit or Common Area, as shown in the Condominium Plan, resulting from engineering errors, errors or adjustments in original construction, reconstruction, repair, settling, shifting, or any other movement.
- (b) If a portion of a Unit encroaches on, over and across any portion of a contiguous Unit or Common Area, the encroaching Unit Owner's easement rights shall be exclusive.
- (c) If a portion of the Common Area encroaches on, over and across any portion of a contiguous Unit, the Association's easement rights shall be non-exclusive.
- (d) The Association and Owners of the encroaching improvements shall have the right to maintain, repair or replace the encroaching improvements.
- (e) In interpreting this Declaration, the Condominium Plan and all instruments of conveyance, the existing physical boundaries of Unit(s), including any encroachment as defined in (a) above, shall be the actual boundaries, rather than any description and/or depiction set forth in this Declaration, the Condominium Plan, or instrument of conveyance.

11.02 Utility Easements.

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

ARTICLE XIII

34

MISCELLANEOUS PROVISIONS

13.01 Enforcement: Resolution of Disputes.

- (a) An Owner or the Association may enforce by legal action any restrictions, conditions, covenants, reservations, liens, Assessments, fees and penalties imposed by this Declaration or other Governing Documents for violations committed by any offending party, or with respect to any dispute related to any portion of any property covered by this Declaration.
- (b) Failure to take action does not constitute a waiver of the right to take action.
- (c) Reference is hereby made to California Civil Code Section 1354, which sets forth pre-filing requirements, or arbitration proceedings and other procedures for certain types of enforcement actions.
- (d) It is recommended, although not required, that the Board and Owners consider diversion of the prosecution or defense of any civil action to Alternative Dispute Resolution proceedings, including, but not limited to Mediation, Non-binding Arbitration, or Binding Arbitration.

13.02 Enforcement: Binding and Non-Binding Arbitration.

- (a) It is recommended that any claim or dispute referred to Binding or Non-binding Arbitration, shall be settled and determined in accordance with the rules of either the American Arbitration Association ("AAA"), or its successor, or the Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or its successor, and the provisions of the California Code of Civil Procedure, Section 1283.05 (or any successor amended statute or law containing similar provisions, shall be applicable in any such arbitration).
- (b) In any case where either the American Arbitration Association or JAMS (or the successor of either) is not in existence or fails or refuses to act within a reasonably prompt period of time (but in no event exceeding 90 days from the date a request for arbitration is filed), the arbitration shall proceed in accordance with the laws relating to arbitration then in effect in the State of California (including but not limited to Section 1280 through 1294.2 of the California Code of Civil Procedure, as the same may be amended or superseded from time to time).
- (c) Any such arbitration shall be conducted by one (1) arbitrator. If the parties cannot agree on one (1) arbitrator, there shall be three, as follows:
 - (1) Each party shall choose an arbitrator and the two arbitrators shall choose the third.
 - (2) The parties shall name their respective choices within five days after demand for arbitration is made.
 - (3) If either party neglects or refuses to participate in the appointment of the arbitrator(s), or to furnish the arbitrator(s) with any papers or information demanded, the arbitrator(s) may proceed *ex parte*.
 - (4) If Binding Arbitration is chosen, the judgment upon the award rendered in any such arbitration shall be final and binding upon the parties and may be entered in any court having jurisdiction thereof.

ARTICLE XII

35

AMENDMENT

12.01 Amendment.

(a) If a material change is required to any provision set forth in this Declaration, this Declaration may only be amended in the following ways (and subject to the Article entitled "Mortgagee Protection"):

- (1) A signed, written instrument from Owners representing at least eight (8) of the twelve (12) Condominiums; or
 - (2) A signed, written instrument by two Association officers certifying that the relevant amendment has been approved by Owners representing at least eight (8) of the twelve (12) Condominiums.
- (b) Any amendment must be properly recorded in the relevant County Recorder's Office.
- (c) The percentage of Owners needed to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the relevant provision.
- (d) An Owner or the Association may petition the Superior Court for an order reducing the percentage of affirmative votes needed to amend this Declaration (pursuant to Civil Code Section 1356, or any successor statutes).
- (e) In no event shall an amendment for the purpose of correcting technical errors, clerical mistakes or for clarification be construed as a material change to the Governing Documents.

12.02 Power of Attorney.

Each Owner, by accepting and recording the conversion Grant Deed conveying fee title of the Condominium Units to the Owners of the Property, is deemed to appoint the Association as its attorney-in-fact, and each Owner thereby has deemed to convey to the Association a specific power of attorney to prepare, execute, acknowledge and record any amendment to or restatement of the Condominium Plan, as the Association deems to be reasonably necessary in order to correct errors, to conform to as built conditions, or to bring the Condominium Plan into compliance with any City, County, State or Federal laws or regulations.

13.03 Term of Declaration.

36

- (a) This Declaration is binding upon all parties for sixty (60) years after the recording date.
- (b) After sixty (60) years, this Declaration will automatically be extended for successive ten (10) year periods, unless the Owners (heirs, successors, representatives) of a majority of subject Condominiums record a signed, written instrument:
 - (1) At least one (1) year before the beginning of any ten (10) year period; and
 - (2) Agreeing to change or terminate this Declaration.

13.04 Notices.

- (a) Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to another party must be in writing and may be given by personal delivery with written receipt signed by the party to whom the notice is directed or by any commercial courier, Federal Express, UPS Next Day Air, or U.S. Postal Service (Express Mail or certified mail only, return receipt requested, postage prepaid), to the party to whom the notice is directed.
- (b) Any notice given under this section shall be deemed received upon:
 - (1) Actual receipt by the intended party; or
 - (2) If by mail (other than Express Mail), within two (2) days after deposit in the U.S. mails, postage prepaid, certified, return receipt requested; or
 - (3) If by U.S. Express Mail, Federal Express or UPS Next Day Air upon notice of attempted delivery; or
 - (4) Upon sending written notice by fax or facsimile, with a confirmation memorandum evidencing that such fax or facsimile has been sent and received, and depositing concurrently therewith a copy of such notice in the regular U.S. mails, postage prepaid; or
 - (5) Electronic mail (email) transmission, if the recipient has previously consented to acceptance of electronic notices from the Association. Delivery is deemed upon time of transmission.

13.05 Attorneys' Fees.

In the event of any controversy or claim respecting this Declaration, or in connection with the enforcement of this Declaration, the prevailing parties shall be entitled, in addition to all expenses, costs, and damages, to reasonable attorneys' fees.

29

ARTICLE XIV

ARCHITECTURAL CONTROL

14.01 Approval by the Architectural Committee.

- (a) An Architectural Committee composed of three (3) to five (5) Members (the exact number shall be determined by the Board) shall be formed to control structural, and landscaping architecture, and design within the Property. Members appointed to the Architectural Committee by the Board shall be from the membership of the Association and may be members of the Board.
- (b) Any exterior alteration or improvement or change to the exterior of a Unit anywhere on the Property (and any Common Area) must first be approved in writing by the Architectural Committee.
- (c) Complete plans and specifications must be submitted in writing to the Architectural Committee showing plot layout, materials, sizes, color, design and landscaping, and with the signature of the Owner.
- (d) The Association may charge an Owner for reasonable costs incurred for review of any proposals submitted (e.g., an Architect's fee).

14.02 Architectural Guidelines.

- (a) The Board shall adopt and establish Architectural Guidelines to be administered through the Architectural Committee.
- (b) The Architectural Guidelines may include such limitations and restrictions on improvements as the Board shall adopt, including, without limitation, the regulation of the placement, kind, shape, height, materials, species and location of any improvement; and time limitations for the completion of the improvements for which approval is required.
- (c) Any change in the Architectural Guidelines shall require a 30-day written notice to the membership for their review and comment before the Board can approve the changes.
- (d) The Board is required to annually disclose to the Members items that require architectural approval. The annual membership notice shall contain the procedures used for reviewing architectural applications.

14.03 Certain Procedures for the Architectural Committee.

- (a) The Architectural Committee shall meet from time to time as necessary.
- (b) If any Member is unable (or unwilling) to serve on the Architectural Committee, the remaining Member(s) will have authority to approve or reject any proposed construction or alteration.
- (c) If the Architectural Committee fails to rule on a proposal within thirty (30) days after complete plans and specifications have been submitted as outlined below, the plans will be considered automatically approved.

(d) Complete plans and specifications must be either:

- (1) Personally delivered to an Architectural Committee Member; or
- (2) Mailed postage prepaid, certified mail, return receipt requested to the Architectural Committee at its current address.

28

14.04 **Review Standards.**

(a) The Architectural Committee must approve or reject plans and specifications submitted for proposed construction or alteration based on:

- (1) Aesthetic aspects of design, placement, landscaping, color, finish, materials, and harmony with existing structures; and
 - (2) Overall benefit or detriment to the Property and the area immediately surrounding the Unit involved.
- (b) The Architectural Committee is not responsible for approval of plans from the standpoint of structural safety or conformance with building codes.

14.05 **Appeal.**

- (a) All decisions of the Architectural Committee are subject to review by the Board.
- (b) Unless the composition of the Membership of the Architectural Committee is identical to the Board, the Board must review and decide upon the proposal within forty-five (45) days after the decision by the Architectural Committee, otherwise the proposal will be deemed approved.

14.06 **Architectural Committee Meetings.**

Meetings of the Architectural Committee shall be held from time to time as necessitated by action to be taken. Notice, hearing and conduct of the meetings must be in accordance with the Bylaws of the Association and general corporation laws regarding committee meetings.

DECLARANT SIGNATURE PAGE

39

IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this Declaration on the day and year first written above.

DECLARANT:

TAMA-LIN APARTMENTS, INC., a California corporation

X 
By: CHARLES PORCH

its: President

(See attached Ack) m2

X 
By: TEENA SMITH

its: Secretary

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES

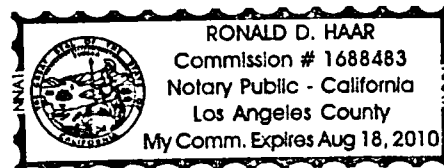
On November 19, 2008 before me, Ronald D Haar, Notary Public,
personally appeared

Teena Smith

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.



Signature

Ronald D Haar

Notary Public

(Seal)

Notary Acknowledgement

40

STATE OF CALIFORNIA)
COUNTY OF Los Angeles

On November 21, 2008 before me, Stephanie M Zelada
Notary Public, personally appeared NOTARY PUBLIC

Charles Perch
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

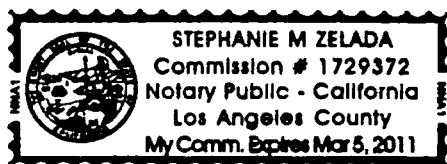
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

[Signature]
Notary Public

(Seal)



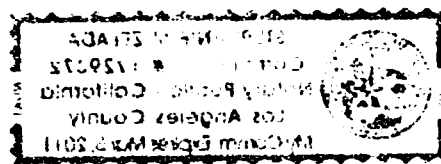


EXHIBIT "A"

PROPERTY

THE NORTH 16 FEET OF LOT 31 AND THE SOUTH 36 FEET OF LOT 30 OF HOLLYWOOD PINEAPPLE TRACT NO. 2, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12 PAGE 57 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

42

EXHIBIT "B"

ASSESSMENT ALLOCATION

Unit Number	Fractional Assessment Obligation	Assessment Percentage
1	380/4660	8.15%
2	340/4660	7.30%
3	380/4660	8.15%
4	380/4660	8.15%
5	340/4660	7.30%
6	540/4660	11.59%
7	380/4660	8.15%
8	320/4660	6.87%
9	360/4660	7.73%
10	380/4660	8.15%
11	320/4660	6.87%
12	540/4660	11.59%
Total		100.00%