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## **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**If this document contains any restriction based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, veteran or military status, 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 12956.1 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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DECLARATION

NOW, THEREFORE, Declarant hereby declares that the real property described in Recital 1 above is, and shall be held, conveyed, hypothecated, encumbered, leased, rented, used and occupied subject to the following limitations, restrictions, easements, covenants, conditions, liens and charges, all of which are declared and agreed to be in furtherance of a plan of condominium ownership as described in Section 1350 to 1359, inclusive, of the California Civil Code for the subdivision, improvement, protection, maintenance, and sale of condominiums within the aforesaid 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 aforesaid real property. All of said limitations, restrictions, easements, covenants, conditions, liens and charges shall run iwth the land, shall be binding upon and inure to the benefit of the successors in interest of such parties. Declarant hereby further declares that it is the express purpose and intent hereof that this Declaration satisfy the

2. The "Board" shall mean the Board of Directors of the Association.

3. The "Bylaws" shall mean the bylaws of the Association adopted by Declarant and approved by the California Department of Real Estate, as such bylaws may be amended from time to time.

4. The "Common Area" shall mean the entire development, excepting all units therein granted or reserved, subject to all easements and rights of use described herein and in the document of conveyance through which each owner acquires his condominium.

5. A "Condominium" shall mean a condominium as defined in Section 1354 of the Civil Code, consisting of an undivided interest in common with others in a portion of a parcel of real property, together with a separate interest in space in a residential building on such real property, and together with any easements appurtenant to said space,



8. A "member" shall mean every person or entity who holds a membership in the Association.

9. A "mortgage" shall mean a mortgage or deed of trust encumbering a condominium or other portion of the development. A "mortgage" shall also mean an installment sales contract as in a condominium or other portion of the development entered into under and pursuant to Article 3, Chapter 6, Division 4 of the California Military and Veterans Code whereunder the Department of Veterans Affairs of the State of California ("DVA") is Seller (a "Cal-Vet" contract). The term "mortgage" shall include the beneficiary under a deed of trust and the DVA under a Cal-Vet contract.

10. An "owner" shall mean each person and entity holding a record ownership interest in a condominium, including Declarant. The term "owner" shall not include persons or entities who hold an interest in a condominium merely as security for the performance of an obligation or as a contract purchaser; provided, however, that the con-

plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed or plans, regardless of minor variance between boundaries shown on the plans or in the deed and those of the building.

## ARTICLE II

### PROPERTY RIGHTS, RIGHTS OF ENJOYMENT AND EASEMENTS

#### 1. Ownership of Condominium; Exclusive Easements.

Ownership of each condominium within the development shall include a unit, the respective interest in the common area as specified in Exhibit "B" (which undivided interest may not be altered or changed so long as the prohibition against severability of component interest in a condominium remains in effect as hereinafter provided), and any exclusive easement or easements appurtenant to such unit over the common area as described in the deed thereto or in the condominium plan, if any.

#### 2. Owners Non-Exclusive Easements of Enjoyment

(a) The right of the Association to limit the number of guests, and to adopt Association rules and regulations regulating the use and enjoyment of the common area.

(b) The right of the Association to borrow money for the purpose of improving the common area and any recreational areas therein.

(c) The right of Declarant or its designees to enter upon the development for purposes of construction of the development and for purposes of making repairs and remedying construction defects.

(d) The right of the Association, or its agents, to enter any of the units in order to perform its obligations hereunder, which right shall be immediate in case of an emergency originating in or threatening such unit, whether the owner is present or not.

(e) The right of any owner, or his repre-

(f) The right of access and entry to the development, all buildings and structures for any authorized fire inspector, building official, or any other official charged with carrying out the laws of the City, State of California, or the United State of America.

3. Delegation of Use. Any owner may delegate his rights of enjoyment in the development, including any recreational facilities thereof, to the members of his family, his guests, and invitees, and to such other persons as may be permitted by the bylaws and the Association rules and regulations, subject however, to said bylaws and said Association rules and regulations; provided, however, that neither an owner of a condominium who has sold same to a contract purchaser thereof or has leased or rented same, nor members of his family, his guests and invitees shall be entitled to use and enjoy the recreational facilities of the development while such owner's condominium is occupied by such contract purchaser; such contract purchaser, lessee or renter, while occupying such condominium, shall be entitled to use and enjoy the recreational facil-

rights of enjoyment delegated pursuant hereto are subject to suspension to the same extent that rights of owners are subject thereto.

4. Minor Encroachments. If any portion of the common area encroaches upon any of the units, a valid easement for such encroachment and for the maintenance of same so long as it remains shall and does exist, and, pursuant to this Declaration, all units are made subject to such easements. In the event that any structure containing a unit is partially or totally destroyed and then rebuilt and minor encroachments result, a valid easement for such minor encroachments, and for the maintenance of same so long as same shall remain, shall and does exist, and, pursuant to this Declaration, all units and the common area are made subject to such easements for minor encroachments.

5. Easements Granted by Association. The Association shall have a power of attorney to grant and convey to any third party, on behalf of any owner of a condominium,



however, that no such easements may be granted if same would interfere with the use, occupancy or enjoyment by any owner of his unit, any exclusive easements over the common area appurtenant thereto, if any, or the recreational facilities of the development.

ARTICLE III  
USE RESTRICTIONS

1. Residential Use. Units shall be used for residential purposes only, provided, however, that for a period of three (3) years from and after the date of recordation of this Declaration or whenever all units have been sold, whichever occurs first, units owned by Declarant may be used by Declarant or its designees as models, sales offices and construction offices for the purpose of developing, improving, and selling condominiums in the development. Nothing herein shall prevent an owner from leasing or renting his condominium, provided, however, any lessee or renter thereof shall abide by and be subject to all terms and provisions of this



provided, however, that Declarant or its designees may use any recreational facilities of the development for the purpose of developing, improving and selling condominiums in the development.

3. Interior Maintenance. Each owner of a condominium shall be responsible for maintaining his unit, including the equipment and fixtures therein and the interior walls, ceilings, windows and doors thereof, in a clean, sanitary, workable and attractive condition, reserving to each owner; however, complete discretion as to the choice of furniture, furnishings, and interior decorating; provided, however, windows may only be covered by drapes or shades and may not be painted or covered by foil, cardboard, or other similar materials. Each owner shall also be responsible for repair, replacement and cleaning of the windows and glass of his unit both exterior and interior. Unless otherwise specifically provided in this Declaration, the Association shall clean and maintain exclusive easements appurtenant to any of the units over the common area, if any.

5. Offensive Conduct; Nuisances. No noxious or offensive activities, including but not limited to, repair of automobiles or other motorized vehicles, shall be carried on, upon or within the development, nor shall anything be done thereon which may be or become an annoyance or nuisance to the residents of the development, or which shall in any way interfere with the quiet enjoyment of occupants of condominiums. Unless otherwise permitted by the Association, no owner shall serve food or beverages, cook, barbeque, or engage in similar activities, excepting within such owner's unit and excepting within those portions of the common area subject to exclusive easements appurtenant to such owner's unit, if any.

6. Parking Restrictions; Use of Garages. Unless otherwise permitted by the Association, no automobile shall be parked or left on any property subject to this Declaration other than on or within a garage, carport or assigned or appurtenant parking stall or space. No boat, trailer, recreational vehicle, camper, truck or commercial vehicle shall be parked or left on any part of the development other than

7. Signs. No sign of any kind shall be displayed to the public view on or from any condominium or on or from the common area without the approval of the Association, excepting such signs as may be used by the Declarant or its designees for the purpose of developing, selling and improving condominiums within the development. Notwithstanding the foregoing, one sign of customary and reasonable dimensions advertising a condominium for sale or for rent may be placed within each unit or within the common area immediately adjacent thereto by the owner thereof, the location and design thereof to be subject to approval by the Association.

8. Antennae, External Fixtures, Etc. No television or radio poles, antennae, flag poles, clothesline or other external fixtures other than those originally installed by Declarant or approved by the Association, and any replacements thereof, shall be constructed, erected or maintained on or within the common area, including any structures thereof. No wiring, insulation, air-conditioning or other machinery or equipment other than that ori-

9. Fences, Etc. No fences, awnings, ornamental screens, screen doors, sunshades or walls of any nature shall be erected or maintained on or around any portion of any structure or elsewhere within the development except such as are installed in accordance with the original construction of the development, and any replacement thereof, or as are authorized and approved by the Association.

10. Animals, No animals, reptiles, rodents, livestock or poultry shall be kept in any condominium or elsewhere within the project except domestic dogs and cats which shall not be larger than 20 lbs. in weight. In any event, the Association shall have the absolute right to prohibit the maintenance of any animals or pets which constitute, in the sole and exclusive opinion of the Board, a nuisance to any owner or occupant of the development. Each person bringing or keeping a pet upon the development shall be absolutely liable to each and all other owners, their family members, guests, invitees, lessees, renters and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property



construction of property owned by Declarant or Declarant's designees and situated in the vicinity of the development or the initial sales therein may be maintained within the development, but shall be promptly removed upon completion of all such initial construction and all such initial sales.

12. Trash Disposal. Trash, garbage or other waste shall be kept only in sanitary containers. No owners of a condominium shall permit or cause any trash or refuse to be kept on any portion of the development subject to this Declaration other than in the receptacles customarily used therefor, and placed or maintained as required by the Arcadia Municipal Code.

13. Outside Drying & Laundering. No exterior clothesline shall be erected or maintained and there shall be no exterior drying or laundering of clothes on balconies, patios, porches or other areas.

14. Structural Alterations. No structural alterations to the interior of any unit shall be made and no

16. Compliance with Laws, Etc. Nothing shall be done or kept in any unit or in the common area which might increase the rate of, or cause the cancellation of, insurance on the development, or any portion thereof, without the prior written consent of the Association. No owner shall permit anything to be done or kept in his unit which is immoral or in violation of any law, ordinance, statute, rule or regulation of any local, county, state or federal body. No owner shall allow furniture, furnishings or other personalty belonging to such owner to remain within any portion of the common area excepting portions thereof subject to exclusive easements over the common area appurtenant to such owner's unit, if any, and excepting as may otherwise be permitted by the Association.

17. Indemnification. Each owner shall be liable to the remaining owners for any damage to the common area which may be sustained by reason of the negligence of said owner, members of his family, his contract purchasers, lessees, renters, guests or invitees, to the extent that any such damage shall not be covered by insurance. Each



temporarily visiting in said condominium or portion of the common area subject to an exclusive easement appurtenant thereto, if any.

18. Owners' Obligation for Taxes. Each owner shall be obligated to pay any taxes or assessments by the County Assessor of said County against his condominium and against his personal property.

19. Age Restrictions. No child under 16 years of age may permanently reside within any condominium, and no child under 16 years of age may visit or temporarily reside within any condominium for a continuous period of more than two weeks in any six-month period. Each owner shall be accountable to the other owners for the conduct of any child visiting or temporarily residing within such owner's condominium.

#### ARTICLE IV

#### THE ASSOCIATION

2. Association Action: Board of Directors and Officers. Except as to matters expressly requiring the approval of members as set forth in this Declaration or the Bylaws, the affairs of the Association shall in all instances be conducted by the Board and such officers as the Board may elect or appoint, such election or appointment to be in accordance with the Bylaws, as the same may be amended from time to time. Except as otherwise expressly provided in this Declaration or the Bylaws, all matters requiring the approval of members shall be deemed approved if members holding a majority of the total voting rights assent thereto by vote or written consent as provided in the Bylaws.

3. Powers and Duties of Association.

(a) Powers. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration and the Bylaws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Associa-

(ii) Right of Enforcement. The Association shall have the power and authority from time to time in its own name and on its own behalf, or on behalf of any owner or owners who consent thereto, to commence and maintain actions and suits at law for damages or in equity to restrain and enjoin any breach or threatened breach of any provisions of this Declaration or the Bylaws, or of the Association rules adopted pursuant to Section 3 of this Article IV, or any resolutions of the Board, and to enforce by mandatory injunction, or otherwise, all of said provisions. In addition to the foregoing remedies, the Association shall have the right to suspend the voting rights, suspend use privileges of the common area, or assess monetary penalties against any owner or other person entitled to exercise such rights or privileges by reason of any violation of this Declaration or the Bylaws, Association rules or Board resolutions, provided, however, that:

- a. any such suspension of use privileges may not exceed a period of thirty (30) days for any one violation; and

and the owner or other persons to be fined or suspended shall have the right to appear, to be represented by counsel and to be heard thereat.

(iii) Delegation of Powers. The Association acting by and through the Board shall have the authority to delegate its powers, duties and responsibilities to committees or employees, including a professional managing agent (sometimes hereinafter referred to as the "manager").

(iv) Association Rules. The Association shall have the power to adopt, amend and repeal such rules and regulations as it deems reasonable (hereinafter sometimes referred to as the "Association rules"). The Association rules shall govern the use of the common area, including, but not limited to, any recreational facilities, by an owner, the family members of an owner, or by any guest, invitee, contract purchaser, lessee or renter of an owner, or their respective family members, guests or invitees, provided, however, that the Association rules shall not be inconsistent

(b) Powers and Limitations of the Board of Directors. The powers and duties of the Board of Directors shall normally include, but shall not be limited to, the following:

(i) Enforcement of applicable provisions of the CC&R's, Articles, Bylaws, and other instruments for the ownership, management and control of the subdivision.

(ii) Payment of taxes and assessments which are, or could become, a lien on the common area or a portion thereof.

(iii) Contracting for casualty, liability and other insurance on behalf of the Association.

(iv) Contracting for goods and/or services for the common areas, facilities and interests or for the Association subject to the limitations set forth below.

(v) Delegation of its powers to committees,

(viii) Initiation and execution of disciplinary proceedings against members of the Association for violations of provisions of the governing instruments in accordance with procedures set forth in the governing instruments.

(ix) Entering upon any privately owned subdivision interest as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or the owners in common.

(c) The governing body of the Association shall ordinarily be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider:

(i) Entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the Owners' Association for a term longer than one year with the following exceptions:



by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

c. Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits for short-rate cancellation by the insured.

(ii) Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.

(iii) Selling during any fiscal year property of the Association having an aggregate fair market

(d) Duties of the Association. In addition to powers delegated to it in the Bylaws, and without limiting the generality thereof, the Association acting by and through the Board, or by and through persons or entities described in paragraph (a) (iii), above, if applicable, shall have the obligation to conduct all business affairs of common interest to all owners, and to perform each of the following duties:

(i) Operation and Maintenance of the Common Area. Operate, maintain and otherwise manage or provide for the operation, maintenance and management of, the common area, and all facilities, improvements and landscaping thereon and thereof, including all private driveways and private streets thereof, if any, and all other property acquired by the Association, including personal property, in a first-class condition and in a good state of repair. In this connection, the Association may employ a managing agent and may enter into contracts for services or materials for the benefit of the Association or the common area, provided, however, that the term of any such service contract shall not exceed one (1) year unless approved by members as provided in Section 3 of

(iii) Water and Other Utilities. Acquire, provide and/or pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone and gas and other necessary utility services for the common area and for condominiums when the condominiums are not separately billed therefor. The Association shall guarantee payment to the City of Arcadia, of all proper invoices by the City for water, sewer, service charges, garbage, trash or rubbish charges.

(iv) Insurance. Obtain, from reputable insurance companies, and maintain in effect, the insurance described in Article VIII hereof.

(v) Enforcement of Restrictions and Rules. Perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration, the Bylaws, the Association rules and any Board resolutions.

4. Personal Liability. No member of the Board, or any committee of the Association, or any officer of the Assoc-

5. Annual Meeting and Notice. An organizational meeting shall be held as soon as practicable following issuance by the California Department of Real Estate of the first Final Public Report covering the development, and the directors elected thereat shall hold office until the first annual meeting. Until the first annual meeting, representatives of Declarant may act as directors and officers of the Association. The first annual meeting of members of the Association shall be held not later than six (6) months after the closing of the sale of the first condominium within the development, or 45 days after closing sales comprising at least 51% of the units, whichever event occurs first. Thereafter, annual meetings of members of the Association shall be held in each succeeding year within one week before or after the anniversary date of said first annual meeting on a day to be determined by the Board which day shall not be a legal holiday. Special meetings may be called as provided for in the Bylaws. Notice of all members meetings, annual or special, shall be given by regular mail or telegram and shall be given not less than ten (10) days nor more than thirty (30) days prior to the time of

days from the time the original meeting was called, at which adjourned meeting the quorum requirement shall be at least twenty-five percent (25%) of said total votes. Any meeting of members whereat a quorum is present may be adjourned for any reason to a time not less than five (5) days nor more than thirty (30) days from the time of such meeting by members representing a majority of the votes present thereat in person or by proxy.

6. Audit and Annual Operating Statement.

An external audit by an independent public accountant shall be required for fiscal year financial statements (other than budgets) for any fiscal year in which the gross income to the Association exceeds \$75,000. The Association shall prepare, or cause to be prepared, an annual operating statement reflecting the income and expenditures of the Association for its fiscal year and a copy of said statement shall be distributed to each member within ninety (90) days after the end of each fiscal year.

interest in all condominiums in the development ceases for any reason, at which time his membership in the Association shall automatically cease. A member is not intended to include persons or entities who hold an interest in a condominium merely as security for performance of an obligation; nor is a member intended contract purchases, excepting however, a contract purchaser or contract purchasers from the DVA under a Cal-Vet contract, if any.

(b) Members' rights and Duties. Each member shall have the rights, duties and obligations set forth in this Declaration, the Bylaws and the Association rules, as the same may from time to time be amended.

(c) Transfer of Membership. The Association membership of each person or entity who owns, or owns an interest in, a condominium shall be appurtenant to such condominium, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon a transfer of title to each such condominium or interest therein and then only to the transferee thereof. Any attempt



(b) Joint Owner Votes. The voting rights for each condominium may not be cast on a fractional basis. In the event that the joint owners of a condominium are unable to agree among themselves as to how their voting rights shall be cast, they shall forfeit same as to matter in question. If any owner or owners cast the voting rights of a particular condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other owners of the same condominium. In the event more than one (1) person or entity casts the voting rights for a particular condominium, said voting rights shall not be counted and shall be deemed void.

(c) Cumulative Voting.

- (i) a. Cumulative voting in the election of governing body members shall be prescribed for all elections in which more than two positions on the governing body are to be filled. Voting for the governing body shall be

at by dividing the total number of votes that may be cast under cumulative voting procedures by a divider equal to 1 plus the authorized number of governing body members.

- (ii) a. A special procedure shall be established by the governing instruments to assure that at least one representative of the governing body is elected solely by the votes of owners other than the subdivider at any election in which the owners other than the subdivider do not have sufficient percentage of the voting power of the Association to elect at least one governing body member through the cumulating of all their votes.

ARTICLE VI  
ASSESSMENTS

1. Agreement to Pay. The Declarant, for each condominium owned by it in the development which is expressly made subject to assessment as set forth in this Declaration, hereby covenants and agrees, and each purchaser of a condominium by this acceptance of a deed therefor, whether or not it is so expressed in such deed, is deemed to covenant and agree, for each condominium owned, to pay to the Association regular assessments and special assessments, such assessments to be established, made and collected as hereinafter provided.

1a. Commencement of Assessments. Assessments shall commence on the first day of the first month following close of the first sale of a condominium unit, and shall be assessed to all units, including those belonging to the subdivider.

be both joint and several. The personal obligation for delinquent assessments, or delinquent installments thereof, and such other sums, shall not pass to an owner's successors in interest unless expressly assumed by them. No owner of a condominium may exempt himself from payment of assessments, or installments thereof, by waiver of the use or enjoyment of all or any portion of the common area or by waiver of the use or enjoyment of, or by abandonment of, his condominium.

3. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the member of the Association, the improvement, operation and maintenance of the common area, and the performance of the duties of the Association as set forth in this Declaration.

4. Financial Statement. Financial statements for the Association shall be regularly prepared and copies shall be distributed to each member of the Association as follows:

the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

(c) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the said fiscal year shall be distributed within ninety (90) days after the close of the first sale.

#### 5. Assessments.

(a) Regular Assessments. At least sixty (60) days prior to the beginning of each calendar year the Board shall estimate the total amount of funds necessary to defray the common expenses of the Association for the next calendar year, distribute the budget as provided in Article VI, Section 4 (a), above, and if said amount is approved by the members, same shall become the regular assessments for such year. Said assessments shall be uniform and shall be determined as provided in Section 6 hereof.

may, in its discretion, pro rata such special assessment over the remaining months of the calendar year or levy such assessment immediately against each condominium.

(c) Limitation Respecting Special Assessments.

In any fiscal year, the Board may not, without the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider, levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

6. Uniform Rate of Assessments. Except as otherwise specifically hereinafter provided, regular and special assessments must be fixed at a uniform rate for all condominiums. In this regard same shall be determined by dividing the amount thereof by the total number of condominiums within the development.

7. Assessment Period. The regular assessment

special assessments shall be according to the number of months remaining in the calendar year and shall be payable in equal monthly installments unless the Board adopts some other basis for collection. The Association shall not change the pro rata interest or obligation of any condominium for purposes of levying assessments.

8. Notice and Assessment Installment Due Dates.

A single ten (10) day prior written notice of each annual regular assessment and each special assessment shall be sent to the owner or owners of every condominium subject thereto wherein the due dates for the payments of installments thereof shall be specified. The due dates for the payment of installments of regular assessments and special assessments shall normally be the first day of each month unless some other due date is established by the Board. Each installment of regular assessments and special assessments shall become delinquent if not paid within fifteen (15) days after its due date. There shall accrue with



the previous year, without the vote or written assent of a majority of the voting power of the Association residing in members other than the subdivider.

10. Estoppel Certificate. The Board or manager, upon not less than twenty (20) days prior written request, shall execute, acknowledge and deliver to the party making such request a statement in writing stating whether or not to the knowledge of the Association, a particular owner is in default as to said owner's condominium under the provisions of this Declaration and further stating the dates to which installments and assessments, regular or special, have been paid as to such condominium, it being intended that any such certificate delivered pursuant to this Section 10 may be relied upon by a prospective purchaser or mortgagee of said condominium, but reliance on such certificate may not extend to any default not involving the payment of assessments as to which the signer had no actual knowledge.

of the power of sale pursuant to Section 2 hereof to enforce the lien rights created hereby. Suit to recover a money judgement for unpaid assessments together with all other amounts described in Section 2 of Article VI hereof shall be maintainable without foreclosing or waiving said lien rights.

2. Creation of Lien. In the event of a delinquency in the payment of any assessment, or installment thereof, respecting a condominium, as such assessment is described in Section 7 of Article VI hereof, such amounts as may be delinquent, together with the late charge described in said Section 7, interest thereon at the rate of nine percent (9%) per annum, and all costs which may be incurred by the Board or its representatives in the collection of said amounts, including reasonable attorneys fees, shall be and become a lien against such condominium upon the recordation in the office of the County Recorder of said County of a Notice of Assessment as provided in Section 1356 of the California Civil Code. The Notice of

3. Notice of Default; Foreclosure. Not less than ten (10) days nor more than one (1) year after the recording of said Notice of Assessment, the Board or its authorized representative may record a notice of default and thereafter may cause such condominium to be sold in the same manner as a sale is conducted as provided by Section 2924, 2924b and 2924c of the California Civil Code, or through judicial foreclosure; provided, however, that as a condition precedent to the holding any such sale under said Section 2924c appropriate publication shall be made; and provided, further, that in connection with any sale pursuant thereto the Board is hereby authorized to appoint its attorney, any officer or director, or any title insurance company authorized to do business in California as Trustee for purpose of conducting such sale. If any such delinquency is cured prior to sale, or prior to completing a judicial foreclosure, the Board or its authorized representative shall cause to be recorded in the office of the County Recorder of said County a certificate setting forth the satisfaction of such claim and release of such lien upon payment

his condominium to the Association and shall further be deemed to have consented to the appointment of a receiver (which appointment may, at the election of the Association, be enforced by the Association by the remedy of specific performance). The Association acting on behalf of the owners, shall have the power to bid in the condominium at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

4. Waiver of Exemptions. Each owner does hereby waive, to the extent of any lien created pursuant to this Article VII, the benefit of any homestead or exemption laws of the State of California in effect at the time any assessment, or installment thereof, becomes delinquent or any lien is imposed pursuant to the terms hereof.

#### ARTICLE VIII

#### INSURANCE

1. Liability Insurance. The Association shall

more than one person in any one occurrence, and  
\$50,000.00 for property damage in any one occurrence.

2. Fire and Extended Coverage Insurance.

The Association shall also obtain and maintain in force a master or blanket policy of fire insurance for the full insurable value of all of the improvements within the development. Such policy and any endorsements thereon shall be in the form and content, for such term and in such company as may be satisfactory to any mortgagee; and, if more than one mortgagee has a loan of record against the development, or any part thereof, such policy and endorsements shall meet the maximum standards of the various mortgages represented in the development. Such policy shall contain extended coverage and replacement cost endorsements, if available, and may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause, and a determinable cash adjustment clause, or a similar clause to permit cash settlement covering full value of the improvements in the event of partial

3. Individual Fire Insurance. If available, underlying fire insurance coverage for individual condominiums shall be written as a part of, or in conjunction with, said master policy, where necessary to protect individual lenders. If such coverage is not available, each owner or owners of each condominium shall purchase at his or their expense and maintain such fire and casualty coverage as may be required by his or their individual mortgage. Any such underlying insurance shall contain a replacement cost endorsement, if available, and to the extent available, such other endorsements as may be a part of the master policy. Such insurance shall likewise name as insured all of the owners and Declarant, so long as Declarant is the owner of any of the condominiums, and all mortgagees, as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee hereinafter described.

4. Trustee. All insurance proceeds payable under Section 2 and 3 above, and subject to the rights of the mortgagees under Section 7, may be paid to



to cover demolition in the event of total or partial destruction and a decision not to rebuild. The Board shall also purchase and maintain workmen's compensation insurance, to the extent that the same shall be required by law, for all employees of the development. The Board may also purchase and maintain fidelity bonds, insurance on personal property owned by the Association, and such other insurance as it deems necessary.

6. Owner's Insurance. An owner may carry such personal liability and property damage insurance respecting his condominium as he may desire; provided, however, any such policy shall include a waiver of subrogation clause.

7. Distribution of Mortgagees. With respect to insurance coverage under Section 2 and 3 above, any mortgagee shall have the option to apply insurance proceeds payable thereunder to such mortgagee in reduction of the obligation secured by the mortgage of such mortgagee.

8. Loss Payable Clauses. All applicable fire and all physical loss or extended coverage insurance policies

suant to Article VIII are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction thereof, the same shall be promptly rebuilt unless, within ninety (90) days from such destruction, members then holding at least seventy-five percent (75%) of the total voting power present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that such repair and reconstruction shall not take place. If repair and reconstruction is to take place, the Board shall be required to execute, acknowledge and record in the office of the County Recorder of said County, not later than one hundred twenty (120) days from the date of such destruction, a certificate declaring the intention of the members to rebuild.

2. Destruction; Proceeds Less than 85% of Reconstruction Costs. If the proceeds of such insurance are less than eighty-five percent (85%) of the costs of repair and reconstruction, such repair and reconstruction may nevertheless take place if, within ninety (90) days from the date of said destruction, members then holding at least fifty-one percent (51%) of the total voting power present and entitled to vote in person or by proxy at a

1 contribute such funds as shall be necessary to pay his or their proportionate share of the cost of reconstruction, over and above the available insurance proceeds, and the proportionate share of each such owner or owners shall be the same as his or their proportionate share of Association assessments established in Article VI. In the event of the failure or refusal of such owner or owners to pay his or their proportionate share, the Board may levy a special assessment against the condominium of such owner or owners which may be enforced under the lien provisions contained in Article VII hereof or in any other manner provided in this Declaration. For purposes hereof, the "proportionate share of an owner or owners for the cost of reconstruction" shall be increased as to such owner or owners by the amount of insurance proceeds paid to the mortgagees of the condominium of such owner or owners (and in respect to such condominium) pursuant to Section 7 of Article VIII hereof.

4. Contract Rebuilding. If members determine to

by the trustee or the Association shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such repair and reconstruction at the earliest possible date if same is authorized.

5. Rebuilding Not Authorized. If the members determine not to rebuild, then subject to the rights of mortgagees as set forth in Section 7 of Article VIII hereof, and any insurance proceeds then available for such rebuilding shall be distributed to the owner or owners of each condominium proportionately in accordance with the then assessed value of each such condominium appearing on the tax rolls of the County Assessor of said County. The Board shall have the duty, within one hundred twenty (120) days of the date of such destruction, to execute, acknowledge and record in the office of the County Recorder of said County, a certificate declaring the intention of the members not to rebuild.



to the extent insurance proceeds are unavailable therefor, such assessments to be levied as described in Section 3 hereof (but without the consent or approval of members, any other provisions of this Declaration to the contrary notwithstanding).

7. Revival of Right to Partition. Upon recordation of a certificate described in Section 5 hereof, the right of any owner to partition through legal action as described in Article XI hereof shall forthwith revive.

8. Arbitration. In the event of a dispute among the owners or mortgagees with respect to the provisions of this Article IX, any owner may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the members of the Board and to all other owners and their respective mortgagees as promptly thereafter as possible, giving all Board members, owners and mortgagees an opportunity to appear in such arbitration proceedings. The decision of such arbitrator may include in his decision

ARTICLE X  
CONDEMNATION

1. Sale by Unanimous Consent. In the event that an action for condemnation of all or a portion of the development is proposed or threatened by any governmental agency having the right of eminent domain, then, upon unanimous written consent of all of the owners of the development, or such portion thereof may be sold.

2. Distribution of Proceeds of Sale. Upon a sale occurring as described in Section 1 hereof, the proceeds resulting therefrom shall be distributed to and among each owner and his respective mortgagee in accordance with an agreement entered into by all owners and mortgagees. Lacking such agreement within ninety (90) days after the proceeds of sale become available for distribution, the matter shall be referred to arbitration in accordance with Section 8 of Article IX.

3. Distribution of Condemnation Award. In the event the development, or such portion thereof, is not sold

ARTICLE XI

PARTITION

1. Suspension. The right of partition is hereby suspended pursuant to Section 1354 of the California Civil Code as to the development. The development may be partitioned and sold pursuant to the provision of Section 1354 of the California Code of Civil Procedure upon a showing of the occurrences of any of the events therein provided. Additionally, partition may be had upon a showing that the conditions for such partition as set forth in Section 7 of Article IX or in Section 4 of Article X have been met. Nothing herein contained shall prevent the partition or division of interest between joint or common owners of one (1) condominium.

2. Power of Attorney. Pursuant to Section 1355 (b) (9) of the California Civil Code, each of the owners hereby grants the Association an irrevocable power of attorney to sell the development for the benefit of the owners thereof when partition thereof may be had under Section 1354 of the California Code of Civil Procedure.



"B" hereof for any purpose. Neither of said component interest may be separately sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision shall be void and of no effect. Similarly, no owner shall be entitled to sever any exclusive easement appurtenant to his unit over the common area from his condominium, and any attempt so to do shall be void and of no effect. This suspension of this right of severability will, in no event, extend beyond the period set forth in Article XI respecting the suspension of partition. It is intended hereby to restrict severability pursuant to Section 1355 (g) of the California Civil Code.

2. Conveyances. Subsequent to the initial sales of the condominium, any conveyance of a unit, or the component interest in any common area, by the owner of any condominium, shall be presumed to convey the entire condominium; provided, however, that nothing herein contained shall be construed as precluding the owner of any condominium from creating a co-tenancy or joint tenancy in the ownership of said condominium with any other person or persons.

#### ARTICLE XIII

##### TERM OF DECLARATION: COMPLIANCE WITH RULE AGAINST PERPETUITIES AND RESTRAINTS ON ALIENATION

1. Term of Declaration. This Declaration shall run with the land, and shall continue in full force and effect for a period of fifty (50) years from and after the date on which this Declaration is executed. There-

after, this Declaration and all covenants, conditions, restrictions and other provisions herein contained shall be of no force and effect unless extended by an instrument executed by owners of not less than two-thirds (2/3) of the condominiums in the development and recorded in the office of the County Recorder of said County.

2. Rule Against Perpetuities. Excepting as to the suspension of the right of partition as provided in Article XI and excepting as to the prohibition against severability of component interests in a condominium as provided in Article XII, in no event shall the vesting of any interest in real or personal property or the suspension of the alienation of any interest in real or personal property occur when the provisions of this Declaration later than twenty-one (21) years following the death of the last survivor of the following persons: James E. Carter, President of the United States; his wife, Rosalyn; and his now living children.

#### ARTICLE XIV

#### PROTECTION OF MORTGAGEES

1. Mortgages Permitted. Any owner may encumber his condominium with a mortgage.

2. Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any mortgagee encumbering all or a portion of the development, or any condominium therein, 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 thereunder thereof shall expressly subordinate his interest, in writing, to such lien.

3. Amendment. No amendment to this Declaration shall affect the rights of any mortgagee under any mortgage made in good faith and for value and recorded prior to the recordation of any such amendment unless said mortgagee shall either join in the execution of such amendment or shall approve the same in writing as part of such amendment.

4. Effect of Breach Hereof. No breach of any provision of these covenants, conditions, and restrictions shall invalidate the lien of any mortgage in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon any owner whose title is derived through foreclosure sale, trustee's sale or otherwise.

5. Foreclosure. If any condominium is encumbered by a 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 thereof, shall not operate to affect or impair the lien or such mortgage. Upon foreclosure of such mortgage, the lien hereof for assessments or installments thereof, as shall have accrued up to the time of foreclosure shall be subordinate to the lien of such mortgage, with the foreclosure-purchaser taking title to such condominium free of the lien



9. Right to Furnish Information: Collection of Insurance Premiums. Any mortgagee shall have the right to furnish information to the Board concerning the status of any mortgage. The Board may also delegate to any mortgagee the right to collect such portion of a condominium's assessments, or installments thereof, representing premiums payable for insurance coverage.

10. Loss Payable Clauses. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses naming the mortgagees, as their interest may appear.

11. Federal Home Loan Mortgage Corporations Financing. Notwithstanding any and all provisions hereof to the contrary, in order to induce the Federal Home Loan Mortgage Corporation ("FHLMC") to participate in the financing of the sale of condominiums within the development, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of this Declaration, these added provisions shall control):

(a) A first mortgagee at his request is entitled to written notification from the Association of any default by the mortgagor of a unit in the performance of such mortgagor's obligations under this Declaration, Bylaws, and any other documents relating to the development, including

amendments thereto, hereinafter collectively referred to as the "Condominium Document", which is not cured within sixty (60) days.

(b) Any first mortgagee who acquires title of a unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage shall be exempt from any "right of first refusal."

(c) The prior written approval of at least seventy-five percent (75%) of the holders first mortgages on a condominium shall be required for the following:

(i) The abandonment or termination of the development, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking of condemnation or eminent domain;

(ii) Any material amendment to this Declaration or to the Articles of Incorporation or Bylaws of the Association including, but not limited to, any amendment which would change the percentage interest of the unit owners in the project;

(iii) The partition or subdivision of any condominium;

(iv) A change of the pro rata interests or obligations of any unit for purposes of: a) levying assessments or charges or allocating distributions hazard

insurance proceeds or condemnation awards, or b) determining the pro rata share of ownership of each condominium in the common area;

(v) Any action or omission to act by the Association seeking 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 development shall not be deemed a transfer within the meaning of this subparagraph;

(vi) The use of hazard insurance proceeds for losses to any condominium or portion of common area for other than the repair, replacement or reconstruction of the improvements thereon, except as provided by statute in case of substantial loss to the condominiums and/or common area of the development.

(d) Any holder of a first mortgage on a condominium shall have the right to examine the books and records of the Association.

(e) In the event of substantial damage to or destruction of any unit or any part of the common area, the institutional holder of any first mortgage on a unit shall be entitled to timely notice of any such damage or destruction and no provisions of any document establishing the project will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of any insurance proceeds.



(f) If any unit or portion thereof of the common area or any portion thereof is made the subject of any condemnation of eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a unit shall be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of this Declaration will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

(g) In the event any portion of any unit encroaches upon the common area as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the project, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

(h) Anything in the Declaration to the contrary notwithstanding, there shall be no restriction to any condominium owner's rights of ingress and egress of his unit.

(i) The failure of any unit owner to comply with the provisions of this Declaration, the Bylaws, and any Articles of Incorporation shall give rise to a cause of action in the Association, any aggrieved owner and the holder of a first mortgage on a condominium for the recovery of damages, or for injunctive relief, or both.



(j) Any lien which the Association may have on any unit in the project for the payment of common expenses assessments attributable to such unit will be subordinate to the lien or equivalent security of any first mortgage on the unit recorded prior to the date any such common expense assessments become due.

(k) The holder of a first mortgage on a condominium at its request will be entitled to written notification from the Association of any default by the owner of such condominium in the performance of such owner's obligation under this Declaration or the Articles of Incorporation, or Bylaws of the Association which is not cured within sixty (60) days.

(l) An adequate reserve fund for replacement of improvements in the common area must be established and must be funded by regular monthly payment rather than special assessments.

(m) All taxes, assessments and charges which may become liens prior to the first mortgage under California law, if any, shall relate only to the individual condominium and not to the development as a whole.

(n) The Association shall give the Federal Home Loan Mortgage Corporation (FHLMC) notice in writing of any loss to, or taking of, any portion of the common area, if such loss or taking exceeds \$10,000.00 or if damage to a condominium covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

(o) Any agreement for professional management of the development or any other contract providing for services by the developer, sponsor, declarant or builder, will be terminable by either party without cause or payment of a termination fee on ninety (90) days written notice and shall not exceed a contract term of three (3) years.

(p) The provisions of this Article shall be controlling in the event of any conflict between the provisions of this Article XIV and any provisions of the Declaration.

#### ARTICLE XV

#### AMENDMENT

1. Amendment Prior to Close of First Sale.

Prior to the close of the first sale in the development to a purchaser other than Declarant, this Declaration and any amendments thereto may be amended in any respect or revoked by the execution by Declarant after review and approval of said amendments by the City of Arcadia by an instrument amending or revoking same, which instrument shall make appropriate reference to this Declaration and any amendments thereto and which instrument shall be acknowledged and recorded in the office of the County Recorder of said County.

2. Amendment Subsequent to Close of First Sale.

(a) Subsequent to the close of the first sale of a condominium in the development to a purchaser other

than Declarant, this Declaration may be amended by the vote or written consent of members representing not less than fifty-one percent (51%) of the voting power of the Association residing in members other than the subdivider, by their execution of an instrument properly acknowledged and recorded in the office of the County Recorder of said County, provided, however, that the percentage of the 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.

(b) The Bylaws may be amended by vote or written consent of members entitled to cast at least fifty-one percent (51%) of the total voting power of the Association, other than the subdivider, subject only to the qualifications set forth above with respect to particular provisions containing prescribed percentages of voting power required for action to be taken.

3. Conflict with Article XIV or Other Provisions of this Declaration. To the extent any provisions of this Article XV conflict with the provisions of Article XIV or any other provisions of this Declaration, the conflicting provisions of Article XIV or such other conflicting provisions shall control.

4. Business and Professions Code Section 11018.7. The foregoing to the contrary notwithstanding, all amendments or revocations of this Declaration shall comply with the provisions of Section 11018.7 of the California Business and Professions Code to the extent said section is applicable thereto.



5. Approval of Governmental Authority. Any amendment which would defeat the obligation of the Board, acting by and on behalf of the Association, or the Association, to provide management and maintenance of the common area, including any private driveways or private streets thereof, in a first-class condition and in a good state of repair, or which would defeat the assessment procedure established or contemplated in this Declaration to insure said management and maintenance, must be approved in writing by a representative of the City of Arcadia, California. Such written approval may be in the form of a letter and need not be a part of any recorded instrument.

6. Reliance on Amendments. Any amendments in accordance with the terms of this Declaration shall be presumed valid to anyone relying thereon in good faith.

#### ARTICLE XVI

#### GENERAL PROVISIONS

1. Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.

2. Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions hereof shall not invalidate any other provisions hereof.

3. Cumulative Remedies. Each remedy provided for in this Declaration shall be cumulative and not exclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver thereof.

4. 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 herein set forth, may be abated or enjoined by any owner, any member of the Board, the manager or the Association.

5. No Racial Restriction. No owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of his condominium on the basis of race, color or creed.

6. Districts. To the extent permitted by law no owner, including the developer, shall oppose the formation of any district in which the development would be included.

7. Inspection of Association's Books and Records.

(a) The membership register, books of account and minutes of meetings of the members of the Board and of committees of the Board, 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 subdivision as the governing body shall prescribe.

(b) The Board shall establish reasonable rules with respect to:

(i) Notice to be given to the custodian of the records by the member desiring to make the inspection.

(ii) Hours and days of the week when such an inspection may be made.

(iii) Payment of the cost of reproducing copies of documents requested by a member.

(c) 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.

8. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan of condominium ownership for the development. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter.

9. Notification of Sale of Condominium. Concurrently with the consummation of the sale of any condominium under circumstances whereby the transferee becomes an owner thereof, or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification



shall set forth the name of the transferee and his transferor, the street address of the condominium purchased by the transferee, the transferee's mailing address, and the date of sale. Prior to 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 said transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Board. Notices shall be deemed received forty-eight (48) hours after mailing if mailed to the transferee, or to his transferor if the Board 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.

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 include the masculine, feminine or neuter, as the context requires.

11. Exhibits. Any and all exhibits attached hereto shall be deemed made a part hereof and incorporated by reference herein.

12. Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a conveyance of any condominium.

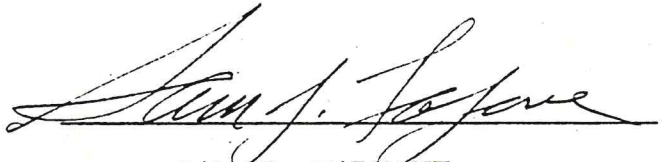


13. Binding Effect. This Declaration shall inure to the benefit of and be binding upon the successors and assigns of the Declarant, and the heirs, personal representatives, grantees, lessees, successors and assigns of the owners.

14. Indemnification of Officers and Directors. Every director and every officer of the Association shall be, and is hereby indemnified by the Association against all expenses and liabilities, including fees of counsel, reasonably incurred by or imposed upon such director or officer in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director or officer of the Association, or any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided, that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to, and shall not be exclusive of, all right to which each such director and each such officer may otherwise be entitled.

By the execution and recording of this document, Declarant does hereby request the City of Arcadia to enforce traffic regulations on any private streets within the development, pursuant to Vehicle Code Section 21107.5.

IN WITNESS WHEREOF, Declarant has executed this instrument as of this 16 day of July, 1978.

  
SAM J. FALZONE

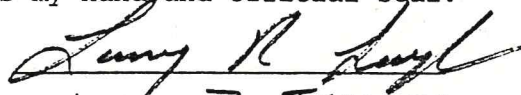
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State of California            )  
County of Los Angeles        ) SS.

On July 16 1978 before me, the undersigned, a Notary Public in and for said County and State, personally appeared SAM J. FALZONE, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same.

WITNESS my hand and official seal.

(Seal)

  
LARRY R TRAYLER

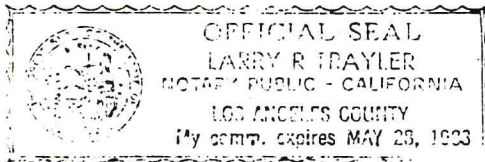


EXHIBIT "A"

Lot 1 of Tract No. 35519, in the City of Arcadia,  
County of Los Angeles, State of California, as per map re-  
corded in Book 914 , Pages 56 & 57 of Maps, in the office  
of the County Recorder of said County.

EXHIBIT "B"

1. The real property described in Exhibit "A" hereof is to be improved with thirty (30) dwelling units, and unrelated improvements, all in accordance with plans and specifications therefor on file with the City of Arcadia, California.
  
2. The common area consists of Lot 1 of Tract 35519 excepting therefrom each of the thirty (30) units of the development, which said thirty (30) units are more specifically described in the condominium plan. Certain portions of the common area may be designated easements appurtenant and are intended for the exclusive use of the unit to which they are assigned, as in the case of parking spaces which are not part of the condominium, if any, or adjacent, as in the case of private yard areas, if any. These areas are indicated on the condominium plan.
  
3. The respective interest in the common area to be conveyed with each unit comprises an undivided 1/30th interest therein.
  
4. For purposes of distribution of proceeds or property in the event of a partition, and to the extent permitted by law, same shall be distributed to and among the respective owners and their mortgagees of each condominium as their respective interests may appear proportionately in accordance with the then assessed value of each condominium appearing on the tax rolls of the County Assessor of said County.