

(b) In the event that any such First Mortgagee desires to apply insurance proceeds allocable to the Condominium encumbered by its Mortgage to the reduction or elimination of the indebtedness secured by such Mortgage, such First Mortgagee shall notify the Trustee and the Association in writing of such election within thirty (30) days of the date the notice of the Board sent pursuant to Subsection 9.03(a) above is deposited in the United States mail. Upon receipt of timely notice from any such First Mortgagee, the Trustee shall promptly pay to such First Mortgagee the insurance proceeds allocable to the Condominium encumbered by the Mortgage of such First Mortgagee for the purpose of the reduction or elimination of the obligation secured by such Mortgage; provided, however, in no event shall the Trustee pay to such First Mortgagee an amount greater than (i) the outstanding indebtedness secured by said Mortgage, or (ii) the insurance proceeds allocated to such Condominium, whichever of (i) or (ii) is the lesser. Simultaneously with such payment, the Trustee shall notify the Board of the amount of such payment. The Trustee shall not make any payments to First Mortgagees pursuant to this Section 9.03(b) unless such First Mortgagee notifies the Trustee of its election prior to the expiration of the thirty (30) day period following the deposit in the United States mail of the Board's notice to such First Mortgagee pursuant to this Section 9.03(b).

(c) As to each Condominium for which insurance proceeds have been paid to the Trustee and for which a First Mortgagee has not timely notified the Trustee of its election to apply such proceeds to the reduction or elimination of the obligation owing to such First Mortgagee, the Trustee promptly upon the expiration of the appropriate time period shall pay all insurance proceeds allocable to such Condominium to the Board to be applied to reconstruction undertaken by the Association pursuant to Section 9.02 hereof. In the event that the Trustee has paid a portion of the insurance proceeds allocable to a Condominium to a First Mortgagee after timely request therefor, simultaneously with such payment the Trustee shall pay all remaining proceeds, if any, allocable to such Condominium to the Board to be applied to reconstruction undertaken by the Association pursuant to Section 9.02 hereof.

(d) For the purposes of this Section 9.03, the amount of insurance proceeds "allocated" or "allocable" to a Condominium shall be determined pursuant to this Section 9.03(d). In the event that the insurance carrier allocates casualty insurance proceeds among Condominiums for which such proceeds are payable, such allocation shall be based upon the relative fair market values of the Condominiums at the time of the destruction as established by an independent appraisal conducted by an M.A.I.

Appraiser selected by the insurance carrier and shall be final and binding on the Owners, the Mortgagees, the Association and the Trustee. The Board shall make every possible effort to cause such insurance carrier to make such allocation. In the event that such allocation is not made, the Trustee shall allocate such proceeds among such Condominiums applying the standard set forth above with the exception that the M.A.I. appraiser shall be selected by the Trustee. Such allocation made by the Trustee shall be final and binding on the Owners, the Mortgagees and the Association.

(e) In the event that the Trustee pays insurance proceeds to any First Mortgagee pursuant to this Section, the Owner of the Condominium which was encumbered by the Mortgage of such First Mortgagee shall pay to the Association an amount equal to the insurance proceeds paid by the Trustee to such First Mortgagee. In the event that such Owner has failed to pay such amount within thirty (30) days of written demand therefor by the Association, the Board may levy a Special Assessment against such Owner and his Condominium for such amount. Such Special Assessment and any Regular Assessment levied subsequent thereto shall not be a personal liability of the Owner against whom such Assessments are levied and shall only be charged against his Condominium.

9.04 Decision Not to Reconstruct; Procedure After Meeting.

In the event that the Owners elect not to reconstruct at the meeting called pursuant to Section 9.02 hereof, the Trustee shall apply the insurance proceeds as follows :

(a) The Trustee shall first apply insurance proceeds to the reduction or elimination, as the case may be, of all outstanding Mortgages encumbering Condominiums for which insurance proceeds have been paid by reason of the casualty: provided, however, as to any Condominium, the Trustee shall not pay insurance proceeds to Mortgagees in an amount greater than (i) the outstanding indebtedness secured by Mortgages encumbering said Condominium, or (ii) the insurance proceeds allocable to said Condominium as determined in accordance with the provisions of Section 9.04(b) below, whichever of (i) or (ii) is the lesser.

(b) All proceeds allocated to Condominiums in accordance with this Section 9.04(b) which remain after payments to Mortgagees pursuant to Section 9.04(a) shall be distributed by the Trustee to such Owners whose Units are in the partially or totally destroyed Condominium Building after the deduction of an amount determined pursuant to Section 9.04(c) below. For the purposes of this Section 9.04, the allocation of insurance

proceeds among such Condominiums shall be the relative fair market value of the Condominiums at the time of the destruction, as established by an independent appraisal conducted by an M.A.I. Appraiser selected by the Trustee, and such allocation shall be binding on the Owners, Mortgagees and the Association.

(c) The Board shall levy Reconstruction Assessments against all Condominiums within the Project and against the Owners thereof, which Reconstruction Assessments shall equal the aggregate of the costs of clearing the debris of the totally or partially destroyed Condominium Buildings and/or Common Area and cleaning the area. Each Condominium's said Reconstruction Assessment shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of the floor area of all Units to be assessed. If the Trustee then holds insurance proceeds allocated to the Owners, then prior to distributing said insurance proceeds to the Owners otherwise entitled thereto pursuant to the provisions of Section 9.04(b) above, the Trustee shall pay to the Board all or such portion of said insurance proceeds allocated to each such Owner as may be necessary to fully pay such Owner's aforementioned Reconstruction Assessment. In the event that insurance proceeds allocated to any Owner, and held by Trustee, after deduction of proceeds paid to Mortgagees, if any, is not sufficient to pay the entire Reconstruction Assessment levied against such Owner, such Owner shall not be relieved of his obligation to pay any such excess.

9.05 Certificate of Intention to Reconstruct. In the event that the Association undertakes reconstruction pursuant to this Article, the Board shall execute, acknowledge and record in the Office of the County Recorder of the County, not later than one hundred fifty (150) days from the date of destruction, a certificate declaring the intention of the Association to rebuild. If no such certificate of reconstruction is so filed within said one hundred fifty (150) day period, it shall be conclusively presumed that the Association has determined not to undertake reconstruction pursuant to this Article.

9.06 Partition. In the event that a certificate described in Section 9.05 hereof is not recorded within the one hundred fifty (150) day period provided therein, the right of any Owner to partition through legal action as described in Article XVIII hereof, shall forthwith revive.

9.07 Compliance with Condominium Plan. Any reconstruction undertaken pursuant to this Article shall substantially conform to the Condominium Plan, as amended pursuant to the Section entitled "Amendment of Condominium Plan" of this Article, or otherwise, if appropriate.

9.08 Negotiations with Insurer. The Board shall have full authority to negotiate in good faith with representatives of the insurer of the totally or partially destroyed Condominium Building or any other portion of the Common Area, and to make settlement with the insurer for less than full insurance coverage on the damage to the Condominium Building or any other portion of the Common Area. Any settlement made by the Board in good faith shall be binding upon all Owners.

9.09 Repair of Units. Installation of improvements to, and repair of any damage to, the interior of a Unit shall be made by and at the individual expense of the Owner of that Unit or Units and, in the event of a determination to reconstruct after partial or total destruction, restoration shall be completed as promptly as practical and in a lawful and workmanlike manner.

9.10 Amendment of Condominium Plan. In the event that reconstruction is to take place pursuant to this Article, the Board shall have the power to record an amendment to the Condominium Plan so that the Condominium Plan conforms to the Condominium Buildings as designed to be reconstructed: provided, however, the Board shall not file an amendment to the Condominium Plan without the prior authorization of the Mortgagee of a Mortgage encumbering any Condominium, if the plan of such Condominium shall be altered by the amendment and without prior authorization of the Veterans Administration. In the event that the Board, together with said Mortgagees, if appropriate, decide to record such amendment to the Condominium Plan, all Owners within the affected Project and the record holders of all security interests in said Project shall execute and acknowledge said amendment so that it will comply with Section 1351 of the California Civil Code or any similar statute then in effect. Said Owners and holders of security interests shall also execute such other documents or take such other actions as required to make such amendment effective.

9.11 Reconstruction of Common Area. If Common Area other than a Condominium Building is totally or partially destroyed, the Board shall cause a notice to be sent to all Owners of Condominiums in the Project and to First Mortgagees of mortgages encumbering said Condominiums, informing them that the Board intends to commence reconstruction. Such notice shall be sent within thirty (30) days after the destruction, and may be combined with the notice under Section 9.01(c) hereof. In the event that at least twenty percent (20%) of the Owners, based on one vote for each Unit, object in writing to such reconstruction by the date indicated therefor on such notice, which in no event shall be sooner than ten (10) days or later than thirty (30) days after the date on which the notice is sent, the Board shall call

a meeting of the Owners pursuant to Section 9.02 hereof. Unless the required percentages of Owners object to and vote against reconstruction, the Board shall cause reconstruction to commence by the earlier of (i) thirty (30) days of the Association's receipt of the insurance proceeds payable by reason of such destruction, or (ii) thirty (30) days after the date by which Owners must object in writing to reconstruction, unless further action is required by this Declaration, in which case reconstruction shall commence within five (5) days after such action has been completed. The Board shall cause reconstruction to thereafter be diligently and continuously prosecuted to completion within a reasonable period of time. The Trustee shall pay to the Board all insurance proceeds payable by reason of such destruction and the Board shall apply such proceeds to the costs of reconstruction, unless the Owners have decided not to reconstruct under Section 9.02, in which case the Trustee shall distribute the proceeds in accordance with Section 9.04 hereof. In the event that the insurance proceeds are not sufficient to pay the costs of reconstruction of the Common Area other than Condominium Buildings, the Board shall levy Reconstruction Assessments against all of the Condominiums in the Project (and against all the Owners thereof), which assessments shall be in a total amount equal to such difference between the insurance proceeds and the costs of reconstruction. Each Condominium's said Reconstruction Assessment for reconstruction of Common Area other than a Condominium Building shall be levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of the floor area of all Units to be assessed. If the insurance proceeds exceed the cost of reconstruction, the Board shall, in the case of totally or partially destroyed Common Area other than Condominium Buildings, distribute the excess in shares to each Owner of a Unit within the Project or their Mortgagees, as their respective interests shall appear, based upon the allocation of insurance proceeds made under Section 9.03(d) above.

9.12 Availability of Labor and Material. In determining whether the plans for a reconstructed Condominium are in substantial conformance with the Condominium Plan, the Board may take into consideration the availability and expense of the labor and materials in the original construction of the Project. If such labor or material is not available or is prohibitively expensive at the time of reconstruction, the Board may permit the substitution of other labor or material as it deems proper.

9.13 Contracting for Reconstruction. In the event repair or reconstruction is undertaken pursuant to this Article, other than Section 9.09 hereof, the Board or its delegates shall have the sole ability to contract for such work as may be necessary for said repair and reconstruction.

9.14 Two-Thirds (2/3) Vote Required. All insurance proceeds available from any total or partial destruction shall be applied to the purposes set forth in this Article, unless otherwise specified pursuant to the vote or written assent of not less than two-thirds (2/3) of the Owners, based on one vote for each Unit, or First Mortgagees, based on one (1) vote for each First Mortgage held.

9.15 Costs of Collecting Insurance Proceeds. If it should become necessary in the judgment of the Board to incur costs for appraisals, legal fees, court costs and similar expenses in order to determine or collect insurance proceeds, such costs shall be first deducted before distribution or application of insurance proceeds as provided in this Article.

ARTICLE X

AMENDMENTS

Until the sale of the first Condominium located within the Property shall have been consummated, Declarant may amend this Declaration unilaterally by recording an instrument of amendment in the Recorder's Office of the county in which the Property is located, therein certifying that no sales of Condominiums within the Property have previously been consummated and setting forth the amendment.

After consummation of the first sale of a Condominium within the Property, subject to the provisions of Article VIII hereof, this Declaration may only be amended and/or supplemented in either of the following ways :

(a) By an instrument in writing signed by Members of the Association holding not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of the membership of the Association and by Members of the Association, other than Declarant, holding sixty-six and two-thirds percent (66-2/3%) of the voting power of the Association, excluding Declarant's voting power; provided, however, that so long as the Class B membership within the Association is still in effect, this Declaration may only be amended under this Article X(a) by an instrument in writing signed by Members entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of each class of membership.

(b) By an instrument in writing signed by any two officers of the Association certifying that the amendment provided for in such instrument has been approved by the vote or

written consent of Members of the Association holding not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of the membership of the Association and by Members of the Association, other than Declarant, holding sixty-six and two-thirds percent (66-2/3%) of the voting power of the Association, excluding Declarant's voting power; provided, however that so long as the Class B membership within the Association is still in effect, this Declaration may only be amended under this Article X(b) by an instrument in writing signed by any two officers of the Association certifying that the amendment provided for in such instrument has been approved by the vote or written consent of Members entitled to exercise not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of each class of membership.

Notwithstanding the foregoing provisions of this Article X, the percentage of the voting power of Members of the Association necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause or provision. To be effective, any amendment to this Declaration must be properly recorded in the Office of the County Recorder for the county in which the Property is located.

Notwithstanding the foregoing provisions of this Article X, the Association or any owner of a separate interest may pursuant to Civil Code Section 1356, or any successor statutes, petition the Superior Court for an order reducing the percentage of the affirmative votes necessary to amend this Declaration.

Notwithstanding the foregoing provisions of this Article X, so long as there is a Class B membership, any Amendment of this Declaration shall require the prior approval of the Veterans Administration. A draft of any Amendment should be submitted to the Veterans Administration for its approval prior to recordation.

ARTICLE XI

ENCROACHMENT EASEMENTS

11.01 Encroachment Easements for Condominiums. Each Condominium within the Property is hereby declared to have an easement over all adjoining Condominiums and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as

they shall exist, and the rights and obligations of the Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall valid easements for encroachment be created in favor of the Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Condominium agree that minor encroachments over adjoining Condominiums or Common Area shall be permitted and that there shall be a valid easement for the maintenance of said encroachments so long as they shall exist. With respect to any Units where air-conditioning equipment is installed in the Common Area by Declarant or by any Owner with the approval of the Board and the Architectural Committee, an easement over the Common Area into which the air-conditioning equipment encroaches shall exist for the purpose of access to such equipment and for the purpose of maintenance, replacement and repair of said equipment.

11.02 Encroachment of Common Area upon Unit. If any portion of the Common Area encroaches upon the Units in a minor way, a valid easement for the minor encroachment and for the maintenance of same, so long as it exists, is hereby granted. The Common Areas are and shall always be subject to easements for minor encroachments thereon by any Unit and for maintenance thereof.

ARTICLE XII

ENFORCEMENT

The Association, or any Owner, shall have the right to enforce, in any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, and in such action shall be entitled to recover reasonable attorneys' fees as ordered by the court. Failure by the Association or by any Owner to enforce any covenants or Restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The exercise of any rights or remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times or for different defaults. The respective rights or remedies, whether provided by the Condominium Documents or by law, or available in equity, shall be cumulative.

ARTICLE XIII

NOTICES

Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. Except as otherwise herein specifically provided, if delivery is made by certified or registered mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail in the State of California, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the Unit of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

ARTICLE XIV

TERM OF DECLARATION

The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Condominium subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time the term shall be automatically extended for successive periods of ten (10) years each, unless an instrument in writing, signed by the then Owners of a majority of the Condominiums within the Property, has been recorded within the year preceding the commencement of each such successive period of ten (10) years, agreeing to change the Declaration in whole or in part, or to terminate the same.

ARTICLE XV

NO RIGHTS GIVEN TO PUBLIC

Nothing Contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Property to the general public or for any public use or purpose whatsoever.

ARTICLE XVI

COMMON AREA OWNERSHIP AND OBLIGATIONS

The Owner of record of each Condominium within the Project on the Property shall be liable for the owner's proportionate share of the Common Expenses, pursuant to the provisions of Article VI herein.

ARTICLE XVII

EMINENT DOMAIN

17.01 Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Property.

17.02 Representation by Board in Condemnation Proceeding. In the event of a taking, the Board shall, subject to the right of all Mortgagees who have requested the right to join the Board in the proceedings, represent all of the Members in an action to recover all awards. No Member shall challenge the good faith exercise of the discretion of the Board in fulfilling its duties under this Article. The Board is further empowered, subject to the limitations herein set forth, to serve as the sole representative of the Members, in all aspects of condemnation proceedings not specifically covered herein.

17.03 Distribution of Award. In the event of a taking of Condominiums, the Board shall distribute the award forthcoming from the taking authority according to the provisions of this Section 17.03 after deducting therefrom fees and expenses related to the condemnation proceeding, including, without limitation, fees for attorneys and appraisers and court costs. In the event that the taking is by judgment of condemnation and said judgment apportions the award among the Owners and their respective Mortgagees, the Board shall distribute the amount remaining after such deductions among such Owners and Mortgagees on the allocation basis set forth in such judgment. In the event that the taking is by sale under threat of condemnation, or if the judgment of condemnation fails to apportion the award, the Board shall distribute the award among the Owners in the Project and their respective Mortgagees based upon the relative values of the Condominiums affected by such taking as determined by the fair market value of each such Condominium as determined by an appraisal made by an independent M.A.I. appraiser engaged by the Board for such purpose. The determination by such appraiser as to the value and degree each Condominium within the Project has

been affected by the taking shall be final and binding on all Owners and Mortgagees. Nothing contained herein shall entitle an Owner to priority over a Mortgagee of his Condominium as to the portion of the condemnation award allocated to his Condominium. In no event shall any portion of such award be distributed by the Board to an Owner and/or the Mortgagees of his Condominium in a total amount greater than the portion allocated hereunder to such Condominium.

17.04 Inverse Condemnation. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

17.05 Revival of Right to Partition. Upon a taking which renders more than twenty percent (20%) of the Units in the Project incapable of being restored to at least ninety-five percent (95%) of their floor area and substantially their condition prior to the taking, the Board shall call a meeting of the Owners of the Units within the Project within sixty (60) days after the date of the taking, by mailing notice thereof to each such Owner at his address as shown on the records of the Association. The Owners may, by a two-thirds (2/3) vote at such meeting or by the written consent of not less than two-thirds (2/3) of the Owners, based on one (1) vote for each Unit, elect to permit sale and partition of the entire Project, in which case the right of any Owner within the Project to partition through legal action as described in Article XVIII hereof, shall forthwith revive. The determination as to whether Condominiums partially taken are capable of being so restored shall be made by the Board, whose decision shall be final and binding on all Owners and Mortgagees.

17.06 Awards for Members' Personal Property and Relocation Allowances. Where all or part of the Property is taken, each Member shall have the exclusive right to claim all of the award made for his personal property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation. Notwithstanding the foregoing provisions, the Board shall represent each Member in an action to recover all awards with respect to such portion, if any, of Members' personal property as is at the time of any taking, as a matter of law, part of the real estate comprising any Condominium and shall allocate to such Member so much of any awards as is attributable in the taking proceedings, or failing such attribution, attributable by the Board, to such portion of Members' personal property.

17.07 Notice to Members. The Board, immediately upon having knowledge of any taking or threat thereof with respect to

the Property, or any portion thereof, shall promptly notify all Members and all First Mortgagees who have appropriately requested such notice in writing.

17.08 Change of Condominium Interest. In the event of a taking, subject to the provisions of Article VIII hereof, but notwithstanding the provisions of Article X hereof, the Board may amend the Condominium Plan to reflect the change in the Project. In the event that the Board decides to record such amendment to the Condominium Plan, all Owners within such Project and the record holders of all security interests in such Project shall execute and acknowledge said amendment so that it will comply with Section 1351 of the California Civil Code or any similar statute then in effect. Said Owners and holders of security interests shall also execute such other documents or take such other actions as required to make such amendment effective. The Board shall cause a notice of change in the Condominium Plan to be sent to each Owner and Mortgagee in such Project within ten (10) days of the filing of such amendments in the County Recorder's Office of the County in which the Project is located.

ARTICLE XVIII

COVENANT AGAINST PARTITION AND RESTRICTION

ON SEVERABILITY OF CONDOMINIUM COMPONENT INTEREST

18.01 No Partition; Exceptions; Power of Attorney. The right of partition is hereby suspended, except that the right to partition shall revive and the Project may be sold as a whole when the conditions for such action set forth in Articles IX or XVII hereof have been met; provided, however, notwithstanding the foregoing, any Owner may, upon the prior written approval of the First Mortgagee of his Unit, bring an action for partition by sale of the Project, as provided in Section 1359 of the Civil Code of the State of California or any similar statute then in effect upon the occurrence of any of the events therein provided. Provided, further, that if any Unit shall be owned by two (2) or more co-tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. The Association, acting through its Board, is hereby granted an irrevocable power of attorney, coupled with an interest, to sell the entire Property for the benefit of all Owners of Condominiums within the Property and their Mortgagees of record, as their respective interests appear, when partition of the Project may be had under said Section 1359 of the California Civil Code, and to the extent permitted by law when partition of the Property may be had under the provisions of Article IX and/or XVII hereof. The

foregoing irrevocable power of attorney shall be exercisable only after recordation of a certificate executed by a majority of the Members of the Board of the Association, which certificate shall state that said power of attorney is duly exercisable under the circumstances. Such certificate shall be conclusive evidence to the effect that the said power of attorney is properly exercisable under the circumstances in favor of any person relying thereon in good faith. The power of attorney shall not apply to the Veterans Administration.

18.02 Proceeds of Partition Sale.

(a) Whenever an action is brought for the partition by sale of the Project, whether upon the occurrence of any of the events provided in Section 1359 of the Civil Code of the State of California (or similar statute then in effect) or upon the revival of the right to partition pursuant to the provisions of Articles IX or XVII hereof, the Owners of Units in the Project shall share in the proceeds of such sale in the same proportion as the relative values of their respective Condominiums. As used in the foregoing sentence, the relative value of each Condominium shall be determined by comparing (i) the fair market value of an Owner's Condominium on the date of partition as established by an independent appraisal conducted by an M.A.I. Appraiser selected by the Association, to (ii) the total of such assessed valuation for all Units in such Project on said date.

(b) The distribution of the proceeds of any such partition sale shall be adjusted as necessary to reflect any prior distribution of insurance proceeds or condemnation award as may have been made to Owners and their Mortgagees pursuant to Articles IX and/or XVII hereof. In the event of any such partition and sale, the liens and provisions of all Mortgages or assessment liens encumbering Units within the Project or Projects so encumbered shall extend to each applicable Owner's interest in the proceeds of such Partition and sale. The interest of an Owner in such proceeds shall not be distributed to such Owner except upon the prior payment of any Mortgage or assessment lien encumbering such proceeds as aforesaid.

18.03 No Separate Conveyance of Condominium Components.
No Owner shall be entitled to sever the component interests respecting his Condominium, including, but not limited to, the restriction that the Unit may not be severed from that portion of the Common Areas appurtenant to the Unit. Component interests respecting a Condominium may not be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with and any such attempt to do so in violation of this provision shall be void as a severance and of no effect as such. The provisions of this Section shall terminate on the date that judicial partition has been decreed or a partition in accordance with the provisions of this Article XVIII has been otherwise properly effected.

ARTICLE XIX

UTILITIES

19.01 Owner's Rights and Duties. The rights and duties of the Owners of Condominiums within the Property with respect to sanitary sewer, water, electricity, gas, cable television, telephone, and other utility lines and facilities, and heating and air-conditioning facilities, if any, shall be as follows:

(a) Whenever sanitary sewer, water, electricity, gas, television receiving, telephone and other utility lines or connections, heating or air-conditioning conduits, ducts or flues are installed within the Property, which connections, or any portion thereof, lie in or upon Condominiums owned by other than the Owner of a Condominium served by said connections, the Owner of any Condominium served by said connection shall have the right, and is hereby granted an easement to the full extent necessary therefor, to enter upon the Condominiums or to have the utility companies enter upon the Condominiums in and upon which said connections or any portion thereof lie, to repair, replace and generally maintain said connections as and when necessary.

(b) Whenever sanitary sewer, water, electricity, gas, television receiving, telephone or other utility lines or connections, heating or air-conditioning conduits, ducts or flues are installed within the Property, which connections serve more than one Condominium, the Owner of each Condominium served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his Condominium.

19.02 Easements for Utilities and Maintenance. Easements over and under the Property for the installation, repair, and maintenance of electric, telephone, water, gas, sanitary sewer and other utility lines and facilities, air conditioning and heating facilities, cable or master television antennae and lines, drainage facilities, walkways and landscaping as may be required or needed to service the Property are hereby reserved by Declarant, its successors and assigns, including the Association, together with the right to grant and transfer same; provided, however, that such easements shall not unreasonably interfere with the use and enjoyment of the Units and Common Areas by the Owners of Condominiums within the Property.

19.03 Association's Duties. The Association shall maintain all utility installations located in the Common Areas, except for those installations maintained by utility companies, public, private or municipal. The Association shall pay all charges for utilities supplied to the Property except those metered or charged separately to the Units, and such charges paid by the Association shall be a part of the Common Expenses.

ARTICLE XX

MISCELLANEOUS PROVISIONS

20.01 Partial Invalidity. Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is situated, the validity of all other provisions or portions hereof shall remain unaffected and in full force and effect.

20.02 Number and Gender. The use herein of (a) the singular number shall be deemed to mean the plural and vice versa; (b) the masculine gender shall be deemed to mean the feminine and neuter; and (c) the neuter gender shall be deemed to mean the masculine or feminine, whenever the sense of this instrument so requires.

ARTICLE XXI

TERMINATION OF ANY RESPONSIBILITY OF DECLARANT

In the event Declarant shall convey all of its right, title and interest in and to the Property to any partnership, individual or individuals, corporation or corporations, then and in such event Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations shall be obligated to perform all such duties and obligations of the Declarant.

ARTICLE XXII

SPECIAL PROVISIONS RELATING TO ENFORCEMENT OF
DECLARANT'S OBLIGATION TO COMPLETE COMMON AREA
IMPROVEMENTS

Where the Common Area improvements to be constructed by Declarant have not been completed prior to the close of escrow for the sale of the first Condominium within the Project, and where the Association is obliged under a bond or other arrangement to secure performance of the commitment of Declarant to complete said improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60)

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

ARTICLE XXIII

RESERVATION AND ESTABLISHMENT OF CERTAIN EASEMENTS

23.01 Definition of Specified Common Areas. For purposes of this Article XXIII, the term "Specified Common Areas" shall mean all Common Areas within the Property excepting any Restricted Common Areas and the areas located within Condominium Buildings therefrom.

23.02 Reservation of Certain Non-Exclusive Easements.

(a) Declarant hereby expressly reserves for the benefit of all Owners in the Property, reciprocal nonexclusive easements of access, ingress and egress over and through all of the Specified Common Areas (as such term is defined in Section 23.01) within the Property. Such non-exclusive easements may be used by Declarant, its successors, purchasers, and assigns, and all Condominium Owners, their guests, tenants and invitees, residing on or temporarily visiting the Property, for pedestrian access, vehicular access (it being understood that such vehicular access shall be limited to those portions of the Specified Common Areas as may be from time to time actually developed as driveways

or vehicular access ways), vehicular parking (subject to the restrictions and provisions pertaining to vehicular parking contained in Section 2.09 hereof), support and such other purposes reasonably necessary for the use and enjoyment of a Condominium within the Property. Such nonexclusive easements shall be appurtenant to and shall pass with title to each and every Condominium held and/or conveyed within the Property.

(b) Declarant hereby expressly reserves for the benefit of all Owners of Condominiums within the Property, non-exclusive easements and the right to use any and all of the recreational facilities which may be from time to time developed within the Specified Common Areas of the Property. Subject to the Restrictions, such nonexclusive easements may be used by Declarant, its successors, purchasers and all Owners of Condominiums located in the Property, their guests, tenants and invitees, residing on or temporarily visiting the Property, and such non-exclusive easements shall be appurtenant to and shall pass with title to each and every Condominium held and/or conveyed within the Property.

(c) Any easements reserved to Declarant for its own use shall terminate three (3) years after this Declaration is recorded or when ninety percent (90%) of the Condominiums in the Project have been sold, whichever occurs first.

23.03 Restricted Common Areas. Declarant expressly reserves for the benefit of each Condominium Owner an exclusive easement (to the extent provided) for use of any areas described and/or shown on the Condominium Plan for the Project as Restricted Common Areas appurtenant to the Unit owned by him.

23.04 Matters Affecting Non-Exclusive Easements. Each and every of the non-exclusive easements provided for and described in this Article XXIII above shall be subject to :

(a) All general and special real property taxes, assessments and bonds, not delinquent;

(b) All covenants, conditions, restrictions, reservations, rights, rights-of-way and easements of record;

(c) Any and all reasonable rules and regulations pertaining to any of the Common Areas, as such rules and regulations may from time to time be established and promulgated by the Association as herein provided;

(d) The right of Declarant for so long as Declarant owns any Condominiums in the Project, and thereafter the

Association, to modify, change, remove, and/or otherwise alter at any time and from time to time, the Specified Common Area driveways, vehicle access ways, vehicle parking spaces and/or recreation facilities described in this Article XXIII.

23.05 Granting by Reference. The easements provided for in Section 23.02 and 23.03 above shall be deemed reserved and may be granted by specific reference hereto in any appropriate conveyance by Declarant, or its successors and assigns, as defined in Section 1.15 above.

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

"Declarant"

Hossein Moalej

HOSSEIN MOALEJ

TT-510 1REV. 5/95 Individual Acknowledgment

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } ss.

On this 17th day of September, in the year 1987
before me, the undersigned, a Notary Public in and for said County and State,
personally appeared Hossein Moalej

personally known to me (or proved to me on the basis of satisfactory evidence) to
be the person whose name is subscribed to this instrument, and acknowledged
that he (she or they) executed it.

Signature *[Signature]*
Notary Public in and for said County and State

