

10/5/76

795872

**ENDORSED  
FILED**

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

**MAY 10 1977**

MARCH FONG EU, Secretary of State

By IRENE SANCHEZ  
Deputy

ARTICLES OF INCORPORATION

OF

LAKWOOD SHORES HOMEOWNERS ASSOCIATION

ARTICLE I

The name of the corporation (hereinafter called the "Association") is LAKWOOD SHORES HOMEOWNERS ASSOCIATION.

ARTICLE II

The principal office for the transaction of the business of the Association is located in Los Angeles County, State of California.

ARTICLE III

This corporation is organized pursuant to the General Nonprofit Corporation Law.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific primary purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain real property in the City of Lakewood, County of Los Angeles, State of California, described as follows:

Lots 1 through 233, inclusive, of  
Tract No. 33098, as per Map recorded  
in Book 874, Pages 74 through  
82, inclusive, of Maps, Official  
Records of said Los Angeles County, California,

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose.

In furtherance of said purposes, this Association shall have power to:

(a) Perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the County Recorder of Los Angeles County;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey,

sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and only with the assent (by vote or written consent) of two-thirds (2/3) of the total membership, mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the total membership, agreeing to such dedication, sale or transfer;

(f) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any merger or consolidation shall have the assent by vote of two-thirds (2/3) of the total membership or by the written consent of all of the members;

(g) Have and to exercise any and all powers, rights and privileges which a corporation organized under the General Nonprofit Corporation Law of the State of California by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract purchasers, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

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

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lots shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the

happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1980.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
C. Robert Langslet	296 Redondo Avenue Long Beach, California 9080
Audrey A. Langslet	296 Redondo Avenue Long Beach, California 9080
Craig C. Langslet	296 Redondo Avenue Long Beach, California 9080
Michael R. Engle	296 Redondo Avenue Long Beach, California 9080
Debra L. Kentner	296 Redondo Avenue Long Beach, California 9080

At the first annual meeting, the members shall elect five (5) Directors, each of whom shall serve for a term of one (1) year. Thereafter, at each annual meeting, the members shall elect Directors for an annual term to succeed those Directors whose terms have expired.

#### ARTICLE VIII

##### DISSOLUTION

Upon dissolution of the Association, the assets of the Association shall be distributed to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such distribution is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization organized and operated for such similar purposes.

#### ARTICLE IX

##### DURATION

The corporation shall exist perpetually.


#### ARTICLE X

##### DISSOLUTION AND AMENDMENTS

Dissolution of the Association and amendment of these Articles shall require the assent (by vote or written consent) of members representing fifty percent (50%)

or more of the voting power of each class of membership of the Association.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 3rd day of May, 1977.

  
C. ROBERT LANGSLET

  
AUDREY A. LANGSLET

  
CRAIG C. LANGSLET

  
MICHAEL R. ENGLE

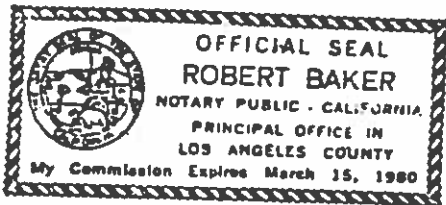
  
DEBRA L. KENTNER

STATE OF CALIFORNIA     )  
                                  )    SS  
COUNTY OF LOS ANGELES   )

On   May 3,  , 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared C. ROBERT LANGSLET, AUDREY A. LANGSLET, CRAIG C. LANGSLET, MICHAEL R. ENGLE and DEBRA L. KENTNER, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Robert Baker  
Notary Public in and for said  
County and State



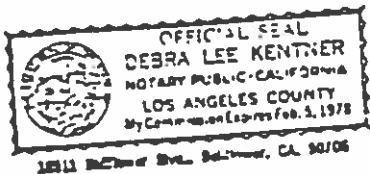


STATE OF CALIFORNIA     )  
                                  ) ss.  
COUNTY OF LOS ANGELES   )

On August 29, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael R. Engle, known to me to be the Vice - President, and Lela J. York, known to me to be the Assistant Secretary of C. ROBERT LANGSLET & SON, INC., the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Debra Lee Kentner  
Notary Public in and for said  
County and State



BY-LAWS  
OF  
LAKWOOD SHORES HOMEOWNERS ASSOCIATION

ARTICLE I  
NAME AND LOCATION

The name of the corporation is LAKWOOD SHORES HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association".

The principal office of the corporation shall be located in the County of Los Angeles, State of California, but meetings of members and directors may be held at such places within the State of California, County of Los Angeles, as designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 1. "Association" shall mean and refer to LAKWOOD SHORES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and

enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the subdivision, including contract purchasers.

Section 6. "Declarant" shall mean and refer to C. ROBERT LANGSLET & SON, INC., a California corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Recorder, County of Orange, State of California.

Section 8. "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

### ARTICLE III

#### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual

meeting of the Members shall be held not later than six (6) months after the sale of the first Lot, or not later than thirty (30) days after fifty-one percent (51%) of the Lots have been sold, whichever occurs first. Subsequent regular annual meetings of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership. Annual and special meetings of Members shall be held within the subdivision or as close thereto as practicable.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but not more than thirty (30) days before such meeting to each Member entitled

to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify a reasonable place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the total membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. In the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. An adjournment for lack of a quorum shall be to a date not fewer than five (5) days and not more than thirty (30) days from the original meeting date.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Action Taken Without a Meeting.

The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Members. Any action so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of five (5) Directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting, the Members shall elect five (5) Directors, each of whom shall serve for a term of one (1) year. Thereafter, at each annual meeting, the Members shall elect Directors for an annual term to succeed those Directors whose terms have expired.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. However, unless the entire Board is removed, an individual Director shall not be removed if the number of shares voted against the resolution for his removal exceeds the quotient arrived at

when the total number of outstanding shares entitled to vote is divided by one plus the authorized number of Directors; provided further that a Director who has been elected to office solely by the votes of Members other than Declarant may be removed from office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in Members other than Declarant. In the event of death, resignation or removal of a Director, his successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE V

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board

of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election and removal to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, a number of votes equal to the product of the number of Directors to be elected at such election multiplied by the number of votes such Member is entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected, provided, however, that at any election in which the Members other than the Declarant do not have a sufficient percentage of the voting power of the Association to elect at least one Director through the cumulating of



all votes of such Members, there shall be at least one Director elected solely by such Members.

## ARTICLE VI

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such a meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Notice. Notice of the time and place of all meetings of the Board of Directors shall be posted at a prominent place or places within the Common Area. Such notice shall specify the time and place of the meeting

and the nature of any special business to be considered. In addition, the notice shall be sent to all Directors and shall be posted as provided hereinabove not fewer than seventy-two (72) hours prior to the scheduled time of the meeting.

Section 5. Conduct of Meetings. Regular and special meetings of the Board of Directors shall be open to all Members, provided that Members who are not Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after written notice and a reasonable opportunity for hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor or such other employees as it deems necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;

(c) as more fully provided herein, and in the Declaration:

(i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained; and

(h) cause the exterior of the dwellings to be maintained.

#### ARTICLE VIII

##### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors,

a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall implement the orders and resolutions of the Board; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President.

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

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring such seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to each Member within ninety (90) days after the end of the fiscal year.



ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

Section 1. Members' Rights. The membership register, books of account and minutes of meetings of Members, of the Board of Directors and of committees of the Board of Directors shall be made available for inspection and copying by any Member, 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 Properties as the Board of Directors shall prescribe.

Section 2. Notice. The Board of Directors shall establish reasonable rules with respect to: (a) Notice to be given to the custodian of the records by a Member desiring to make an inspection of same; (b) Hours and days

of the week when such an inspection may be made; and  
(c) Payment of the cost of reproducing copies of documents requested by a Member.

Section 3. Directors' Rights. 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 shall include the right to make extracts and copies of documents.

#### ARTICLE XI

#### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the

date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

## ARTICLE XII

### PROTECTION OF LENDERS

Section 1. As used herein, the term "Lender" shall denote and refer to the holder of a first mortgage or deed of trust given by an Owner (or his predecessor in interest) the lien of which mortgage or deed of trust is superior to all other monetary encumbrances except real property taxes and assessments. The terms and provisions of this Article XII shall, to the extent inconsistent therewith, supersede and

take precedence over the terms and provisions of every other Article of these By-Laws.

Section 2.

(a) Unless at least seventy-five percent (75%) of the Lenders (based upon one vote for each first mortgage or first deed of trust held) have given their prior written approval, neither the Association nor the Owners shall be entitled to take any of the following actions:

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

(ii) Any material amendment to the Declaration or to these By-Laws, including, but not limited to, any amendment which would change the pro rata share of ownership of each Lot in appurtenant real estate and any improvements thereon which are owned by the Owners in the Properties in undivided pro rata interests (Common Area);

(iii) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Properties; however, if required by any Lender, there shall be professional management retained

by the Board for the Properties, and in such event, the Board may increase the assessments without limitation to cover the expense of such professional management.

(b) No Lot shall be partitioned or subdivided without the prior written approval of the Lender with respect to such Lot.

(c) Any lien which the Association may have on any Lot in the Properties for the payment of common expense assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any Lender with a trust deed or mortgage on the entire Properties, or upon any Lots therein, made in good faith and for value, and no such lien shall in any way impair the obligation or the priority of such trust deed or mortgage unless the Lender thereof shall expressly subordinate its interest, in writing, to such lien.

(d) Each Lender shall, upon request, be entitled to:

(i) Inspect the books and records of the Association during normal business hours;

(ii) Receive an annual audited financial statement of the Properties within ninety (90) days following the end of any fiscal year of the Association; and

(iii) Receive written notice of all meetings of the Association and/or the Board and be permitted to designate a representative to attend all such meetings. The Lender or its representative may draw attention to violations of the Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

(e) In the event of substantial damage to or destruction of any Lot or any part of the Common Area, the Lender with respect to such Lot will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Properties will entitle the Owner of a Lot or any other party to priority over such Lender with respect to the distribution to such Lot of any insurance proceeds.

(f) If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Lender with respect to such Lot will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of any document establishing the Properties will entitle the Owner of a Lot or other party to priority over such Lender with respect to the distribution to such Lot

of the proceeds of any award or settlement.

(g) The right of an Owner to sell, transfer or otherwise convey the Owner's Lot will not be subject to any right of first refusal or any similar restriction in favor of the Association.

(h) With the exception of a Lender in possession of a Lot following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Lot for transient or hotel purposes. No Owner may lease less than the entire residential unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and these By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there shall be no restriction upon the right of any Owner to lease his Lot.

(i) Each Lender who comes into possession of a Lot by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale, will take the Lot free of any claims

for unpaid assessments and charges against the Lot which accrue prior to the time such Lender comes into possession of the Lot. Any Lender shall be liable only for regular or special assessments due during the actual period of time that such Lender holds title to and/or possession of a Lot.

(j) If requested by a Lender, the Board shall notify such Lender in writing of any default by the Owner in the payment of maintenance charges or of any breach of any other condition of the Declaration by such Owner. Such notification shall be made no later than thirty (30) days from the date when the Board first has notice of such default or breach. In the event of a subsequent curing of such default or breach, the Board shall immediately notify all such Lenders in writing.

(k) Unless at least seventy-five percent (75%) of the Lenders (based upon one vote for each first mortgage or first deed of trust held) have given their prior written approval, neither the Association nor the Owners shall be



entitled to take any of the following actions:

(i) Change the pro rata interest or obligations of any Lot for the purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

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

(iii) Use hazard insurance proceeds for losses to any of the Properties (whether to Lots or to the Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Lots and/or Common Area of the Properties.

(1) All taxes, assessments and charges which may become liens that are levied under local law after the recordation of the Declaration and prior to the establishment of a first trust deed or mortgage on any Lot within the Properties, shall be apportioned by the Declarant (or the Association after the organization meeting) only to the

individual Lots according to the Lot's undivided interest shown in Schedule "A" attached to the Declaration and shall not be levied against the Properties as a whole.

(m) The Association shall, with respect to any mortgage purchased by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association, notify each such corporation or association (as the case may be) in writing of any loss to, or taking of the Common Area of the Properties if such loss or taking exceeds Ten Thousand Dollars (\$10,000) in value. Such notice shall be addressed to the local office of such corporation or association, in care of the Servicer. A copy of such notice shall be filed with the records of the Association.

(n) No breach of any provision of the Covenants, Conditions or Restrictions, nor the enforcement of any lien created therein, shall invalidate the lien of any mortgage or deed of trust made 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 or trustee sale or otherwise.

(o) It is intended that any loan to facilitate the resale of any Lots after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Lenders.

(p) A Lender is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

(q) A Lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of the Declaration which is non-curable or of a type which is not practical or feasible to cure.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

LAKWOOD SHORES HOMEOWNERS ASSOCIATION  
INCORPORATED

May 19 \_\_\_\_\_, 1977

CALIFORNIA

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of fifty-one percent (51%) of each class of voting membership of the Association present in person or by proxy.

Section 2. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XV

FINANCIAL ACCOUNTING

Section 1. The Treasurer shall prepare or cause to be prepared a balance sheet for the Association as of

the last day of the month closest in time to that date six (6) months from the date of closing of the first sale of a Lot to a Member and shall further prepare or cause to be prepared an operating statement for the accounting period from the aforesaid date of first closing to the aforesaid accounting date. Said operating statement shall include a schedule of assessments received or receivable itemized by Lot and by the name of the person or entity assessed.

Section 2. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 3. The Treasurer shall prepare or cause to be prepared a balance sheet and an operating statement for the Association as of the last day of the Association's fiscal year for said fiscal year.

Section 4. The Board of Directors shall cause a copy of each of the balance sheets and operating statements referred to in Sections 1 and 3 above to be distributed to each Member within sixty (60) days of the final date of the period to which such balance sheets and operating statements relate.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of LAKEWOOD SHORES HOMEOWNERS ASSOCIATION, a California corporation.

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_.

\_\_\_\_\_  
Secretary

(SEAL)

MTC:eg 9/30/76; rev. 3/3/77; rev. 6/3/77; rev. 6/22/77; rev. 7/26/77

FILED 31  
177

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

First American Title Company  
of Los Angeles  
Drawer "T"  
Torrance, California 91356  
Subdivision Department

This is to certify that the attached is a true and correct copy of the covenants, conditions and restrictions recorded \_\_\_\_\_ as  
Instrument No. 77-965078 in Book \_\_\_\_\_  
Page \_\_\_\_\_ Official Records.  
FIRST AMERICAN TITLE COMPANY OF LOS ANGELES  
By \_\_\_\_\_

77-965078

DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 29th day of August, 1977, by C. ROBERT LANGSLET & SON, INC., a California corporation, hereinafter referred to as "Declarant".

R E C I T A L S :

Declarant is the owner of that certain real property in the City of Lakewood, County of Los Angeles, State of California, described as follows:

Lots 1 through 92, inclusive, and Lot 233 of Tract No. 33098, as per Map recorded in Book 874, Pages 74 through 82, inclusive, of Maps, Official Records of said Los Angeles County, California.

In order to establish a general plan for the improvement and development of the property, Declarant desires to subject the property to certain conditions, covenants and restrictions, upon and subject to which all of the property shall be held, improved and conveyed.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above and such additions thereto as may hereafter be made shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

I

DEFINITIONS

Section 1. "Association" shall mean and refer to LAKEWOOD SHORES HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers, together with a separate interest in a parking facility.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, if any.

Section 4. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association upon the recordation of this Declaration is described as Lot 233 of the Properties.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties, with the exception of the Common Area. (Any portion of a Lot designated by a Lot number with the letter "G" suffixed represents the parking area within such numbered Lot.)

Section 6. "Board of Directors" or "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 7. "Declarant" shall mean and refer to C. ROBERT LANGSLET & SON, INC., a California corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Owners' parking easements" shall refer to the exclusive appurtenant easements for the parking of automobiles and other vehicles to be conveyed to the Owners of certain Lots



within the Properties in accordance with the "Covenant Regarding Parking Plan For Tract No. 33098", dated August 29, 1977. Each such easement shall be designated by the number of the Lot to which it is appurtenant, suffixed with the letter "C" or the letter "S". Such easements shall be located within and upon various Lots within the Properties, including Lot No. 233, the Common Area.

## II

### PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of ingress and egress and of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed thirty (30) days after reasonable written notice and an opportunity for hearing for any infraction of its published rules and regulations by the Board of Directors of the Association;

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the entire membership agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property.

III

USE OF RESIDENTIAL LOTS  
AND COMMON AREAS

The Lots shall be used solely for private residential purposes and there shall not be constructed or maintained thereon more than one dwelling unit with a private garage or carport and the land and improvements thereto shall not be used so as to disturb the neighborhood or occupants of adjoining property, or to constitute a nuisance or to violate any public law, ordinance or regulation from time to time applicable thereto. The Common Area shall be used for street, automobile and other vehicular parking, park, recreational, social and other purposes directly related to the private single-family residential use authorized hereunder and the recreational or open space portion of the Common Area shall remain non-buildable except for such improvements as are incidental to recreational use. In addition, the Lots shall be subject to the following restrictions:

Section 1. No derrick or other structure designed for use in boring, mining or quarrying for water, oil or natural gas or precious minerals, shall be erected, maintained or permitted upon any Lot within the Properties.

Section 2. No billboards or advertising signs shall be permitted other than a sign of reasonable size, design and color offering any Lot and improvements thereof for rent or sale; provided, however, Declarant shall be entitled to conduct its sales program within the Properties including the posting of signs, posters and other advertising media until all Lots subject to this Declaration have been sold by Declarant or three (3) years from date hereof, whichever shall first occur. No such use of the Properties by Declarant or its sales agents or representatives shall unreasonably interfere or restrict the Owners in the use of their Lot or the Common Area.

Section 3. No mercantile, manufacturing, mechanical or trade business or business establishment of any nature shall be maintained on any Lot. No horses, cattle, swine, sheep, goats, poultry, including chickens, or rabbits shall be maintained or kept on any Lot.

Section 4. No noxious or offensive trade or activity shall be carried on upon any Lot covered hereby, nor shall anything be done thereon that may be or become an annoyance or nuisance to the neighborhood. Without limiting the generality of the foregoing, no laundry, clothing, rags or any similar material shall be hung or displayed upon the eaves, doors or upon the portion of any building which faces upon or is visible from the streets and roadways within the Properties.

Section 5. After the commencement of any building, outbuilding, private garage, structure, fence or wall permitted hereby to be constructed, the same shall be prosecuted to completion with reasonable diligence.

Section 6. No trailer, tents, shack, garage or barn or other outbuilding erected on any Lot shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence on any Lot.

Section 7. No boats, trailers, campers, house trailers, vans or trucks larger than three-quarter (3/4) ton capacity shall be parked or stored upon the Common Areas, roadways and streets within the Properties or in the driveways within the Properties, or upon the portion of any Lot which is visible from said Common Areas, streets and roadways. No automobile, motorcycle, trailer, boat, truck or similar vehicle shall be repaired or painted upon the portion of any Lot within the Properties which is visible

from the Common Areas, streets or roadways within the Properties.

No garbage, refuse, rubbish, junk or other items shall be placed or stored on or in any balcony or patio area, if any, on any Lot.

Section 8. The Common Area shall be maintained in an attractive and safe manner suitable to the full enjoyment of the open spaces and all improvements located thereon, and at least in accordance with the standards of maintenance prevalent in the neighborhood. The Board of Directors, as hereinafter provided, shall levy an assessment against all Owners for maintenance, upkeep, taxes, insurance and other charges against the Common Area.

FINES?  
←

Section 9. No Owner shall deposit any garbage, refuse or rubbish in or on the Common Area unless such matter is deposited in appropriate containers suitably placed as designated by the Board so as not to detract from the physical appearance of the Common Areas or the Properties. Trash bins may be placed upon the Common Areas by each Owner only in accordance with such rules and regulations as may be promulgated by the Board.

Section 10. No alteration to or modification of the radio and/or television antenna system, as developed by Declarant, shall be permitted and no Owner may be permitted to construct and/or use and operate his own external radio and/or television antenna.

IV

EASEMENTS

Section 1. This Declaration of Covenants, Conditions and Restrictions shall be subject to all easements heretofore granted by Declarant or its successors and assigns for the installation and maintenance of utilities and drainage facilities as shown on the recorded subdivision map of the Properties that are reasonably necessary to the development of the Properties.

Section 2. Each Lot and its Owner within the Properties is hereby declared to have an easement, and the same is hereby granted by Declarant, over all adjoining Lots and 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 easements for the maintenance of said encroachment, settling or shifting; provided, however, that in no event shall an easement for encroachment be granted in favor of an Owner or Owners if said encroachment occurred due to willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist. Each Lot and its Owner within the Properties is hereby declared to have an easement for overhanging roofs and eaves over each adjoining Lot and/or the Common Area as originally constructed and for the maintenance thereof. The Common Area shall be subject to easements for minor encroachments thereon of those porches which extend from the dwelling upon each Lot as such exists upon the date of conveyance of the first Lot following recordation of the notice of completion of the dwelling on such Lot. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to the Lot being serviced and shall pass with each conveyance of said Lot.

Section 3. The City of Lakewood is hereby granted an easement for itself, its agents and employees, on or over the private streets and the Common Area for the purpose of

enforcing the provisions of the California Vehicle Code and all other laws of the City of Lakewood or the State of California. Notwithstanding the foregoing, the City of Lakewood shall not be required or obligated to provide, patrol or enforce any provisions of the California Vehicle Code on any of the private streets within the Properties, nor shall the City of Lakewood be required to regularly patrol any portion of the private streets or Common Area. This easement shall not imply any right of public use of the Common Area or common facilities, or of the private streets within the Properties. The Association shall have the right to enforce parking restrictions contained in this Declaration by fines or by removing any vehicle which is in violation thereof in accordance with the provisions of Section 22658 of the California Vehicle Code or other applicable law. In addition, the City of Lakewood shall have the right to enforce said parking restrictions in accordance with Section 21107.5 or Section 21107.7 of the California Vehicle Code and applicable local ordinances. Declarant, under Section 21107.7(a) of the California Vehicle Code, expressly requests the City of Lakewood to provide such traffic enforcement.

*Parking*

*Parking*

Section 4. Declarant shall reserve and grant to the Owners of certain Lots within the Properties Owners' parking easements (as defined hereinabove) in accordance with the "Covenant Regarding Parking Plan For Tract No. 33098". Such easements shall be within and upon various Lots within the Properties, including Lot No. 233, the Common Area.

V

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owner.

with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) On January 1, 1980.

VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, the Owners' parking easements and of the homes situated upon the Properties.

Section 3. Maximum Annual Assessment. Until January 1, 1978, the regular annual assessment shall be Six hundred forty eight Dollars and twelve Cents (\$ 648 .12 ) per Lot.

(a) From and after January 1, 1978, the maximum annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous fiscal year without a vote of the membership;

(b) From and after January 1, 1978, the maximum annual assessment may be increased above twenty percent (20%) only by the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant;

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Assessments for Capital Improvements. The annual assessments authorized above shall include an adequate reserve fund for replacement of the Common Area and shall be funded by regular monthly payments rather than by special assessments. In addition, to the extent funds from such reserve account are not adequate therefor, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction,



reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment 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 shall not be levied without the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant. Every general, special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Any action authorized under Section 3 or 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite fifty-one percent (51%) of the total membership, Members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

Section 6. Monthly Collection. Both annual and special assessments may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the date of the close of escrow with respect to the first Lot sold. The first annual assessment shall be adjusted according to

the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge (except that there shall be no charge to a Lender, as hereinbelow defined), furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments:

Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. The foreclosure of any lien provided for herein is to be in accordance with the provisions of Sections 2924a, 2924b and 2924c of the Civil Code of the State of California, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Properties Exempt From Assessment. The following property subject to this Declaration shall be exempt from the assessments provided for herein:

- (a) All properties dedicated to and accepted by a local public authority;
- (b) The Common Area; and

(c) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of California. Nothing contained in the foregoing shall exempt land or improvements devoted to dwelling use from said assessments.

## VII

### PROTECTION OF LENDERS

Section 1. As used herein, the term "Lender" shall denote and refer to the holder of a first mortgage or deed of trust given by an Owner (or his predecessor in interest) the lien of which mortgage or deed of trust is superior to all other monetary encumbrances except real property taxes and assessments. The terms and provisions of this Article VII shall, to the extent inconsistent therewith, supersede and take precedence over the terms and provisions of every other Article of this Declaration.

#### Section 2.

(a) Unless at least seventy-five percent (75%) of the Lenders (based upon one vote for each first mortgage or first deed of trust held) have given their prior written approval, neither the Association nor the Owners shall be entitled to take any of the following actions:

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

(ii) Any material amendment to this Declaration or to the By-Laws of the Association;

(iii) The effectuation of any decision by the Association to terminate professional management and assume self-management of the Properties; however, if required by any Lender, there shall be professional management retained by the

Board for the Properties, and in such event, the Board may increase the assessments without limitation to cover the expense of such professional management.

(b) No Lot shall be partitioned or subdivided without the prior written approval of the Lender with respect to such Lot.

(c) Any lien which the Association may have on any Lot in the Properties for the payment of common expense assessments attributable to such Lot will be subordinate to the lien or equivalent security interest of any Lender with a trust deed or mortgage on the entire Properties, as upon any Lots therein, made in good faith and for value, and no such lien shall in any way impair the obligation or the priority of such trust deed or mortgage unless the Lender thereof shall expressly subordinate its interest, in writing, to such lien.

(d) Each Lender shall, upon request, be entitled to:

(i) Inspect the books and records of the Association during normal business hours;

(ii) Receive an annual audited financial statement of the Properties within ninety (90) days following the end of any fiscal year of the Association; and

(iii) Receive written notice of all meetings of the Association and/or the Board and be permitted to designate a representative to attend all such meetings. The Lender or its representative may draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or assessments.

(e) In the event of substantial damage to or destruction of any Lot or any part of the Common Area, the

Lender with respect to such Lot will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Properties will entitle the Owner of a Lot or any other party to priority over such Lender with respect to the distribution to such Lot of any insurance proceeds.

(f) If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Lender with respect to such Lot will be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision of any document establishing the Properties will entitle the Owner of a Lot or other party to priority over such Lender with respect to the distribution to such Lot of the proceeds of any award or settlement.

(g) The right of an Owner to sell, transfer or otherwise convey the Owner's Lot will not be subject to any right of first refusal or any similar restriction in favor of the Association.

(h) With the exception of a Lender in possession of a Lot following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Lot for transient or hotel purposes. No Owner may lease less than the entire residential unit. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the By-Laws of the Association and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing. Other than the foregoing, there shall be no restriction upon the right of any Owner to lease his Lot.

(i) Each Lender who comes into possession of a Lot by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue prior to the time such Lender comes into possession of the Lot. Any Lender shall be liable only for regular or special assessments due during the actual period of time that such Lender holds title to and/or possession of a Lot.

(j) If requested by a Lender, the Board shall notify such Lender in writing of any default by the Owner in the payment of maintenance charges or of any breach of any other condition of this Declaration by such Owner. Such notification shall be made no later than thirty (30) days from the date when the Board first has notice of such default or breach. In the event of a subsequent curing of such default or breach, the Board shall immediately notify all such Lenders in writing.

(k) Unless at least seventy-five percent (75%) of the Lenders (based upon one vote for each first mortgage or first deed of trust held) have given their prior written approval, neither the Association nor the Owners shall be entitled to take any of the following actions:

(i) Change the pro rata interest or obligations of any Lot for the purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards;

(ii) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the

Properties shall not be deemed a transfer within the meaning of this clause;

(iii) Use hazard insurance proceeds for losses to any of the Properties (whether to Lots or to the Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Lots and/or Common Area of the Properties.

(l) The Association shall, with respect to any mortgage purchased by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association, notify each such corporation or association (as the case may be) in writing of any loss to, or taking of the Common Area of the Properties if such loss or taking exceeds Ten Thousand Dollars (\$10,000) in value. Such notice shall be addressed to the local office of such corporation or association, in care of the Servicer. A copy of such notice shall be filed with the records of the Association.

(m) No breach of any provision of the Covenants, Conditions or Restrictions, nor the enforcement of any lien created herein, shall invalidate the lien of any mortgage or deed of trust made 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 or trustee sale or otherwise.

(n) It is intended that any loan to facilitate the resale of any Lots after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Lenders.

(o) A Lender is authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

(p) A Lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is non-curable or of a type which is not practical or feasible to cure.

#### VIII

##### MANAGEMENT

Section 1. All powers relating to ownership, management, operation and maintenance of the Common Area, as well as certain rights, duties and powers relating to the Lots, as hereinafter set forth, shall be vested in the Association.

Section 2. The specific and primary purposes and powers of the Association are to manage and maintain the Common Area, provide recreational activities for the Members, foster and support community activities of the Members, and the enforcement of the provisions set forth in this Declaration and the Association's Articles and By-Laws.

Section 3. The Association shall have the right and power to employ or engage a manager and other employees or agents and contract for such services, labor and materials



as it may deem reasonably necessary to operate and maintain the Common Area and the improvements thereon and to discharge its other duties as herein provided; provided, however, that the Board of Directors shall 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 Declarant:

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

(i) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

(ii) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated price; and

(iii) Prepaid casualty and/or liability insurance policies of not to exceed three (3) years' duration, provided that the policy provides for short rate cancellation by the insured.

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

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

All contracts of the Association shall be limited in duration for a period not to exceed one (1) year, and shall further provide for cancellation for cause upon not more than thirty (30) days' written notice and for cancellation without cause upon not more than ninety (90) days' written notice.

Section 4. The Association shall be responsible for maintaining the Common Area and facilities, improvements and landscaping thereon (including furnishings and equipment related thereto and for maintaining the Owners' parking easements), and the payment of taxes and assessments which are or could become a lien on the Common Area or some portion thereof.

Section 5. The Association shall keep and maintain adequate fire and extended coverage insurance on all improvements located within the Common Area. The Association shall carry Workmen's Compensation Insurance covering all persons employed by it in performing its responsibilities under This Declaration. The Association shall also maintain in force bodily injury liability insurance with limits of not less than Three Hundred Thousand Dollars (\$300,000) per person injured and Five Hundred Thousand Dollars (\$500,000) per accident, and property damage liability insurance with a limit of not less than Twenty-Five Thousand Dollars (\$25,000) per occurrence, covering the Common Area and the use thereof, and insuring the Association, its officers and all Owners. The Association shall periodically review (at least every three (3) years) the limits of all such insurance policies.

Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by Federal National Mortgage Association and Government National Mortgage

Association, so long as either is a mortgagee or Owner of a Lot within the Properties, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association or Government National Mortgage Association.

Section 6. The Association shall adopt Reasonable rules relating to the use of the Common Area and any improvements thereon. A copy of such rules and of all amendments thereto shall be mailed to each Owner of a Lot, and a copy shall be posted in one or more places on the Common Area where the same may be conveniently inspected.

Section 7. An easement is granted the Association for its representatives to have rights of ingress and egress upon any Lot to the extent entry is necessary to carry out the maintaining and repainting of the exterior surfaces of dwellings and garages situated thereon, repair of all roofs situated thereon or to perform any work required in the maintenance and upkeep of the Common Area or the portion of each Lot not occupied by a dwelling, or for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. In addition, each Lot shall be subject to a non-exclusive easement for entry for the benefit of the adjacent Lot to enable the Owner of such adjacent Lot to effect necessary repairs to such adjacent Lot or any portion thereof. Entry within a building shall not be made without the consent of the occupant, unless such entry be pursuant to a valid order of court.

Section 8. The Association, through its Board of Directors, shall have the authority to delegate its powers to committees, officers of the Association or its employees.

Section 9. The Association shall maintain the roofs of dwellings and garages situated on the Lots, including any necessary replacement or repair thereof.

Section 10. The Association shall repaint the exterior surfaces of dwellings, garages and fencing situated on the Lots and Common Area, as such repainting is required in order to preserve the attractiveness of the Properties. Such exterior maintenance shall not include glass surfaces.

: IX

UTILITIES

The rights and duties of the Owners of Lots within the Properties with respect to sanitary sewer and water, electricity, gas and telephone lines and drainage facilities shall be governed by the following:

Section 1. Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines or drainage facilities are installed within the Properties, which connections, lines or facilities, or any portion thereof, lie in or upon Lots owned by others than the Owner of a Lot served by said connections, the Owner of any such Lot shall have the right to the full extent necessary therefor, to enter upon the Lots or to have utility companies enter upon the said Lots within the Properties in or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

Section 2. Whenever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines or drainage facilities or other utilities are installed

within the Properties, which connections serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot.

X

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties (except for the initial construction of improvements on the Properties by Declarant), ~~nor~~ shall ~~any exterior addition~~ to or change or alteration ~~including~~ without limitation screen doors and patio and balcony railings, if any) therein be made ~~until~~ the plans and specifications showing the nature, kind, shape, height, color, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of ~~three (3) or more representatives appointed by the Board~~. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within ~~thirty (30) days after said plans and specifications have~~ been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with.

XI

CONFLICTS

In the case of any conflict between this Declaration and the Articles of Incorporation or By-Laws of the Association, this Declaration shall control.

XII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by 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. The Board of Directors may from time to time establish a schedule of reasonable fines for violation of this Declaration or of the rules and regulations ~~properly adopted by the Board pursuant to its authority~~ and where such fines remain unpaid, they shall ~~be treated in the same manner as provided for assessments~~ in Section 8 of Article VI hereinabove. Any such schedule of fines shall be imposed only after written notice of same has been given to each Owner for a period of not fewer than thirty (30) days. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition, the provisions of this Declaration shall be enforceable by the City of Lakewood as they relate to the maintenance of the Common Area or for any other purpose necessary to protect the interest of the City of Lakewood or its citizens.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This

Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of each class of members of the Association. Any amendment must be recorded.

Section 4. Attorneys' Fees. In the event an attorney is engaged by the Board of Directors for the enforcement or defense of any of the provisions of this Declaration, then the Board of Directors shall be entitled to recover from the adverse party to the controversy a reasonable sum for attorneys' fees so incurred.

Section 5. Binding on Successors. The provisions of this Declaration shall bind and run with the Properties and shall inure to the benefit of, and be binding upon, the heirs, legatees, devisees, executors, administrators, guardians, conservators, successors, successors-in-interest, purchasers, lessees, encumbrancers, donees, grantees, mortgagees, lienors and assigns of and from each Lot Owner, and each person having or acquiring any right, title or interest in the Properties or any portion of them.

### XIII

#### DESTRUCTION

In the event the Common Area subject to this Declaration is totally or substantially damaged or destroyed, the repair, reconstruction or disposition of the Common Area shall be as provided by an agreement approved by Owners representing more than fifty percent (50%) of the voting power of the Owners. The use and disposition of insurance proceeds payable to the Association in the event of such destruction or damage shall be as determined by a majority of the voting power of the Owners.

XIV

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall within the Properties constituting the dividing line between Lots shall constitute a party wall; and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage caused by negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair, maintenance and replacement of a party wall shall be shared by the Owner who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty and it is not covered by insurance, any Owner who has used the wall may restore it; and, if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to their use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to each such Owner's successors in title.



SPECIAL PROVISION FOR  
ENFORCEMENT OF BONDED OBLIGATIONS

Section 1. Action by Board of Directors. Declarant has posted a bond, naming the Association as obligee, in connection with the completion of certain improvements to the Common Area which are included in Declarant's subdivision offering but which have not been completed prior to the issuance by the California Department of Real Estate of its Final Subdivision Public Report. In connection therewith, the Board of Directors shall consider and vote on the question of action by the Association to enforce the obligations under such 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 such bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board of Directors shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of the extension.

Section 2. Action by Members. In the event the Board of Directors shall vote not to initiate action to enforce the obligations under Declarant's bond, or in the event the Board of Directors shall fail to consider and vote on the question, there shall, upon receipt by the Board of a petition for such a meeting signed by members representing not less than ten percent (10%) of the total voting power of the Association, be scheduled a special meeting of the members for the purpose of voting to override such decision by the Board of Directors. At such meeting, a vote of a majority of the voting power of the Association residing in members

other than Declarant to take action to enforce the obligations under Declarant's bond shall be deemed to be the decision of the Association, and the Board of Directors shall thereafter implement such decision by initiating and pursuing appropriate action in the name of the Association.

XVI

ADDED PROPERTY

Section 1. Additional lots and Common Area may be annexed to the Properties with the written consent of at least two-thirds (2/3) of the entire membership; or

Section 2. If, within three (3) years of the date of recording of this Declaration, Declarant should develop additional lands within the area described in Exhibit "A" which is attached hereto and by this reference made a part hereof, such additional lands may be annexed to the Properties without the assent of the Class A members and be made subject to the Declaration and thereby become subject to the jurisdiction of the Association; provided, however, that the development of the additional lands described in this section shall be in accordance with a general plan submitted to the California Department of Real Estate with the subdivision filing papers for Tract 33098. Detailed plans for the development of additional lands must be submitted to the California Department of Real Estate prior to such development of additional lands.

If the California Department of Real Estate determines that such detailed plans are not in accordance with the general plan on file and so advises the Association and Declarant, the annexation of the additional lands must be in accordance with Section 1 immediately above.

IN WITNESS WHEREOF, the undersigned, being the Declarant

herein, has hereto set its hand and seal this 29th day of  
August, 1977.

C. ROBERT LANGSLET & SON, INC.,  
a California corporation

By *Michael R. Engle* Michael R. Engle  
Its Vice President

By *Lela J. York* Lela J. York  
Its Assistant Secretary

"Declarant"

STATE OF CALIFORNIA     )  
                                  )   ss.  
COUNTY OF LOS ANGELES   )

On August 29, \_\_\_\_\_, 1977, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Michael R. Engle, known to me to be the Vice - President, and Lela J. York, known to me to be the Assistant Secretary of C. ROBERT LANGSLET & SON, INC., the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Debra Lee Kentner  
Notary Public in and for said  
County and State



EXHIBIT "A"

Phase 2:

Lots 93 to 160 inclusive of Tract 33098, as per map recorded in Book 874 Pages 74 to 82 inclusive of Maps, in the office of the county recorder of said county.

Phase 3:

Lots 161 to 232 inclusive of Tract 33098, as per map recorded in Book 874 Pages 74 to 82 inclusive of Maps, in the office of the county recorder of said county.

MTC:dl 9/15/77

LAKewood Shore

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

C. ROBERT LANGSLET & SON, INC.  
296 Redondo Avenue,  
Long Beach, California 90803  
Attention: Michael R. Engle

This is to certify that the attached is a true and correct  
copy of Amendment  
recorded 7-20-77 as  
Instrument No. 77-432583 in Book \_\_\_\_\_  
Page \_\_\_\_\_ Official Records.  
FIRST AMERICAN TITLE COMPANY of LOS ANGELES  
By Larai Nguyen

FIRST AMENDMENT TO  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 14 day of September, 1977, by C. ROBERT LANGSLET & SON, INC., a California corporation, hereinafter referred to as "Declarant".

R E C I T A L S :

A. Declarant executed a Declaration of Covenants, Conditions and Restrictions on August 29, 1977, which was recorded on August 31, 1977 in Official Records of Los Angeles County, California, as Instrument No. 77-965278, (the "Declaration"), covering real property in the City of Lakewood, County of Los Angeles, State of California, more particularly described as Lots 1 through 92, inclusive, and Lot 233 of Tract No. 33098, as per Map recorded in Book 874, Pages 74 through 82, inclusive of Maps, Official Records of said Los Angeles County, California ("Tract No. 33098").

Declarant executed a Declaration of Annexation on August 29, 1977, which was recorded on September 1, 1977, in Official Records of Los Angeles County, California, as Instrument No. 77-972178 covering real property in the City of Lakewood, County of Los Angeles, State of California, more particularly described as Lots 93 through 160, inclusive, of Tract No. 33098, as per Map recorded in Book 874, Pages 74 through 82, inclusive, of Maps, Official Records of said Los Angeles County, California ("Tract No. 33098").

Declarant executed a Declaration of Annexation on August 29, 1977, which was recorded on September 1, 1977, in Official Records of Los Angeles County, California, as Instrument No. 77-972179 covering real property in the City of Lakewood, County of Los Angeles, State of California, more particularly described as Lots 161 through 232, inclusive of Tract No. 33098, as per Map recorded in Book 874, Pages 74 through 82, inclusive of Maps, Official Records of said Los Angeles County, California ("Tract No. 33098").

B. Declarant now desires to amend the Declaration with respect to the property in Tract No. 33098 now owned by Declarant.

NOW, THEREFORE, DECLARANT HEREBY AMENDS THE DECLARATION AS FOLLOWS:

1. There is hereby added to subsection (a) of Section 2. of ARTICLE VII of the Declaration the following new item (iv):

"(iv) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of the units, the maintenance of the Common Area party walks or common fences and driveways, or the upkeep of lawns and plantings within the Properties."

2. There is hereby added to Section 2. of ARTICLE VII of the Declaration the following new subsection (q):

"(q) The Lenders may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area within the Properties and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Common Area and Lenders making such payments shall be owed immediate reimbursement therefor from the Association. Entitlement to such reimbursement is reflected in an agreement in favor of all Lenders duly executed by the Association, and an original or certified copy of such agreement is possessed by Declarant."

3. The first sentence of Section 5. of ARTICLE VIII of the Declaration is hereby deleted in its entirety, and there is substituted in lieu thereof the following new first sentence:



"Section 5. The Association shall keep and maintain fire and extended coverage on all improvements located within the Common Area on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost)."

4. Except as amended hereby, the Declaration is hereby ratified and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has executed this First Amendment to Declaration of Covenants, Conditions And Restrictions as of the day and year first above written.

C. ROBERT LANGSLET & SON, INC.,  
a California corporation

By  C. Robert Langslet  
Its President

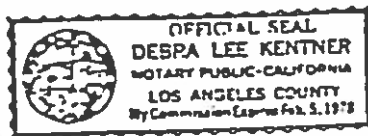
By  Lela J. York  
Its Assistant Secretary

"Declarant"

STATE OF CALIFORNIA     )  
                                  )    ..  
COUNTY OF LOS ANGELES   )

On September 14, 1977, before me, the undersigned,  
a Notary Public in and for said County and State, personally  
appeared C. Robert Langslet, known to me  
to be the \_\_\_\_\_ President, and  
Lela J. York,  
known to me to be the Assistant Secretary of the  
corporation that executed the within instrument on behalf  
of the corporation therein named, and acknowledged to me  
that such corporation executed the within instrument pursuant  
to its By-Laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.



18811 Redwood Blvd., Bellflower, CA. 90706

Despa Lee Kentner  
Notary Public in and/or said  
County and State