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RECORDED AT REQUEST OF FIRST AMERICAN TITLE INS. CO. IN OFFICIAL RECORDS OF ORANGE COUNTY, CALIF. 846 AM DEC 14 1971 J. WYLIE CARLYLE, County Recorder

DECLARATION OF ESTABLISHMENT
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CASA CANON

A CONDOMINIUM PROJECT
Anaheim, California

THIS DECLARATION, made this 10th day of December, 1971,
by LEVITT AND SONS OF CALIFORNIA, INC., a Delaware corporation, re-
ferred to as "Declarant."

W I T N E S S E T H:

The real property subject to this Declaration is located on
Kodiak Street and on Tustin Avenue, in the City of Anaheim, County
of Orange, State of California, and is more particularly described as
follows:

Lots 11 to 31 inclusive and
Lots 52 to 57 inclusive, of Tract 4643, in the
City of Anaheim, County of Orange, State of Calif-
ornia, as per map recorded February 21, 1964 in
Book 195, Pages 35 to 37, Official Records of said
County,

and

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

NOW THEREFORE, the Declarant hereby declares that all of the property described above is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following protective restrictions, limitations, conditions, covenants, reservations, liens and charges, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvements and sale of condominiums, as defined in Section 783 of the Civil Code of California, in a condominium project, as that term is defined in Section 1350 of the Civil Code of California; and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the project and every part thereof. Each and all of the restrictions, limitations, conditions, covenants, reservations, liens and charges herein contained shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described property or any part thereof.

The condominium project comprising the real property above described is intended to be made subject to each and all of the provisions of Sections 1350 and 1359, inclusive, of the Civil Code of California. There has been recorded or will be recorded concurrently herewith, a plan as required by Section 1351 of the Civil Code and this Declaration is intended to satisfy the provisions of Section 1355 of the Civil Code. The provisions of this Declaration shall be enforceable by any of the owners of an interest in the real property above described against any other owner or owners thereof, and shall also be enforceable by the Board of Directors which will be created pursuant to the provisions hereof.

ARTICLE I
DEFINITION OF TERMS

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Whenever used in this Declaration, the following terms shall have the following meanings:

1. Declarant: LEVITT AND SONS OF CALIFORNIA, INC., a Delaware corporation.
2. Declaration: This Declaration, as the same may be amended, changed or modified from time to time.
3. Unit: The elements of a condominium which are not owned in common with the owners of other condominiums in the project. The boundaries of Units 1 to 100, inclusive, are as shown and defined on said Condominium Plan for Lots 11 to 31 and Lots 52 to 57 of Tract 4643.
4. Common Area: The entire project, excepting all units therein granted or reserved.
5. Condominium: An estate in real property consisting of an undivided 1/100th interest in the Common Area, together with a separate interest in a unit as hereinabove defined in said property.
6. Owner: The record owner, or owners, if more than one, of a condominium in the project, including Declarant, so long as any condominiums remain unsold.
7. Association: CASA CANON HOMEOWNER'S ASSOCIATION, INC., a California non-profit corporation, consisting of all owners of condominiums in the project.
8. Organization Meeting: The first meeting of the owners referred to in Article III hereof.

9. By-Laws: The duly adopted By-Laws of the Association, as the same may be amended from time to time.
10. Board: The Board of Directors of the Association.
11. Manager: The Managing Agent, if any, whether individual or corporate, retained by Declarant, or by the Board of Directors by contract, and charged with the maintenance and upkeep of the project.
12. Project: The entire parcel of real property divided, or to be divided, into condominiums, including all structures thereon.

ARTICLE II

DESCRIPTION OF LAND AND IMPROVEMENTS

A. The hereinabove described real property, consists of a plot of land, approximately 7.86⁺ acres, located on Kodiak Street and Tustin Avenue, in the City of Anaheim, County of Orange, State of California. Construction is, or shortly will be completed upon said land and improvements, consisting basically of twenty-five (25) two (2) story buildings of wood frame and stucco construction, each building housing four (4) units, or a total of one hundred (100) units. Additionally, there will be parking spaces, a recreational play area, which will include a swimming pool and cabana.

B. The quantum of the undivided interest in the Common Area to be conveyed to each purchaser of a unit shall be as designated in the Grant Deed to said purchaser from Declarant and shall be One One-Hundredth (1/100th).

C. Portions of the Common Area consisting of patios, water heaters, stairways, storage and parking areas are hereby set aside and allocated for the restricted use of the respective numbered units as shown on the Condominium Plan, and such areas are hereby reserved as restricted Common Areas, and such areas shall be exclusive and appurtenant to such respective units.

ARTICLE III
MANAGEMENT AND OPERATION

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A. Said real property and improvements, to be known and designated as "CASA CANON CONDOMINIUM" and shall be organized land operated as a statutory condominium project. The Grant Deeds conveying interests therein to all original individual purchasers thereof, shall expressly refer to and incorporate by reference this Declaration. The owners of the condominiums shall constitute the CASA CANON HOME-OWNER'S ASSOCIATION, INC., a California non-profit corporation, and the organization meeting of such owners shall be held following the close of escrow of Fifty-One (51) condominiums in the project, or within one (1) year from the date of the close of escrow of the first condominium to be sold, whichever occurs first. Thereafter, annual meetings of such owners shall be held at a time to be determined by them at the organization meeting, and the By-Laws to be adopted at said meeting shall also provide for special meetings of the owners. At all meetings of the owners, only one (1) vote shall be cast for each condominium in the project. The right to vote of any owner shall be temporarily suspended if said owner is in arrears more than sixty (60) days in the payment of his maintenance charges.

B. At the organization meeting and at each annual meeting, the owners shall elect a Board of Directors consisting of five (5) members, all of whom shall be owners and which may include the Declarant, or his authorized representative, or agent. Every owner entitled to vote at any election of the Board of Directors may cumulate his vote and give one candidate a number of votes equal to the number of Directors to be elected multiplied by the number of votes to which

his condominium or condominiums are entitled, or may distribute his vote on the same principal among as many candidates as he desires. The general powers and duties of the Board shall be as hereinafter set forth, but may be more particularly defined by such By-Laws as shall be adopted by the owners at the organization meeting or at any subsequent meeting of the owners; provided, however, that this Declaration may not be amended directly or indirectly, in any particular, by the enactment of any By-Laws, but only in the manner hereinafter provided. Certificates of identity of the owners elected to membership on the Board shall be prepared following each election, and after any change in the membership of the Board.

C. In general, the Board shall have authority to conduct all business affairs of common interest to all owners. The powers of the Board shall include, but shall not be limited to, authority to: collect the monthly installments of maintenance charges and make or authorize expenditures therefrom, contract for and pay for utilities, repairs, janitor, pool service, gardening, trash and garbage removal, legal and accounting services, and such other services and expenses as shall be reasonably required for the maintenance of the Common Areas, purchase and pay for such insurance as may be referred to hereinafter, purchase and pay for necessary supplies and personal property for the Common Area, and pay any taxes that may be assessed against any commonly owned property.

D. The Board shall have authority to contract with a qualified person(s) or corporation(s) for the professional handling of all or any part of the services required for the maintenance of said project, and/or the handling of the financial affairs thereof; any professional

management body selected by Declarant prior to the organization meeting shall be employed to manage only until the first annual owner's meeting, at which time the continuance of the same or the selection of another professional management body shall be determined by a majority vote of the Board. Said manager may further be authorized to file any notice and to take any legal action on behalf of the owners, which is within the power and authority of the Board.

E. The Board shall not have authority to act in the following matters, but only the owners shall have such authority:

- (1) Amend or repeal this Declaration or the By-Laws;
- (2) Remove a member of the Board of Directors;
- (3) Determine not to rebuild if insurance proceeds are not less than 85% of the cost of reconstruction, after partial or total destruction;
- (4) Any other matter set forth herein as expressly requiring action by the owners.

F. At all meetings of the owners, Fifty-One (51) owners present in person or by proxy shall constitute a quorum, and a majority of owners present and entitled to vote, either in person or by proxy, shall be sufficient for the passage of any motion or the adoption of any resolution, except in connection with the matters set forth in Paragraph E. above. Such actions as set forth in Paragraph E., shall require the minimum vote of unit owners holding Seventy-Five (75%) Percent of the voting power (Seventy-Five (75) units.) If any meeting cannot be held because a quorum is not present, the owners present either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours

nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be Twenty-Six (26) owners present in person or by proxy.

G. At the close of each fiscal year, the Board shall cause to be prepared by an independent certified public accountant, an operating statement showing income and disbursement from the maintenance fund account, and the Board shall have the responsibility to deliver a copy thereof to each owner not later than One Hundred Twenty (120) days after the close of the fiscal year, or thirty (30) days after the statement is prepared, whichever event first occurs.

H. The Board shall conduct its first organization meeting within seven (7) days after the organization meeting of the owners, and shall at such time elect from among its members such officers as shall be designated in the By-Laws. The powers and duties of such officers shall be as set forth in the By-Laws. The annual meeting of the Board shall be held within seven (7) days of adjournment of the annual meeting of the owners.

I. The Board shall give written notice of the annual meeting or of any special meeting to each owner not less than seven (7) days nor more than sixty (60) days prior to the date of such meeting, by mailing or personally delivering such notice to the last known address of each owner. Any notice for a special meeting shall set forth the time and place of said meeting, and nature of the business to be conducted thereat.

J. Prior to the organization meeting hereinabove described in this Article III, the management and operation of the condominium project shall be undertaken by the Declarant or his agent; provided, however, that the authority and power of the Declarant or his agent to so act, shall be limited to those powers, duties and responsibilities given to the Board of Directors as provided in this Article III. Further, any management body or agent selected by Declarant prior to the organization meeting, shall be so employed to manage only until the first annual election thereafter, at which time the continuance of the same or another body or agent shall be determined by a majority vote of the Board and further, that neither Declarant nor his agent will enter into any contract which binds the Board or the Association for a period in excess of one (1) year, unless reasonable cancellation provisions are included in such contracts.

ARTICLE IV

MAINTENANCE FUND - LIEN

A. Each owner shall be obligated to pay to the Board or a designated member thereof, or to the manager, if any, an initial monthly maintenance charge of ~~\$-22.00~~ 40.00. Any increase or decrease in said monthly maintenance charge for the entire project may be made from time to time and shall be fixed by the affirmative vote of a majority of the Board of Directors; such increase or decrease shall be made to each of the owners equally, each owner paying one one-hundredth (1/100th) of any such increase, or benefiting one one-hundredth (1/100th) of any such decrease. Said maintenance charge shall be paid in equal monthly installments, in advance, on the first day of each month, commencing on the close of the sales

escrow for each particular unit, and prorated through escrow to the date of the close of escrow for the month in which escrow closes. Maintenance charges so collected shall be promptly deposited in a commercial bank account in a bank to be selected by the Board, or by the manager, if any, which account shall be clearly designated as "THE CASA CANON CONDOMINIUM OWNER'S ASSOCIATION MAINTENANCE FUND ACCOUNT." The Board or the manager, as the case may be, shall have exclusive control of said account, and shall be responsible to the owners for the maintenance of accurate records thereof at all times. No withdrawal shall be made from said account except to pay for the charges and expenses for the common benefit of all owners set forth in Article III of this Declaration.

B. The maintenance charge which each owner is obligated to pay shall be a debt of each owner at the time that each monthly installment becomes due. In the event of default by any owner in the payment of any such installment, such amounts as may be in default, together with interest thereon at the rate of Seven (7%) Percent per annum, and all costs which may be incurred by the Board or manager in the collection of such charges, including reasonable attorney's fees, shall be and become a lien upon the condominium of the defaulting owner upon the recording in the Orange County Recorder's Office of a Notice of Assessment, as provided in Section 1356 of the Civil Code of California. The Notice of Assessment shall not be filed for record unless and until the Board, the management agent, or a person designated by them, shall have delivered to said defaulting owner, not less than fifteen (15) days prior to the recordation of such Notice of Assessment, a written Notice of Default and a demand upon the defaulting owner to

cure same within said fifteen (15) day period, and failure of the defaulting owner to comply. Said lien shall expire and be null and void unless, within thirty (30) days after recordation of said Notice of Assessment, the Board records a Notice of Default as hereinafter provided.

C. Not less than ten (10) days nor more than thirty (30) days from the filing of said Notice of Assessment, the Board shall file for record a Notice of Default, and thereafter may cause the condominium of said defaulting owner to be sold in the same manner as a sale as provided in Sections 2924 et. seq. of the Civil Code, or through judicial foreclosure. The sale of said condominium must be held, or legal action to enforce the lien must be instituted, within One Hundred Fifty (150) days of the recording of the Notice of Default, or said lien shall be deemed void and of no effect. If any action is filed by the Board to enforce the provisions of this Subparagraph, any judgment rendered against the defaulting owner shall include all costs and expenses, and reasonable attorney's fees necessarily incurred in prosecuting such action. If any such default is cured prior to sale, or prior to filing a judicial foreclosure, the Board shall cause to be recorded a certificate setting forth the satisfaction of such claim and release of such lien, upon payment of actual expenses incurred, including reasonable attorney's fee, not to exceed \$100.00 by such defaulting owner.

D. In addition to the right to such lien, the remaining owners or any one of them, or any member of the Board, acting on behalf of all the owners, or the City of Anaheim, shall be entitled to bring legal

action for damages against any owner who shall violate, or who shall default in the performance of any of the provisions herein contained, including, but not limited to, the covenant to pay said maintenance charge, to enjoin any violation of this Declaration or of the By-Laws, or to prosecute any other appropriate legal or equitable action that may be necessary or expedient for the benefit of the project. Any judgment rendered against any such owner shall include court costs and reasonable attorney's fees in an amount to be fixed by the Court.

E. Each owner does hereby waive, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption laws of the State of California in effect at the time any installment of maintenance charges becomes delinquent, or any lien is imposed pursuant to the terms hereof.

F. Upon the close of escrow of the first condominium in the project, Declarant shall be obligated to pay the monthly maintenance charge hereinbefore provided, for each unsold unit.

ARTICLE V

INSURANCE

A. Public liability and property damage insurance, covering all Common Areas, shall be purchased by the Board as promptly as possible following its election and shall be maintained in force at all times, the premium thereon to be paid out of the maintenance fund. The insurance shall be carried in reputable companies authorized to do business in California. The minimum amounts of coverage shall be \$100,000.00 for personal injury to any one person, \$300,000.00 for any one occurrence, and \$50,000.00 property damage. The policy

shall name all owners as insureds, including Declarant during such time as it shall remain the owner of one or more condominiums. The manager, if any, shall also be a named insured on such policy during such time as his agency shall continue. The policy shall insure against injury or damage occurring both in the Common Area and within the individual units. The policy shall include contractual liability coverage to cover the liability of any owner hereunder to indemnify any other owner, or other person for injury or damage arising out of negligence. The insurance shall also contain a cross-liability endorsement to cover negligent injury by one owner to another.

B. A master or blanket fire insurance policy shall also be purchased by the Board as promptly as possible following its election, and shall thereafter be maintained in force at all times, the premium thereon to be paid out of the maintenance fund. Said insurance shall be carried in reputable companies authorized to do business in California, and shall insure against loss from fire and any other hazard therein covered, for the full insurable value of all of the improvements within the project. Such policy shall contain extended coverage and replacement cost endorsements. It may also contain vandalism and malicious mischief coverage, special form endorsement, stipulated amount clause and determinable cash adjustment clause or similar clause to permit cash settlement covering full value of the improvements in the event of partial destruction and decision not to rebuild. The policy shall be in such amounts as shall be determined from time to time by the Board. The policy shall name as insured all of the owners and Declarant, so long as Declarant is the owner of any of the condominiums in the project, and all mortgagees of record, as their respective interests may appear.

C. If available, underlying coverage for individual condominiums shall be written as a part of, or in conjunction with, said master policy where necessary to protect individual lenders. If such coverage is not available, each owner shall purchase at his expense, and maintain such fire and hazard insurance coverage as may be required by his individual lender. Any such underlying insurance shall contain replacement cost endorsement and, to the extent available, such other endorsements as may be a part of the master policy. Such insurance shall also contain a loss payable endorsement to the mortgagees of individual condominiums, as their interests may appear.

D. All insurance proceeds, payable under Paragraph B. and C. of this Article, and subject to the rights of mortgagees under Paragraph G. hereof, shall be paid to the Board, to be held and expended for the benefit of the owners, mortgagees and others, as their respective interests shall appear, and be paid out in accordance with Article VI. In the event repair or reconstruction is authorized, the Board shall have the duty to contract for such work, as provided in Article VI hereof.

E. The Board may purchase and maintain in force at all times demolition insurance in adequate amounts to cover demolition in the event of destruction and decision not to rebuild. The premium therefor shall be paid out of the maintenance fund. Such policy, if purchased, shall contain a determinable demolition clause, or similar clause, to allow for the coverage of the cost of demolition in the event of destruction and decision not to rebuild. The Board shall also purchase and maintain workmen's compensation insurance to the extent that the same shall be required by law for employees of the

owners. The Board may also purchase and maintain fidelity bonds, insurance on commonly owned personal property, and such other insurance as it deems necessary, the premiums thereon to be paid out of the maintenance fund.

F. An owner may carry such personal liability and property damage insurance respecting his individual unit as he may desire; however, any such policy shall include a waiver of subrogation clause.

G. With respect to insurance coverage under Paragraph B. and C. hereof, any mortgagee of record shall have the option to apply insurance proceeds payable to him in reduction of the obligation secured by his mortgage.

ARTICLE VI

DESTRUCTION OF IMPROVEMENTS

A. In the event of a total or partial destruction of the improvements in the condominium project, and if the available proceeds of the insurance carried pursuant to Article V of this Declaration are sufficient to cover not less than Eighty-Five (85%) Percent of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt unless, within ninety (90) days from the date of such destruction, Seventy-Five (75%) Percent or more of the owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that such reconstruction shall not take place. If reconstruction is to take place, the Board shall be required to execute, acknowledge and file and record, not later than One Hundred Twenty (120) days from the date of said destruction, a certificate declaring the intention of the owners to rebuild.

B. If the proceeds of such insurance are less than Eighty-Five (85%) Percent of the cost of reconstruction, such reconstruction may, nevertheless take place, if within ninety (90) days from the date of said destruction, a majority of the owners elect to rebuild.

C. If the owners determine to rebuild, either pursuant to A. or B. above, each owner shall be obligated to contribute such funds as shall be necessary to pay his proportionate share of the cost of reconstruction, over and above the insurance proceeds, and the proportionate share of each owner shall be the same as his proportionate interest in the Common Area. In the event of the failure or refusal of any owner to pay his proportionate contribution, the Board may levy a special assessment against such owner, which may be enforced under the lien provisions in Article IV hereof.

D. If the owners determine to rebuild, the Board shall obtain bids from at least two (2) reputable contractors, and shall award reconstruction work to the lowest bidder. The Board shall have the authority to enter into a written agreement with said contractor for such reconstruction, and the insurance proceeds held by the Board shall be disbursed to said contractor according to the terms of the agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

E. If the vote of the owners shall be insufficient to authorize rebuilding either pursuant to A. or B. above:

(1) Subject to the rights of mortgagees set forth in Article V. G., any insurance proceeds available for such rebuilding shall be distributed among the owners and their individual lenders by the Board, as their respective interests may appear. The proportionate interest of each owner in said proceeds, in relation to the other owners, shall be the same as the proportionate ownership in the Common Area. If the owners elect to rebuild, the Board shall file of record a certificate as provided in Article VI. A.

(2) The Board shall have the duty, within One Hundred Twenty (120) days of the date of such loss, to execute, acknowledge and record a certificate setting forth the determination of the owners not to rebuild, and shall promptly cause to be prepared and filed of record such revised maps and other documents as may be necessary to show the conversion of the project to the status of unimproved land, or to show the elimination of one or more of the units as a result of such destruction.

F. Upon recordation of such certificate, the right of any owner to partition his condominium through legal action shall forthwith revive.

G. In the event of a dispute among the owners respective of the provisions of this Article, any owner may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration notice thereof shall be given to the members of the Board and all other owners as promptly as possible after the reference to arbitration is made, giving all owners an opportunity to appear in such arbitration proceedings. The decision of such arbitrator in this matter shall

be final and conclusive upon all of the owners. The arbitrator may include in his decision an award for costs and/or attorney's fees against any one or more parties to the arbitration.

ARTICLE VII

CONDEMNATION

A. In the event that an action for condemnation is proposed or commenced by any governmental body having the right of eminent domain, the following provisions shall apply:

(1) If such action, or proposed action, is for the condemnation of the entire project, upon the unanimous consent of all the owners, the project may be sold to such government body prior to judgment and the proceeds of such sale shall be distributed to the owners and their lenders, as their respective interests shall appear, based upon each owner's interest in the Common Area. Lacking such unanimous consent, the compensation for the taking shall be distributed in like manner, unless said judgment shall, by its terms, apportion such compensation among the individual condominium owners.

(2) If such action, or proposed action, is for the condemnation of only a portion of the Common Area, the compensation for the taking shall be distributed to the owners, as provided in Subparagraph (1) above.

ARTICLE VIII

FURTHER CONDITIONS OF OWNERSHIP

A. All units in the project above described shall be used solely for single family residences.

B. The owners shall maintain in a good state of repair, the interiors of their units, and shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding their respective units. Each owner shall also have the responsibility to maintain in a good state of repair, the rear yard areas and fencing between the respective rear yard area, even though said rear yards and fencing technically be part of the Common Area and not within the dimensions of the unit to which they are appurtenant.

C. No owner, shall at his own expense or otherwise, make any alteration, addition or modification to the building in which his unit is located or to any part or portion of the Common Area, without the prior written approval of the Board. With respect to the installation of awnings, sunshades, screen doors, and other minor installations, to any individual unit, the prior written approval of the Board shall be exercised with a view toward promoting uniformity and thereby enhancing the attractiveness of the property as a whole.

D. No alteration to or modification of the radio and/or television antenna system, as may be developed by the 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, without the prior written consent of the Board.

E. Any sign other than a sign indicating the name of the project, the professional management agent managing the project, if any, and signs relative to the sale of a particular unit or units for sale, shall be prohibited. Should an owner desire to sell or lease his unit, he shall be allowed to display a sign of customary and reasonable

dimensions advertising his unit for sale or lease, and which sign shall be of a professional type and dignified appearance and shall be placed in some appropriate location in the Common Area open to public view. Such sign may be the sign of a licensed real estate broker, engaged by an owner for the purpose of selling or leasing his condominium. Nothing herein contained shall prohibit or restrict in any way the Declarant's right to construct such promotional sign or other sales aids on or about any portion of the premises which it shall deem reasonable and necessary in conjunction with its "original sales program." "Original sales program" shall mean the original sale of all One Hundred (100) units in the project or three (3) years after recordation of this Declaration, whichever event occurs first.

F. No owner shall permit or suffer anything to be done or kept upon the project which will increase the rate of insurance thereon, or which will obstruct or interfere with the rights of other owners, nor annoy them by unreasonable noises or otherwise; nor will he commit or permit any nuisance on the project, or commit or suffer any immoral or illegal act to be committed therein. Each owner shall comply with all of the applicable ordinances and statutes and with the requirements of the City of Anaheim and/or County of Orange and/or State Board of Health with respect to the occupancy and use of his unit.

G. Each owner shall be liable to the Board for any damage to the Common Area or to any of the equipment or improvements thereon, which may be sustained by reason of the negligence or willful misconduct of said owner or of his family members, relatives, guests,

or invitees, both minor and adult, to the extent that any such damage shall not be covered by insurance. In the case of joint ownership of a condominium, the liability of such owners shall be joint and several. In the event of personal injury or property damage sustained by any person while physically within the unit or any private balcony or patio or rear yard of any owner, and in the further event that any other owner shall be sued, or a claim made against him or her for said injury or damage, the owner or owners of the unit in which said injury or damage occurs, shall fully indemnify and hold harmless any such other owners against whom such claim shall be made, and shall further defend any such other owners at their own expense in the event of litigation of such claim; provided, however, that such protection shall not extend to any other owner whose own negligence may have caused or contributed to the cause of any such injury or damage.

H. No fences, hedges or walls shall be erected or maintained upon the Common Area, except such as are installed in accordance with the initial construction of the building located thereon, or as approved in writing by the Board; and further, that no building, structure, fence or wall shall be constructed upon any of the open spaces, Common Areas, walkways, driveways or open parking areas, unless approval for such has been specifically obtained from the Planning Commission and/or the City Council of the City of Anaheim.

I. The Board shall cause to be maintained the landscaping, walkways and other parts of the Common Area, including the carport and open parking areas, but shall not be required to maintain the rear yards or rear yard fences.

J. The Board shall have the authority to designate one or more qualified repairmen or other persons to enter upon and within any individual unit, in the presence of the owner thereof, or otherwise, for the purpose of making emergency repairs therein, or for necessary maintenance or repairs to portions of the Common Area, or further, to abate any nuisance being conducted or maintained in said unit, in order to protect the property rights and best interests of the remaining owners. To facilitate this paragraph, all owners shall deposit with the property manager or his nominee, a key to their unit.

K. No owner may exempt himself from liability for his specified contribution to said maintenance fund by any waiver of the use or enjoyment of said Common Area, or by the abandonment of his condominium.

L. No owner shall execute or file for record any instrument which imposes a restriction upon the sale, leasing or occupancy of his condominium on the basis of race, color or creed.

M. The books and records of the Owner's Association and the books and records of any agent thereof, pertaining to the Maintenance Fund and any other fund, may be inspected or audited by any owner, or his duly authorized representative for such purposes at all reasonable times. Such representative shall be either an attorney or a public accountant. The Board shall also cause an annual independent accounting of the account or accounts of the Owner's Association to be made annually, and shall deliver a copy of such annual accounting to each condominium owner within thirty (30) days of completion of such accounting. If any additional accounting beyond the annual independent accounting, if desired by a majority of the owners, shall be at the expense of such owners desiring same.

N. No member of the Board, or officer of the Association, shall be liable for or on account of any damages resulting from any acts performed while in the furtherance of such duty as a member of the Board or officer, or omission to perform same, unless such act or omission was unlawful or the result of grossly negligent conduct or inaction.

O. Each owner shall be accountable to the remaining owners for the conduct and behavior of children residing or visiting his residential unit.

P. No automobile, trailer, camper, boat or other similar type vehicle shall be permitted to remain on any portion of the Common Area, excepting in the assigned carport space. However, guest parking limited to automobiles may be permitted to exist in those areas designated as guest parking by the Board for a period of time not in excess of twenty-four (24) hours.

Q. Trash, rubbish, trash bins and trash receptacles shall not be permitted to remain in the alley on the southerly portion of the Common Area, except on the day(s) scheduled for trash and/or rubbish collection.

ARTICLE IX

SUSPENSION OF THE RIGHT OF PARTITION

A. The right of partition of the Common Areas is hereby suspended pursuant to Section 1354 of the Civil Code of California. The project may be partitioned and sold as a whole pursuant to the provisions of Section 752(b) of the Code of Civil Procedure of the State of California, upon a showing of the occurrences of any one of

the events therein provided. Additionally, partition may be had of the project upon a showing that the conditions for such a partition by sale set forth in Paragraph F. of Article VI, or Subparagraph A. (2) of Article VII have been met. Nothing contained herein shall prevent the partition or division of interest between join or common owners of one condominium.

ARTICLE X

PROHIBITION AGAINST SEVERABILITY OF COMPONENT INTERESTS IN CONDOMINIUM

A. No owner shall be entitled to sever his unit in any condominium from his undivided interest in the Common Area for any purpose. Neither of said component interests may be severally sold, conveyed, encumbered, hypothecated or otherwise dealt with, and any violation or attempted violation of this provision will be void and of no effect. The suspension of this right of severability shall in no event last beyond the period set forth in Article XI of this Declaration. It is intended hereby to restrict severability in accordance with the provisions of Subparagraph (g) of Section 1355 of the Civil Code.

B. Subsequent to the initial sales of the condominiums, any conveyance of a unit, or of the component interest in the Common Area, by the owner of any condominium, shall be presumed to convey the entire condominium; provided, however, that nothing herein contained shall be construed to preclude the owner of any condominium from creating a co-tenancy in the ownership of said condominium with any other person or persons.

ARTICLE XI

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

The covenants contained herein shall run with the land and shall be binding upon all parties and all persons claiming under them until January 1, 2021, after which time the covenants shall be automatically extended for successive periods of twenty-one (21) years, unless an instrument executed by not less than a majority of the owners of the condominiums shall be recorded, cancelling and terminating this Declaration.

ARTICLE XII

PROTECTION OF LENDERS

** Jangro*
A. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of the beneficiary of ~~any trust~~ deed upon the entire project, or upon any condominium therein, made in good faith and for value, and no such lien in any way shall defeat, invalidate or impair the obligation or the priority of such trust deed unless the beneficiary thereof shall expressly subordinate his interest, in writing, to such lien.

B. No amendment to this Declaration shall effect the rights of the beneficiary of any trust deed made in good faith and for value, and recorded prior to the recordation of any such amendment, unless said beneficiary shall either join in the execution of such amendment or approve the same in writing as a part of such amendment.

C. In the event of a default by any owner in the payments due upon a promissory note secured by first trust deed to his individual condominium, the beneficiary of said first trust deed shall have the right, upon giving written notice to said defaulting owner, and placing of record a notice of default, to exercise the vote of such owner at any regular or special meeting of the owners held during such time as said default may continue.

D. No breach of any provision of these covenants, conditions and restrictions 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 deed is derived through foreclosure or trustee's sale or otherwise.

ARTICLE XIII

GENERAL PROVISIONS

A. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the project for the mutual benefit of all owners.

B. The provisions herein shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any of the provisions hereof shall not effect the validity of the remaining provisions.

C. Each and all legal or equitable remedies provided for in this Declaration shall be deemed to be cumulative, whether so expressly provided or not.

D. This Declaration shall be binding upon, and shall inure to the benefit of, the heirs, personal representatives, successors and assigns of Declarant, and the heirs, personal representatives, grantees, lessees, sublessees and assignees of the owners.

E. No waiver of any breach of any of the covenants or conditions of this Declaration shall constitute a waiver of any succeeding or preceeding breach of the same or any other covenant or condition contained herein.

ARTICLE XIV

AMENDMENT

A. Subsequent to the organization meeting, each and all of the covenants, conditions and restrictions contained in this Declaration may be modified, amended, augmented or deleted in the following manner and not otherwise: by the execution of either an amended Declaration or an amendment to this Declaration, duly executed and acknowledged by not less than Seventy-Five (75%) Percent of the then owners in said project and by concurrence of not less than Seven-Five (75%) Percent of the beneficiaries of first trust deeds which may then be of record as valid encumbrances against said project, or any part or portion thereof; and, further, only after approval by the California Department of Real Estate, pursuant to Section 11018.7 of the Business and Professions Code, of the State of California. Said amended Declaration or amendment to Declaration, shall not be effective for any purpose unless and until recorded in the Office of the Recorder of Orange County, California, but shall thereafter be conclusive and presumed to be valid as to anyone relying upon them in good faith.

B. The written approval, endorsed on any such amendment and acknowledged by all beneficiaries shall be a sufficient compliance with the provisions of Paragraph A.

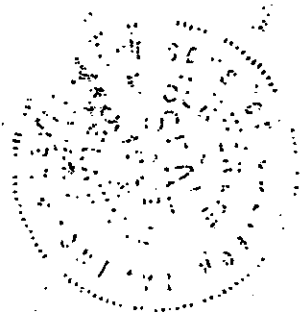
C. Prior to the organization meeting, Declarant shall have the right to amend this Declaration by executing and recording, along with the beneficiaries of all trust deeds then of record, the desired amendment thereto, and after prior written approval of the California Department of Real Estate and any other State administrative agency then having regulatory jurisdiction over said project, and the recording of said amendment shall be presumed to be valid as to anyone relying thereon in good faith.

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

LEVITT AND SONS OF CALIFORNIA, INC.,
A Delaware Corporation

By [Signature]
Title Assistant Secretary

By [Signature]
Title Assistant Secretary



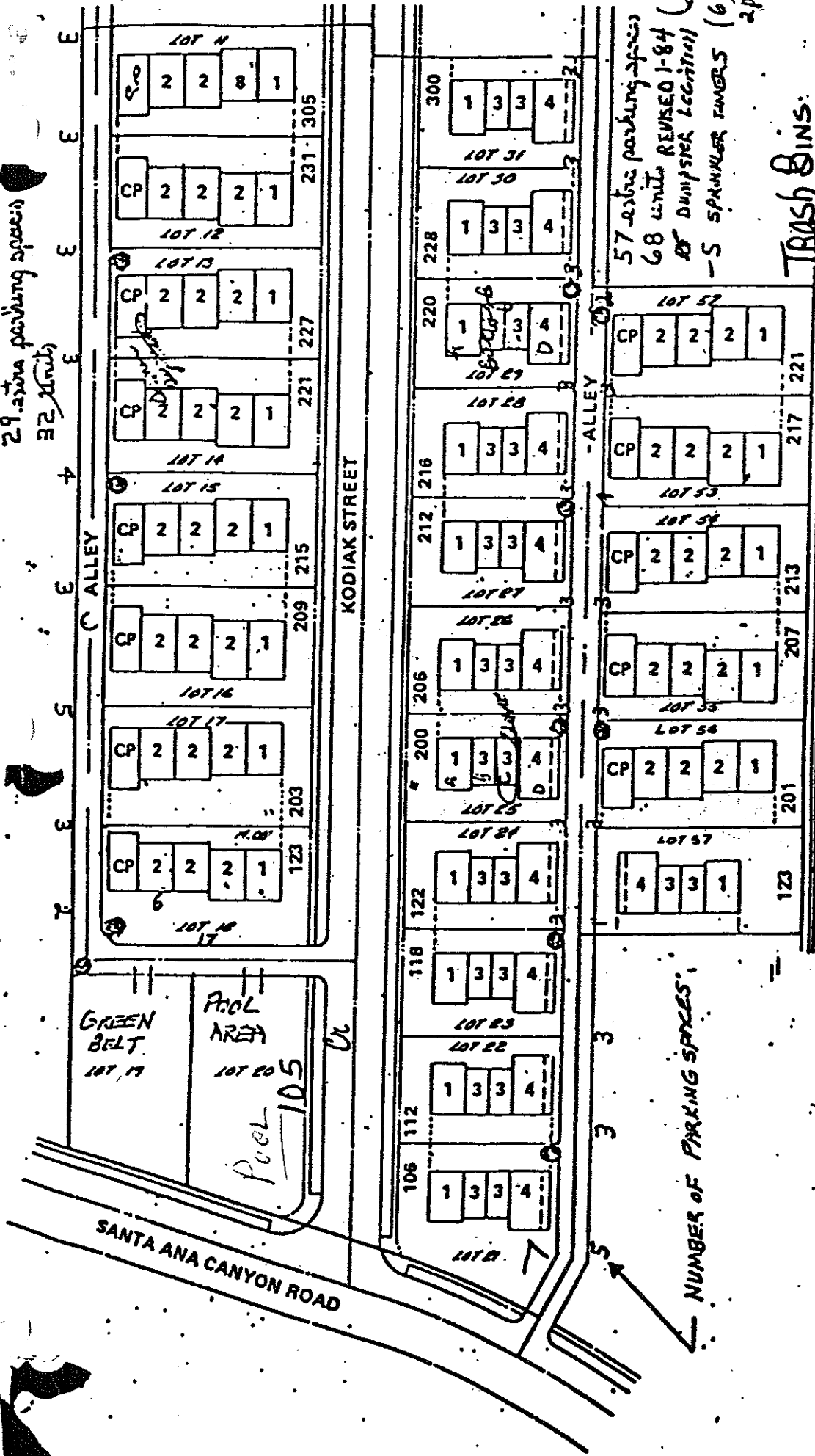
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.

On December 10 1971, 1971, before me, the undersigned, a Notary Public in and for said County, personally appeared Harvey Lifshitz, known to me to be the ASST SECRETARY, and F. Y. HSSKIN, known to me to be the ASST. SECRETARY, of 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.

[Signature] OFFICIAL SEAL 24

29 extra parking spaces
32 units



Trash Bins:
ALL MUST BE ON
CONCRETE
PADS

100 Units

Casa Cañon

123 N. Tustin Ave., Anaheim, Calif. 92706 (714) 928-1821

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