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Final Draft

3984

RECORDING REQUESTED BY AND MAIL TO
NAME PONDOSA HOMES
STREET 2021 RIVERBEND CTR. DR.
IRVINE, CA 92669

RECORDED IN OFFICIAL RECORD OF LOS ANGELES COUNTY, CA	
1 MIN. PAST	4 P.M. MAR 28 1974
Recorder's Office	

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS

FEE \$ 29.00

THIS DECLARATION is made on the date hereinafter set forth by KAISER
AETNA, a partnership.

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property located in the
State of California, which is more particularly described in Exhibit "A".

NOW, THEREFORE, Declarant hereby declares that all of the properties
described in Exhibit "A" 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.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean the California nonprofit corpora-
tion described in Exhibit "B".

Section 2. "Board" or "Board of Directors" shall mean the Board of
Directors of the Association duly elected and acting pursuant to its Articles
of Incorporation and Bylaws.

Section 3. "Owner" shall mean 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 (hereafter defined), including contract sellers, but excluding those
having such interest merely as security for the performance of an obligation.

Section 4. "Properties" shall mean the real property hereinbefore
described, and such additions thereto as may hereafter be brought within the
jurisdiction of the Association.

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Section 5. "Common Area" shall mean all real property owned from time to time by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association, free and clear of all encumbrances and liens other than those approved by the California Department of Real Estate at the time of the conveyance of the first Lot, is described in Exhibit "C".

Section 6. "Lot" shall mean any designated (by number) plot of land shown upon any recorded Tract Map of the properties together with any other designated plot of land shown on said Tract Map appurtenant thereto and inseparable therefrom, if any, with the exception of the Common Area.

Section 7. "Declarant" shall mean Kaiser Actna, a partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from Declarant for the purpose of development.

Section 8. "Member" shall mean every person or entity who hold membership in the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which 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 of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid and, in addition, after a hearing before the Board of Directors held not less than forty-eight (48) hours nor more than fifteen (15) days after written notice thereof to said Owner, for a period not to exceed thirty (30) days for any infraction of the Association's published rules and regulations; and

(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; provided, however, no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3rds) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Any owner may delegate, in accordance with the Bylaws, his right of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Lot which is subject to assessment shall be a member of the Association; provided, however, that no person shall be entitled to receive or own more than one (1) membership for each Lot owned by such person. 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 Owners with the exception of Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) 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 Declarant who 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 any 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) Two (2) years from the date of the issuance of the most recent

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California Department of Real Estate Final Public Report for a phase of the overall development, or

(c) On June 30, 1979.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. 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, (2) special assessments for capital improvements and (3) individual special assessments levied against individual lot owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner not caused by ordinary wear and tear, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's 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 attorney's 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 of the Lots and for the improvement and maintenance of the Common Area, and of the homes situated upon the Lots.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot with a completed home thereon, the maximum monthly assessment shall be Thirty-Nine Dollars (\$39.00) per Lot.

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(a) From and after January 1 of the year immediately following the conveyance of the first Lot with a completed home thereon, the maximum annual assessment may be increased each year not more than three per cent (3%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot with a completed home thereon, the maximum annual assessment may be increased above three per cent (3%) by a vote of fifty-one per cent (51%) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, 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 shall have the vote or written assent of fifty-one per cent (51%) of each class of members (except that, if at the time of such proposed special assessment there is only one (1) class of members, such proposed special assessment must have the vote or written assent of fifty-one per cent (51%) of the members exclusive of Declarant).

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 percentage thereof, 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.

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Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein for each phase of development within the project shall commence as to all Lots within each such phase of development on the first day of the month following the date on which the first deed to a Lot in such phase of development is recorded in favor of a bona fide purchaser. Annual assessments shall be adjusted appropriately 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, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. For purposes hereof, each "phase of development" of the properties is defined in Exhibit "D", attached hereto and by this reference incorporated herein.

Section 8. Effect of Nonpayment of Assessments. Remedies of the Association. Regular assessments and special assessments shall be separate, distinct and personal debts and obligations of the Owner or Owners of the Lots against which the sums are assessed. In the event of a default or defaults in payment of any such assessment or assessments, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation as follows:

(a) By suit or suits at law to collect each such assessment obligation. Said action shall be brought in the name of the Association and the Association shall be deemed to be acting on behalf of all the Owners. Any judgment or award rendered in any such action against any such Owner may include reasonable attorney's fees to be fixed by the Court, interest at six per cent (6%) per annum, and collection costs. Upon satisfaction of any such judgment, any authorized officer of the Association shall, on behalf of the Association, execute and deliver to the judgment debtor an appropriate satisfaction thereof.

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(b) At any time within ninety (90) days after the occurrence of any such default, the Association may give notice to the defaulting Owner, which said notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within ten (10) days after delivery of such notice, the Association may file a claim under the lien provided for in this Article, Section 1, above, against the Lot of such delinquent Owner. Such claim shall state (1) the name of the delinquent Owner, (2) a description of the Lot against which claim of lien is made, (3) the amount claimed (which may, at Association's option, include interest at six per cent (6%) per annum from the due date of the unpaid delinquency plus reasonable attorney's fees and collection costs) to be due and owing, (4) that the lien is asserted by the Association pursuant to the terms of this Declaration (giving the date of execution and the date, book and page references of the recording hereof in the office of the Recorder of the County of Los Angeles, and (5) that a lien is claimed against the described Lot in an amount equal to the amount of the stated delinquency. Any such claim shall be signed and acknowledged by any two (2) or more members of the Board of Directors and shall be dated as of the date of the execution of the last such Board member to execute said claim. The lien may be foreclosed by appropriate action in court or in the manner provided by law for the foreclosure of a mortgage under power of sale in accordance with California Civil Code Sections 2924, 2924b and 2924c. In the event such foreclosure is by action in court, reasonable attorney's fees shall be allowed to the extent permitted by law. In the event the foreclosure is as in the case of a mortgage under power of sale, any person designated by the Association in writing, shall be deemed to be acting as the agent of the lienor and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. The certificate of sale shall be executed and acknowledged by any two (2) members of the Board of Directors or by the person conducting the sale. A deed upon foreclosure shall be executed in

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like manner. The Association, on behalf of the Owners, shall have the power to bid in the Lot at the foreclosure sale and thereafter to sell, lease, hold and mortgage same. No Owner may waive or otherwise be relieved of liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The failure by the Association to meet any time limits set forth in this Subsection (b) of Section 8 of ARTICLE IV shall in no way impair any of its lien rights securing Association assessments or any of its other rights.

Section 9. Mortgage Protection.

(a) The lien created hereunder upon the Lots shall be subject and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by, any recorded first mortgage or deed of trust (meaning a mortgage or deed of trust with first priority over other mortgages or deeds of trust upon such interest made in good faith and for value); provided, however, that after the foreclosure of any such mortgage or deed of trust, the lien hereof shall attach to the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser of an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein;

(b) No amendment to this paragraph shall affect the rights of the holder of any such mortgage or deed of trust recorded prior to recordation of such amendment who does not join in the execution thereof;

(c) By subordination agreement executed by a majority of the Board and by holders of all first mortgages of records against the Lots, the benefits of (a) and (b) above may be extended to mortgages or deeds of trust not otherwise entitled thereto; and

(d) Upon request of any Owner, the Association will furnish, for a reasonable fee, not to exceed Fifteen Dollars (\$15.00), for the benefit of any prospective purchaser or present or prospective encumbrances of such parcel, a statement showing all amounts then due which are secured by such lien, which statement shall be conclusive as to any such purchaser or encumbrancer relying thereon in good faith.

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ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure or landscaping shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein or change in the exterior appearance thereof or change in landscaping be made until the plans and specifications showing the nature, kind, shape, height, materials, color 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, or by an architectural committee composed of three (3) or more representatives appointed by the Board of Directors. In the event said Board of Directors, 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; provided, under all circumstances, any addition, change or alteration or work as described above shall be approved by the Department of Environmental Affairs of the City of Cerritos prior to construction and a building permit therefore shall be obtained.

ARTICLE VI

AUTHORITY OF ASSOCIATION

Section 1. Specific Authority. The Association, for the benefit of the Lots and the Owners, shall acquire, provide and pay for out of the maintenance fund hereinabove provided for:

- (a) Water, gas, electricity, refuse collection, other necessary utility services, maintenance and replacement of landscaping, and painting and repair of the Common Area and such furnishings and equipment for the Common Area as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same; provided, however, that the Association shall be responsible for maintaining the Common Areas at all times at a level of maintenance

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not less than that necessary for full compliance with the City of Cerritos Precise Plan 73-3, the Conditions of Approval attached thereto, and the approved landscape plan submitted pursuant to Paragraph 9 of the Conditions of Approval; provided further, that the Association shall have the duty of contracting for the performance of such maintenance services with independent contractors regularly engaged in, or where applicable, licensed in the business of providing such services.

(b) Refuse collection for the Lots (if the Association elects to contract for such service);

(c) Exterior maintenance of the improvements constructed upon each Lot which is subject to assessment hereunder, as follows: paint, repair and replace and care for roofs, gutters, downspouts and exterior building surfaces, and garden and otherwise maintain all front and side yards; provided, however, such maintenance shall not include glass surfaces and shall not include maintenance of any patio areas.

(d) A policy or policies of fire insurance, with extended coverage endorsement, for the full insurable replacement value of the Common Area, or such other fire and casualty insurance as the Association shall determine which gives substantially equal or greater protection;

(e) A policy or policies insuring the Association, its agents, guests and invitees and the Owners against liability to the public or to the Owners their guests and invitees incident to the ownership or use of the Common Area, in an amount not less than One Hundred Thousand Dollars (\$100,000) for any one person injured, Three Hundred Thousand Dollars (\$300,000) for any one accident, and Fifty Thousand Dollars (\$50,000) for property damage for each occurrence (such limits and coverage to be reviewed at intervals of not less than three (3) years and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent);

(f) Workmen's Compensation insurance to the extent necessary to comply with any applicable law; and

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(g) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes (including taxes assessed on the Common Area) or assessments which, in the opinion of the Board of Directors, shall be necessary, required or proper for the enforcement of the provisions hereof.

Section 2. Association Powers, Exclusive. Except as provided otherwise above, the Association shall have the exclusive right and obligation to contract for all goods, services and insurance, payment for which is to be made from Association funds. The Association and its designated agents shall have the right of ingress and egress in and to the Lots and Common Area for the purposes set forth in this Article VI.

Section 3. Willful or Negligent Upkeep by Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which his Lot is subject.

ARTICLE VII

USE RESTRICTIONS

The Lots and Common Area shall be occupied and used as follows:

Section 1. Land Use. No Lot in the Properties shall be used except for residential purposes, excluding, however, carports or garages or parking areas constructed thereon by Declarant or as thereafter approved by the Board of Directors. No building shall be erected, altered, placed, or permitted to remain, on any Lot other than a row or townhouse used as a single family dwelling, not to exceed two (2) stories in height.

Section 2. Clothes Lines and Storage. No clothes lines shall be placed on any Lot in a location visible from adjoining properties and streets. No lumber, metals, machinery, equipment or bulk materials shall be kept, stored, or allowed to accumulate on any Lot or the Common Area except building or other materials to be used in connection with the work of construction, alteration or improvement approved in accordance with the terms hereof.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot or the Common Area, except that dogs, cats or other household pets may be kept on Lots, provided they are not kept, bred or maintained for any commercial purpose, or in unreasonable numbers. Notwithstanding the foregoing, no animal or fowl may be kept on said lands which results in an annoyance or is obnoxious to residents within, or in the vicinity of, the Properties, and, in any event, any Lot Owner shall be absolutely liable to each and all remaining owners, their families, guests and invitees and to the Association, for any and all damage to persons or property caused by any pets brought upon or kept upon any Lot or the Common Area by an Owner or by members of his family, guests or invitees.

Section 4. Mining and Drilling Operations. No drilling, mineral or hydrocarbon development operations, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or the Common Area, nor shall wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot or the Common Area. No derrick or other structure designed for use in boring for oil, natural gas, hydrocarbons or minerals shall be erected, maintained or permitted on any Lot or the Common Area.

Section 5. Commercial Activities Prohibited. The Lots and Common Area shall not be used for or in connection with the conduct of any trade, business, professional or commercial activity of any kind or nature whatsoever except as expressly hereinafter provided. No building upon any Lot or upon the Common Area shall be used in the conduct of any real estate business, as an office or otherwise, except that Declarant, or its designees, may maintain thereon model homes and real estate offices for the purpose of selling any Lot or Lots (improved or unimproved) subject hereto or other real property owned by Declarant or persons designated by Declarant and contiguous to the property subject hereto; provided, however, that the rights of Declarant to conduct such commercial activity shall expire five (5) years from and after the date hereof.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any Lot or the Common Area, nor shall anything be done or kept thereon which may be or become an annoyance or nuisance to the Owners or occupants of any one or more neighboring Lots or of the Common Area.

Section 7. Signs. No sign or other advertising device of any nature whatsoever shall be placed or maintained upon any Lot or the Common Area except neatly painted "For Sale," "For Rent" or "Open for Inspection" signs not larger than is reasonable and customary in the area and in compliance with any City of Cerritos Ordinance then in existence regulating signs. Notwithstanding the foregoing, Declarant, or its designees, may erect and maintain upon any Lot or Lots owned by Declarant or upon the Common Area such signs and other advertising devices as it may deem necessary in connection with the conduct of operations for the development, subdivision and sale of the properties or other real property owned by Declarant or its designees and contiguous to the property subject hereto; provided, however, that Declarant's rights to conduct such advertising activity shall expire five (5) years from and after the date hereof; provided further, that such signs shall only be as authorized by the provisions of the Cerritos Municipal Code.

Section 8. Temporary Residences. Except in connection with Section 5 above, no temporary residence structure or shelter of any kind shall be maintained on any Lot, nor shall any Lot be used for temporary residence purposes; provided, however, Declarant may erect and maintain temporary buildings used only for construction and administration purposes incidental to the original subdivision of any portion of the Properties and the initial construction of improvements and dwellings thereon, which temporary buildings may be erected and maintained thereon while such work of improvement and construction is carried on upon any portion of the Properties. All temporary buildings permitted hereunder shall be promptly removed upon the completion of the original sale of Lots or houses upon the whole of the Properties.

Section 9. Automobiles, Boats and Trailers. Except as expressly hereinafter provided, no Lot shall be used as a parking, storing, display or accommodation area for any type of motor vehicle, boat, trailer, camper or motor driven cycle, the purpose of which parking, storage, display or accommodation area is to perform any activity thereon respecting maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind. Such activities may be performed within completely enclosed garages or other structures located

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on the designated Lot which screens the sight and sound of the activity from the street and from adjoining property. The foregoing shall not prohibit the washing and polishing of any private automobile or motor driven cycle, together with those activities normally incident and necessary to such washing and polishing in alleys, provided that such vehicle is not left unattended. Campers, trucks, boats and trailers shall be washed and polished, together with those activities normally incidental and necessary to such activity, in the designated screened Lot specified for storage of these vehicles. No boat, trailer, camper, truck or commercial vehicle shall be parked at any time on or in front of any Lot in an area visible from neighboring Lots, the Common Area or any public street or easement, except for temporary parking of commercial vehicles when making deliveries. No automobile or motor driven cycle shall be left unattended in alleys at any time except where parking is authorized. The City of Cerritos Police Department shall cite any such automobile or motor driven cycle left unattended in any alley or other non-parking space.

Section 10. Rooftop Appliances. No radio or television antenna or air conditioning units or other appliances shall be permitted on the roofs of the structures except those constructed by Declarant in the development of the Properties in compliance with the approvals granted by the City of Cerritos.

Section 11. Refuse Containment. Trash shall be confined and contained in the provided refuse enclosures. No trash containers shall be visible upon any Lot or the Common Area from any alley, street, Lot or Common Area. Extra trash containers may be stored within the garage structure located on each Lot.

Section 12. Compliance with Laws. Each Owner shall promptly comply with all laws, statutes, ordinances, rules and regulations of Federal, State or municipal governments or authorities applicable to use and occupancy of, and construction and maintenance of improvements upon, the Lots and any additions thereto.

Section 13. Rules for Use of Common Area. There shall be no violation of rules for the use of the Common Area adopted by the Association and furnished in writing to the Owner, and the Association is authorized to adopt such rules, subject to the rights of the Owners pursuant to the terms hereof. Upon a violation of any of such rules by any Owner, the Association shall give the Owner

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written notice by registered or certified mail to correct said violation and if the Owner fails to correct same within fifteen (15) days after the date the notice is mailed, the Association may apply to any court for performance of this Declaration, or for an injunction or for any other appropriate relief, including damages.

Section 14. Air Conditioning Units. The installation or construction of air conditioning units shall not be permitted on the roof or in doors or windows of any structure. No air conditioning unit shall be installed on any Lot until the Owner thereof has received approval from the Board of Directors or an Architectural Committee pursuant to Article V of this Declaration, the Department of Environmental Affairs of the City of Cerritos has granted its approval of such installation or construction and the Owner has obtained a building permit from the City of Cerritos. Such air conditioning unit shall be mounted on a cement slab located in the rear yard of the Lot or in the atrium, shall be screened to eliminate noise and/or visibility, shall be electrical and have two (2) speed control, shall have an A.R.I. sound rating number not in excess of eighteen (18), the unit shall have a top fan discharge, a plot plan shall be submitted to the Department of Environmental Affairs prior to the issuance of a building permit, and all the guidelines and requirements of the Environmental Performance Standards shall apply to this Section. The foregoing criteria are minimum and may be increased by the Board of Directors or the Department of Environmental Affairs of the City of Cerritos.

ARTICLE VIII

EASEMENTS

Section 1. Common Area. The Common Area shall be owned by the Association in the fee simple for the use, enjoyment and convenience of each Lot owned. Said Common Area shall contain the community areas, walkways, green belts, recreational areas (including a swimming pool and recreational building) and all other areas which are not a part of a Lot. The individual grant deeds to any Lot shall also grant appurtenant easements to be used in common with others over the Common Area to be used for all of the uses hereinabove set forth and for ingress and egress, public utilities and sewers and for purposes

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incidental thereto, by and for the benefit of the Owners of the Lots and for their families, guests and invitees.

Section 2. Lots. Each Lot within the Properties is hereby declared to have an appurtenant easement over all adjoining Lots and parcels for the purpose of accommodating any encroachment due to or resulting from the settlement or shifting of structures, construction, reconstruction, repair and maintenance of overhanging portions of structures, or any other cause. There shall be valid appurtenant easements for the maintenance of said encroachments, and the rights and obligations of Owners shall not be altered in any way by the existence thereof. In connection with the construction, reconstruction, repair and maintenance of overhanging portions of structures encroaching upon adjoining Lots and parcels, each Owner, by acceptance of delivery of the deed to his respective Lot, does hereby acknowledge that Declarant intends, as part of the original construction of improvements upon certain of the Lots within the Properties, that such encroachments shall exist. Notwithstanding the foregoing, except as to the original construction of improvements by Declarant (which shall include overhanging portions of structures encroaching upon adjoining Lots and parcels) and the reconstruction, repair and maintenance thereof in accordance with the plans respecting such original construction, in no event shall a valid easement for encroachment be created in favor of any Lot or Owner if such encroachment occurred due to the willful conduct of such Owner. In addition to the foregoing, 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 and parcels shall be permitted and there shall be valid appurtenant easements for the maintenance of said encroachments so long as they exist.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of dwellings upon the Properties and placed on 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 of California regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners 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, 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 such use without prejudice, subject, however, to the right of any such Owners to call for a larger contribution from the others under any rule of 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 the 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 IX shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

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. 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 to the rights vested in the Association and the Owners, the provisions of Article VI, Section 1(a) herein may be enforced by the City of Cerritos for the benefit of the property described in Exhibit "A", which is attached hereto and incorporated herein by reference. All costs, including, but not limited to, attorney's fees incurred by the City of Cerritos in enforcing said provisions, shall be borne by the Association; and in the event that the Association becomes liable for such costs, said costs shall be assessed to the Owners and the provisions of Article IV, Section 3 and Article IV, Section 5 herein, shall be inapplicable. Failure of the City of Cerritos to enforce said provisions shall in no event be deemed a waiver of its right to do so thereafter.

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

Section 3. Amendment. This Declaration may be amended by an instrument signed by not less than seventy-five per cent (75%) of the Owners. Any amendment must be recorded, provided, however, that no such amendment that would materially change the rights, preferences or privileges of any person or restrictions upon any Lot affected thereby shall be submitted for approval to Owners without the prior consent of the California Real Estate Commissioner as set forth in California Business and Professions Code, Section 11018.7 (if such section is applicable; further provided, that no amendment which would authorize the Association to maintain the Common Areas at a lesser level of maintenance than that provided for in Article VI, Section 1(a) herein, or which would relieve the Owners of their obligations to pay adequate assessments to the Association for the cost and expense of such maintenance, or which would remove or impair the rights of the City of Cerritos under Section 1 of Article X, shall become effective without the prior written approval of the City of Cerritos, as evidenced by execution of such amendment by the Director or Environmental Affairs or such other official as may be authorized by the City Council. Notwithstanding the foregoing, as to annexation, the provisions of Section 4 of this Article X shall supersede the provisions of this Section 3.

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Section 4. Annexation.

(a) Annexation of additional residential Lots and Common Area property and subjecting it to the jurisdiction of the Association shall require the affirmative vote, at a Special Meeting duly called for this purpose, of two-thirds (2/3rds) of the entire Class A membership and two-thirds (2/3rds) of the entire Class B membership.

(b) Notwithstanding (a), last, if within three (3) years of the date of issuance of the most recent preliminary or final public report on any portion or phase of the project by the California Department of Real Estate, Declarant should develop additional lands within the real property described in Exhibit "E" attached hereto and made a part hereof, such additional lands may be annexed to said Properties and brought within the jurisdiction of the Association without the assent of the Class A members; provided, however, that the development of such additional lands shall be in accordance with a general development plan submitted to the City of Cerritos with the processing papers for the first phase of development of the Properties. If said City of Cerritos determines that any contemplated annexation is not in accordance with such general development plan on file with it and so advises the Association and Declarant, then annexation can only take place pursuant to (a) hereof.

(c) Annexation shall be accomplished by a duly recorded Declaration executed by Declarant alone if annexation is pursuant to (b) hereof, or by the owners of the annexed property and by two (2) or more members of the Board of Directors (as hereinafter set forth) if annexation is pursuant to (a) hereof. The Declaration of Annexation shall describe the property annexed and state that it is made pursuant to the terms hereof for the purpose of annexing the property so described to the Properties and extending the jurisdiction of the Association to cover the same. If the annexation occurs after a meeting of the members pursuant to (a) hereof, it shall so state, including a statement of the time and place of the meeting, the date of notice, the number of members present, the number of members who voted in favor of the annexation, and the Declaration of Annexation shall be executed, verified and acknowledged by two (2) or more members of the Board of Directors. Any Declaration of Annexation recorded in

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accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after annexation, the property annexed shall be subject to the provisions of this Declaration and the jurisdiction of the Association pursuant to the terms hereof, and its Articles of Incorporation and Bylaws, except that assessments shall commence as provided in Section 7 of Article IV hereof.

Section 5. Easement Reservations and Grants. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a conveyance of any Lot.

Section 6. Destruction or Damage to Common Area. In the event of destruction or damage to the Common Area, any proceeds of insurance payable to the Association shall be utilized by it to contract for the repair and reconstruction of such destroyed or damaged portions of the Common Area substantially as they existed prior to such destruction or damage.

Section 7. Non-Use of Common Area or Abandonment of Lot. No Owner may waive or otherwise be relieved of liability for the assessments hereinabove provided by non-use of the Common Area or abandonment of his Lot.

Section 8. Exhibits. All exhibits referred to herein are attached hereto and shall be deemed incorporated herein by reference.

Section 9. Term. This declaration shall run with and bind the land and shall continue in full force and effect for a term of fifty (50) years from the date of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years unless within six (6) months prior to expiration of the initial term or any ten (10) year renewal period a written agreement executed by Lot Owners owning in the aggregate seventy-five per cent. (75%) of all Lots within the Properties shall be recorded in the Office of the County Recorder of the County of Los Angeles, by the terms of which agreement the effectiveness of this Declaration is terminated.

KAISER AETNA, a Partnership

By: 

C. D. Soliz
Its Duly Authorized Agent

Dated: March 28, 1974

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STATE OF California)
COUNTY OF Orange)

) SS.
)

On March 28, 1974
and for said State, personally appeared

, before me, the undersigned, a Notary Public in

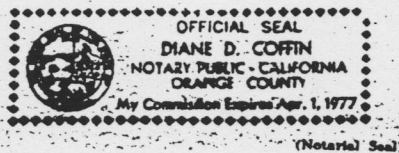
C.D. Sollazzo

known to me to be the duly authorized agent of all of the partners of the partnership that executed the within instrument, and acknowledged to me that he executed the same for and on behalf of said partnership and that such partnership executed the same.

WITNESS my hand and official seal.

Signature *Diane D. Coffin*

Diane D. Coffin



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EXHIBIT "A"

Lots 1 to 48 inclusive, and Lot A of Ponderosa Homes as per Map No. 30145 recorded on September 20, 1973 in the Office of the County Recorder of Los Angeles County, California.

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EXHIBIT "B"

Sundance Homeowner's Association, a California non-profit corporation.

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EXHIBIT "D"

		Common Area
Phase I	Lots 1 to 48, inclusive, of Ponderosa Homes as per Map No. 30145	Lot A
Phase II	Lots 135 to 190, inclusive, of Ponderosa Homes as per Map No. 30145	Lot B
Phase III	Lots 77 to 134, inclusive, of Ponderosa Homes as per Map No. 30145	Lot C
Phase IV	Lots 49 to 76, inclusive, of Ponderosa Homes as per Map No. 30145	Lot D

All streets contained in Lot H

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EXHIBIT "C"

Lot A and that portion of Lot H described below as per Map No. 30145 recorded on September 20, 1973, in the Office of the County Recorder of Los Angeles, California.

BEGINNING AT THE CENTERLINE INTERSECTION OF BLOOMFIELD AVENUE AND 166th STREET, AS SHOWN ON A MAP OF TRACT NO. 30145 RECORDED IN BOOK 833, PAGES, 80-84 OF OFFICIAL RECORDS, COUNTY OF LOS ANGELES, CALIFORNIA; THENCE NORTH $00^{\circ}54'53''$ WEST 67.80 FEET ALONG THE CENTERLINE OF BLOOMFIELD AVENUE; THENCE SOUTH $89^{\circ}05'07''$ WEST 50.00 FEET TO A POINT ON THE EASTERLY BOUNDARY OF LOT "A". . . THE TRUE POINT OF BEGINNING; THENCE NORTH $00^{\circ}54'53''$ WEST 126.23 FEET ALONG SAID EASTERLY BOUNDARY TO THE NORTHEAST CORNER OF LOT "A"; THENCE SOUTH $89^{\circ}40'28''$ WEST 143.76 FEET ALONG THE NORTHERLY BOUNDARY OF LOT "A" TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 15.00 FEET; THENCE NORTHWESTERLY 28.05 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $107^{\circ}08'18''$ TO A POINT ON THE EASTERLY BOUNDARY OF MEADOWBROOK LAND; THENCE NORTH $16^{\circ}48'46''$ EAST 9.26 FEET ALONG SAID EASTERLY BOUNDARY; THENCE NORTH $73^{\circ}11'14''$ WEST 26.00 FEET TO A POINT ON THE WESTERLY BOUNDARY OF MEADOWBROOK LAND; THENCE SOUTH $16^{\circ}48'46''$ WEST 20.25 FEET ALONG SAID WESTERLY BOUNDARY TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 15.00 FEET; THENCE SOUTHWESTERLY 19.08 FEET THROUGH A CENTRAL ANGLE OF $72^{\circ}51'42''$ TO A POINT ON THE NORTHERLY BOUNDARY OF PINEGROVE LAND; THENCE SOUTH $89^{\circ}40'28''$ WEST 94.70 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 25.00 FEET; THENCE NORTHWESTERLY 22.12 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $50^{\circ}42'13''$ TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 35.00 FEET; THENCE WESTERLY 61.95 FEET THROUGH A CENTRAL ANGLE OF $101^{\circ}24'26''$ TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHWESTERLY 22.12 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $50^{\circ}42'13''$; THENCE SOUTH $89^{\circ}40'28''$ WEST 131.07 FEET ALONG THE NORTHERLY BOUNDARY OF PINEGROVE LAND TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 687.00 FEET; THENCE NORTHWESTERLY 116.26 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $09^{\circ}41'47''$ TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 713.00 FEET; THENCE NORTHWESTERLY 49.24 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $03^{\circ}57'26''$ TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 15.00 FEET; THENCE NORTHWESTERLY 22.06 FEET THROUGH A CENTRAL ANGLE OF $84^{\circ}15'39''$ TO A POINT ON THE EASTERLY BOUNDARY OF MIDFIELD LANE; THENCE NORTH $00^{\circ}19'32''$ WEST 142.81 FEET ALONG SAID EASTERLY BOUNDARY TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 15.00 FEET; THENCE NORTHEASTERLY 23.56 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ}59'54''$ TO A POINT ON THE SOUTHERLY BOUNDARY OF MIDFIELD LAND; THENCE NORTH $89^{\circ}40'22''$ EAST 15.30 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 15.00 FEET; THENCE SOUTHEASTERLY 19.86 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $75^{\circ}51'03''$ TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 30.00 FEET; THENCE EASTERLY 86.84 FEET ALONG

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SAID CURVE THROUGH A CENTRAL ANGLE 165°51'03" TO A POINT ON THE
EASTERLY BOUNDARY OF MIDFIELD LANE; THENCE NORTH 00°19'38" WEST
30.00 FEET ALONG SAID EASTERLY BOUNDARY TO THE NORTHEAST CORNER
OF MIDFIELD LANE; THENCE SOUTH 89°40'22" WEST 186.00 FEET ALONG
THE NORTHERLY BOUNDARY OF MIDFIELD LANE TO A POINT ON THE EASTERLY
BOUNDARY OF LOT 112; THENCE SOUTH 00°19'38" EAST 16.50 FEET ALONG
SAID EASTERLY BOUNDARY TO THE SOUTHEAST CORNER OF LOT 112; THENCE
SOUTH 89°40'22" WEST 88.50 FEET ALONG THE SOUTHERLY BOUNDARY OF
SAID LOT TO THE SOUTHWEST CORNER OF SAID LOT; THENCE SOUTH 60°00'00"
WEST 23.09 FEET TO A POINT ON THE NORTHEASTERLY BOUNDARY OF LOT 63;
THENCE SOUTH 30°00'00" EAST 13.50 FEET TO THE SOUTHEAST CORNER OF
LOT 63; THENCE SOUTH 60°00'00" WEST 88.50 FEET ALONG THE SOUTHERLY
BOUNDARY OF LOT 63 TO THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH
30°00'00" WEST 38.05 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF
LOT "D"; THENCE SOUTH 88°56'12" WEST 107.74 FEET ALONG THE SOUTHERLY
BOUNDARY OF LOT "D" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE
SOUTHWESTERLY HAVING A RADIUS OF 35.00 FEET; A RADIAL LINE TO SAID
BEGINNING BEARS NORTH 88°56'12" EAST; THENCE NORTHWESTERLY 55.65 FEET
ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 91°05'59" TO THE BEGINNING
OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 25.00 FEET;
THENCE NORTHWESTERLY 43.52 FEET ALONG SAID CURVE THROUGH A CENTRAL
ANGLE OF 99°44'56" TO A POINT ON THE EASTERLY BOUNDARY OF GREENLAKE
LANE; THENCE NORTH 82°24'51" WEST 26.00 FEET TO A POINT ON THE
WESTERLY BOUNDARY OF GREENLAKE LANE; THENCE SOUTH 07°35'09" WEST
18.63 FEET ALONG SAID WESTERLY BOUNDARY TO THE BEGINNING OF A TANGENT
CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.00 FEET; THENCE
SOUTHWESTERLY 35.50 FEET ALONG SAID CURVE TO A POINT ON THE NORTHERLY
BOUNDARY OF LITTLERIVER LANE; THENCE SOUTH 88°56'12" WEST 24.93 FEET
ALONG SAID NORTHERLY BOUNDARY TO THE BEGINNING OF A TANGENT CURVE
CONCAVE NORTHERLY HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY ALONG
SAID CURVE 25.68 FEET THROUGH A CENTRAL ANGLE OF 58°51'50" TO THE
BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF
180.00 FEET; A RADIAL LINE THROUGH SAID POINT OF BEGINNING BEARS NORTH
57°48'02" EAST; THENCE SOUTHEASTERLY 97.82 FEET ALONG SAID CURVE THROUGH
A CENTRAL ANGLE OF 31°08'10" TO A POINT ON THE WESTERLY BOUNDARY OF
LOT "A"; THENCE SOUTH 01°03'48" EAST 241.50 FEET ALONG SAID WESTERLY
BOUNDARY TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY
HAVING A RADIUS OF 27.00 FEET; THENCE SOUTHEASTERLY 42.06 FEET ALONG
SAID CURVE THROUGH A CENTRAL ANGLE OF 89°15'14" TO A POINT ON THE
SOUTHERLY BOUNDARY OF LOT "A"; THENCE NORTH 89°40'28" EAST 1162.55 FEET
ALONG SAID SOUTHERLY BOUNDARY TO THE BEGINNING OF A TANGENT CURVE CONCAVE
NORTHWESTERLY HAVING A RADIUS OF 27.00 FEET; THENCE NORTHEASTERLY 42.69
FEET THROUGH A CENTRAL ANGLE OF 90°35'21" TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM LETTERED LOT "A" AND LOTS 1 THROUGH 48 (INCLUSIVE).

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EXHIBIT "E"

As of Map No. 30145 of Ponderosa Homes Lots 49 to 190, inclusive, and Lots B, C, D and that portion of Lot H, not described in Exhibit "C" of this document; the Declaration of Covenants, Conditions and Restrictions.

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