

CROWN POINTE COMMUNITY ASSOCIATION

GOVERNING DOCUMENTS

COVENANTS, CONDITIONS & RESTRICTIONS (CC&Rs)

BYLAWS

ARTICLES OF INCORPORATION

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

This information is provided by the Association pursuant to the requirements of Government Code Section 12956.1(b) effective January 1, 2000. If you believe the governing documents contain discriminatory restrictive covenants, you may contact the County Recorder's office and/or the Association to request removal of such provision.

SEP 14 78

T. I. ACCOMM

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RECORDING REQUESTED BY:

78- 830390 78-1019258

LONG BEACH CONSTRUCTION CO.
P.O. Box 178
Cerritos, Calif., 90701

RECORDED IN THE OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA

JUL 31 1978 AT 8 A.M.

Recorder's Office

DECLARATION OF ANNEXATION

CROWN POINTE

FEE \$6 -

THIS DECLARATION is made by Long Beach Construction Company, Inc., hereinafter referred to as "Declarant," as Developer of the real estate project described herein, known as Crown Pointe.

WHEREAS, Declarant is the owner of that certain real property located in the City of Long Beach, County of Los Angeles, State of California, described as Lots 1 through 6, inclusive, of Tract 32469 as per map recorded in Book 898, Pages 748, inclusive, of Maps in the Office of the County Recorder of said county (the "Phase III Property"); and

WHEREAS, on August 1, 1975, Declarant caused to be recorded a certain Declaration of Restrictions for Crown Pointe (the Declaration of Restrictions" herein), as Document No. 885, of Official Records of Los Angeles County; and

WHEREAS, on March 2, 1976, Declarant caused to be recorded an Amendment of Declaration of Restrictions for Crown Pointe (the Amendment") as Document No. 2502 of Official Records of Los Angeles County; and

WHEREAS, Declaration of Annexation Crown Pointe (Phase II) was recorded as Instrument No. 78-332540; and

WHEREAS, the Declaration of Restrictions as amended by the Amendment establishes a general plan of covenants, conditions, restrictions and obligations for all property which may, from time to time, be subject thereto; and

WHEREAS, the initial propety subject to the Declaration of Restrictions consisted of Lots 1 through 28, 73 through 78, 80 through 83, and 85 through 88, owned by Declarant, together with Lots 79 and 84, not then owned by Declarant (the "Phase I" Property); and annexed Lots 29 through 50, 52, 51 and 55 through 72 (the "Phase II" Property); and

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DECLARATION OF RESTRICTIONS

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This Declaration of Restrictions supersedes all prior Declarations including those Declarations recorded March 25, 1974, in the Official Records of Los Angeles County, Document 1958, Book M 4641, Pages 604-627.

The real property subject to this Declaration is described as:

Lots 1 through 28, 73 through 79, and 80 through 88, inclusive, of Tract 29115 as per map recorded in Book 834, pages 47, 88 and 89 of Maps in the Office of the County Recorder of said County together with any property annexed thereto as hereinafter provided in this Declaration.

RECORDED IN OFFICIAL RECORDS OF LOS ANGELES COUNTY, CA
AUG 1 1975 AT 8 A.M.
Recorder's Office

RECITALS

WHEREAS, Declarant Long Beach Construction Co., a California corporation, is the Owner of real property in the City of Long Beach, County of Los Angeles, State of California (hereinafter referred to as "Declarant"), described as:

Lots 1 through 28, 73 through 78, 80 through 83, and 85 through 88, inclusive, of said Tract No. 29115; and

WHEREAS, Declarant is the Lessee of Lots 29 through 50, and 53, and 55 through 72, inclusive, of Tract No. 29115; and

WHEREAS, Declarant has proceeded with the development of Lots 1 through 28, 73 through 78, 80 through 83, and 85 through 88, together with existing approved Lots 79 and 84, not owned by Declarant, comprise "Phase I" of the development; and

WHEREAS, hereinafter Declarant may elect, but is not required to so elect, to proceed with the development of Lots 29 through 50, 52 and 53, and 55 through 72 which, together with existing improved Lots 51 and 54, not owned by Declarant, comprise "Phase II" of the development and, upon annexation as hereinafter provided, will be subject to this Declaration; and

WHEREAS, Declarant will hereinafter cause an Association, the members of which shall be the respective Owners of Lots in the Property, to be incorporated under the laws of the State of California, as a non-profit corporation, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, Declarant hereby declares that all of the Phase I property described above, together with any parcels annexed thereto shall be held, sold, leased and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property above described. These easements, covenants, restrictions and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties, or any part thereof, and shall inure to the benefit of each Owner thereof, and are imposed upon said land and every part thereof as a servitude in favor of each and every parcel thereof as the dominant tenement or tenements, all as provided for herein.

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BEST PHOTOGRAPHIC REPRODUCTION OBTAINABLE DUE TO AGE AND CONDITION OF ORIGINAL RECORD

Restrictions herein, if any based upon race, color, religion or national origin are deleted

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1. DEFINITIONS.

As used herein or elsewhere in any documents affecting the Property, unless otherwise provided or unless the context requires otherwise, the following terms shall be defined as in this Article provided.

1.1. Property - Real Property.

The terms "Property" and "Real Property" as used herein are used interchangeably and shall be construed to mean all of the property included within Lots 1 through 88, inclusive, together with any other property annexed as hereinafter provided.

1.2. Phase I and Phase II.

The term "Phase I" shall refer to Lot numbers 1 through 28, 73 through 78, 80 through 83, and 85 through 88, inclusive, of Tract Number 29315, together with Lots 79 and 84 of said Tract which are not owned by Declarant.

The term "Phase II" shall refer to Lot numbers 29 through 50, 52 and 53, and 55 through 72, inclusive, of Tract Number 29315, together with Lots 51 and 54 of said Tract which are not owned by Declarant.

1.3. Lot.

"Lot" shall refer to a single family residence upon a leasehold interest, or a fee in the event that the leasehold and fee are merged, in any numbered parcel of land defined above as Phase I or Phase II, or any annexed parcel, and any improvements thereon.

1.4. Owner.

"Owner" shall mean the person or persons including Declarant holding title to a leasehold estate, or the fee in the event that the leasehold and fee are merged, in a Lot and ownership of the improvements located thereon, or any parcel which may be annexed to the Project by and pursuant to Article 17 herein.

1.5. Annexation.

Annexation shall mean the acquisition by Declarant or the Association of any real property for the purpose of sale or lease of any numbered parcel of land depicted on Tract Map 29315 or any other Parcel or Parcels contiguous thereto for any of the purposes set forth in this Declaration.

1.6. Lessor.

"Lessor" shall mean the fee title holder to any leased real property included within this Declaration, his heirs, successors and assigns.

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1.7. Project.

The entire Real Property described herein including any annexation thereto divided into Lots, including all structures thereon, and the Common Areas and Association Areas within the Real Property.

1.8. Common Area.

"Common Area" shall mean the Association Area and all easements burdening portions of any Lots, or any other areas whether within or without the Property for private streets, alley, parkway areas, drainage, landscaping purposes, or recreational purposes, and as shown on recorded Tract Map 29315, as the same may from time to time be amended by recorded quitclaim deeds and recorded grants of easements, including that portion of Lots 51, 54, 79, 80, 81, 82, 83 and 84 of Tract 29315 shown on the recorded Maps of said Tract as being within an area shown and designated as private street. The Owners, and each of them, shall have the mutual, non-exclusive right to use and enjoy the whole of the Common Area as more particularly set forth in Article 2.18 hereof.

1.9. Association Area.

"Association Area" shall mean those Lots leased or owned directly by or to the Association, or other areas or facilities, whether within or without the Project, leased or owned directly by or to the Association. Such Areas shall include, without limitation, a leasehold interest in Lot 7 and southerly 10 feet of Lot 6 of Tract No. 12286 in the City of Long Beach, as per map recorded in Book 238, Pages 23 and 24 of Maps in the Office of the County Recorder of Los Angeles County and that easement for highway purposes referred to in Book 23430, page 263, Official Records, in the office of the County Recorder of Los Angeles County.

1.10. Residence.

"Residence" shall mean the single family portion of any structure or structures located upon any Lot for residential and accessory uses.

1.11. Common Assessment.

That portion of the cost of maintaining, or improving, repairing and managing the Project either Phase I or Phase II or both and all other common expenses, which is to be paid by each Lot Owner to the Association for "Common Expenses," and if unpaid shall become a lien upon his interest as provided for herein.

1.12. Special Assessment.

A charge against a particular Owner and his interest equal to the cost incurred by the Association for corrective action performed pursuant to provisions of this Declaration, plus interest thereon at the maximum rate allowed by law from the date of demand for payment.

1.13. Association.

"Association" shall mean Crown Points Community

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CLARATION OF RESTRICTION

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WHEREAS, Article 17 of the Declaration of Restrictions provides in pertinent part that Declarant may, within three (3) years from the date of recordation of the Declaration of Restrictions, without the consent of any owner of a lot then subject to the Declaration of Restrictions, annex additional property to the Project, including but not necessarily limited to all or a portion of the Phase II Property and any property owned by Declarant and located contiguous to the Phase I Property or Phase II Property; and

WHEREAS, Declarant desires and intends that the Phase III Property shall be annexed pursuant to Article 17 of the Declarations of Restrictions, and that all owners, mortgagees, occupants, and other persons hereinafter acquiring any interest in the Phase III Property, or any part thereof, shall at all times enjoy the benefits of and shall hold their interest subject to the rights, easements, covenants, conditions, restrictions and obligations set forth in the Declaration of Restrictions, the Amendments, and hereinafter set forth, all of which are hereby declared to be in furtherance of said general plan;

NOW THEREFORE, Declarant, as the owner of the Phase III Property, and for the purposes set forth above, hereby declares that all of the Phase III Property, and each part thereof is annexed pursuant to Article 17 of the Declaration of Restrictions, and shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth therein and in the Amendment thereto and hereinafter set forth, all of which are for the purposes of protecting the value and desirability of, and which shall run with, the Phase III Property and be binding on all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner.

ARTICLE I

FURTHER DECLARATIONS

Declarant certifies and declares that:

A. This Declaration of Annexation is made within three (3)

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years after the date of issuance by the California Department of Real Estate of the last public report for any phase of the Project; and

B. This annexation is in accordance with the terms of the Declaration of Restrictions and with the plan of phased development submitted to the California Department of Real Estate with Declarant's application for a public report for the first phase of the Project; and

C. The name and address of the record owner of the Phase II Property is as follows:

Long Beach Construction Co.
10945 South St., Suite 301
Cerritos, California 90701

ARTICLE II

USE RESTRICTIONS, EASEMENTS, RIGHTS

The use restrictions, easements, and rights for the Phase II Property shall be each and all of those "Use Restrictions, Easements and Rights" set forth in Article II of the Declaration of Restrictions, each of which is incorporated herein by this reference as though fully set forth herein.

ARTICLE III

COMMENCEMENT OF ASSESSMENTS

The assessments described in Article 3 of the Declaration of Restrictions shall commence with regard to each Lot within the Phase II Property on the first day of the first calendar month after recordation of the deed to the purchaser of the first lot therein sold by Declarant.

ARTICLE IV

SUBMISSION TO DECLARATION

Declarant hereby submits the Phase II Property to the Declaration of Restrictions recorded August 1, 1975 as Document Number 005 of Official Records of Los Angeles County, California, and the Amendment recorded March 2, 1976 as Document Number 2502 of Official Records of said County, and further submits the Phase II Property to the control of the

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Association, Inc., a California non-profit corporation. Each Owner shall automatically become a member of the Association, and only Owners may be members.

1.14. Common Expense.

The actual and estimated cost of:

(a) Maintenance, management, operation, repair and replacement of (i) the Association Areas and Common Areas, and (ii) those parts of the Lots and Residences as to which, pursuant to the provisions of this Declaration, it is the responsibility of the Association to maintain, repair, and control.

(b) Special assessments which remain unpaid.

(c) Authorized assessments for capital improvements, replacements, and other expenditures for non-ordinary repairs to the Common or Association Area which pursuant to the provisions of this Declaration, it is the responsibility of the Association to maintain and improve.

(d) Management and administration of the Association, including without limitation, compensation paid by the Association to a manager, accountants, attorneys or other employees and agents.

(e) Maintaining the parkway areas of streets.

(f) Any other item or items designated by or in accordance with other provisions of this Declaration to be common expenses, and any other expenses incurred by the Association for the common benefit.

1.15. Mortgage - Mortgagee - Mortgagor.

Reference in this Declaration to a Mortgage shall be deemed to include a deed of trust; reference to a Mortgagee shall be deemed to include the Beneficiary of a deed of trust; reference to a Mortgagor shall be deemed to include the trustor of a deed of trust.

1.16. Private Streets (and Sidewalks).

Those streets (which may include sidewalks and parkways) designated as "Private Streets" or "Private Alleys" on the Tract Map above mentioned, are streets not dedicated to the public, but which shall be for the Common Use and benefit of all of the individual Lots of Tract 29315, without distinction. The use of said streets shall remain in effect so long as the covenants and conditions of this Declaration shall remain in effect, and thereafter so long as such means of ingress and egress are reasonably necessary or proper for the convenient use by the owners of the Lots within the project. The private streets as shown on Tract Map 29315 corresponding to Phase I includes Terrylynn Circle and the private alleyway which connects thereto and Edith Way in their entirety and Marion Way up to and terminating at the northerly line of Lot 28. The private streets corresponding to Phase II, in the event that Phase II should proceed to be developed, shall include Marion Way up to and terminating at the northerly line of Lot 28, the private alley intersecting therewith and Avery Place in its entirety. Nothing herein contained shall be deemed to modify or

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restrict the right of Declarant to dedicate any and all of said Private Streets; however, no representation is made herein that said streets conform to City of Long Beach standard specifications for streets. The City of Long Beach has vacated a strip of land approximately five (5) feet in width formerly a part of Del Mar Avenue and bounding Lots 20-32, inclusive. The five feet bounding Lots 25, 26, 28, 29 and 30, shall be for the exclusive use of said Lots. The remainder of said five (5) foot strip shall become Common Area and shall be maintained by the Association. As a condition to said vacation, the City requires the placement of "bollards" or protective pipe barriers three (3) feet in height and three (3) inches in diameter, placed fifteen (15) feet on center, along the approximate curb line to the West of Lots 25 through 30, inclusive. The cost of placement of said bollards shall be borne by Declarant and the cost of maintenance by the Association.

1.17. Developer.

"Developer" shall mean Long Beach Construction Co., a California corporation and its successors in interest.

2. USE RESTRICTIONS, EASEMENTS, RIGHTS.

All of the Lots within the Project shall be held, sold, transferred, leased, assigned and or conveyed by Declarant, subject to the conditions, restrictions and covenants hereinafter set forth, which are hereby declared to be for the benefit of the Project, and shall run with said Lots and be binding upon each and all Owners thereof, their heirs, successors and assigns.

2.1. Lots shall be used for single-family residences only, and other purposes incidental thereto.

2.2. No signs, window signs, notices or displays of any nature or kind shall be shown or displayed on or from the Lots, excepting signs or notices of customary and reasonable dimensions, shape, position, number and taste, which state that the premises are "For Rent" or "For Sale," or which are in observance of National or religious holidays.

2.3. No mercantile, manufacturing, mechanical or trading business, business establishment or commercial activity of any nature shall be maintained or conducted in or on any Lot in the Project, nor shall anything be done thereon which may become or be in annoyance or nuisance to the neighborhood. The raising or keeping of cattle, horses, sheep, rabbits, pigs, hogs, cats, dogs, or other animals, poultry, birds or reptiles, either in the singular or plural number, for pleasure or for commercial gain upon any part of the property is prohibited, except that a dog, a cat, or other household pet may be kept for pleasure and not for commercial purposes, provided that they do not become a nuisance to other owners or occupants of the property and if and when declared to be a nuisance by the Declarant, Association or Committee, such dog, cat, or other household pet shall be forthwith removed from the subject property. No unconcealed garbage or rubbish containers or basketball backstops visible from public or private streets shall be kept or maintained about a Lot or on said Project. Garbage or rubbish containers may be temporarily placed for pick-up subject to Association rules and regulations.

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2.4. No outside television or radio pole or antenna shall be constructed, erected or maintained for or on any Lot on said Project.

2.5. No poles or other overhead structures to carry wires or other media for transmission of electrical energy, telephone service or other utilities, other than as in the original design and layout of the Project, shall be placed or maintained on any Lot or elsewhere on the Project other than in underground pipes or conduits or enclosed within a building. However, during construction on any building site, temporary poles may be used, but immediately after completion of said construction, said temporary poles shall be removed.

2.6. No basement, garage, or out-building erected on the Project shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence. Garage doors on the front of Residences shall remain closed at all times except for entering or leaving. No clothes lines or clothes line poles shall be installed so as to be seen from either public or private streets.

2.7. No automobiles, scooter, trailer, campers, commercial car, bus, boat, or truck, or other vehicle may be repaired on the premises, and no trailer, camper, commercial car, bus, pick-up truck or boat shall be stored in or on the premises unless completely enclosed within a closed garage, and no trailer, camper, commercial car, bus, pick-up truck or boat may be stored in an open carport.

2.8. The use of any portion of the surface of the Project for drilling operations, mining or quarrying of all kinds, including but not limited to, oil well drilling, oil development, mining operations, together with the use of said surface for oil wells, tanks, tunnels, mining, excavation or shafts, is hereby and shall be prohibited, provided, however, the foregoing shall not be construed to prohibit silent drilling operations or such other operations which in no way use or in any way affect the surface rights of said land, and which do not enter said lot or project at a point less than 500 feet below the said surface.

2.9. Excepting the interior of each Residence, no replacement, addition or alteration of a building, structure, fence, drainage facility or other improvement, or of the landscaping, including but not limited to, flowers, plants, ground cover, bushes, trees, slopes, banks, drainageways, drainage patterns or irrigation or sprinkler systems, shall be erected, placed, altered or removed on any part of the Project until the plans, specifications and plot plans showing the location of such replacement, addition, alteration or removal have been approved in writing by the Association and Architectural and Landscaping Committee hereinafter designated; nor shall any exterior painting or decorative alteration on the exterior of any building be commenced until said Committee has approved in writing said proposed color scheme and design thereof, and the colors and quality of the paints and/or materials to be used. Such plans, specifications and plot plans shall be prepared by an architect, engineer, and/or landscaping architect.

2.10. Drainage and Utilities.

2.10.1 Easements for installation and maintenance of streets, parkways, walkways, alleys, utilities and drainage

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facilities are established as shown on the recorded Tract Map 29315, the Sita Development Plan and/or as originally installed, including the area referred to in Article 1.16. Declarant hereby reserves the right to grant any further easements necessary for the maintenance of streets, alleys, walkways, parkways, utilities and drainage facilities.

2.10.2. It is expressly declared that there have been installed and are presently existing or will be installed underneath and upon the surface of the Project, certain structures and facilities for water drainage purposes. It is further declared that, at the time of transfer and conveyance of the Lots reciprocal easements will exist over, along or under each of the Lots in favor of all other of the Lots drained by said structures and facilities. It is further expressly declared that each of the Owners, and their heirs, successors, and assigns shall use and maintain their Residences, including structures in such a manner as to not obstruct, alter, change, remove or otherwise impair the utility of such drainage structures and facilities.

2.10.3 In addition to access rights otherwise provided for in this Declaration, Declarant reserves, and the Owner of each Lot, his heirs, successors and assigns, shall permit free access to Declarant, its transferees or successors, the Association, and their authorized agents, representatives and employees, over and across his Lot for the purpose of construction of Phase II or any other annexed property provided for herein, planting, and/or maintenance of any slopes and/or banks, and/or drainageways.

2.10.4 The Owner, his heirs, successors and assigns, shall not in any way interfere with the established drainage pattern over his Lot from or onto adjoining or other properties in said Project, or he shall secure written approval from the Architectural and Landscaping Committee and make adequate provisions for proper drainage in the event it is necessary to change the established drainage over his Lot. For the purposes hereof "established drainage" is defined as the drainage which shall exist at the time when the overall grading of said Project, including landscaping, is completed by the Developer, or Developer's duly authorized agents in conformance with plans approved by City of Long Beach.

2.10.5 There shall exist, in favor of Declarant, the Association, all other Owners in the Project, and their agents, an easement over each Lot for the purpose of servicing all utility installations and outlets wherever they exist. This easement right shall be exercised only during reasonable daylight hours and after notice to the Owner, except where an emergency exists.

2.11. No nuisance shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

2.12. No immoral, improper, offensive or unlawful use shall be made of the property, nor any part thereof, and all valid laws, zoning ordinances, special use permits, including City of Long Beach Special Use Permit S-198-72, and any amendments, changes, or deletions thereto obtained by Declarant, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

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The respective responsibilities of the Owners and the Association of complying with the requirements of governmental bodies which require maintenance, modification or repair of the property shall be the same as provided for the maintenance and repair of that portion of the property subjected to such requirements.

2.13. There shall be no obstruction of the Association or Common Areas, nor shall anything be stored in the Association or Common Area without the prior consent of the Association.

2.14. Nothing shall be done or kept in the Association or Common Areas which will increase the rate of insurance on such Areas, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Lot, or in the Association or Common Areas which will result in the cancellation of insurance on any Lot or any part of the Association or Common Areas, or which would be in violation of any law. No waste shall be committed in the Association or Common Areas.

2.15. Except as otherwise expressly provided in this Declaration, nothing shall be altered or constructed in or removed from the Association or Common Areas, without the written consent of Developer until the sale of all Lots in the Project, or until December 31, 1979, or any extensions thereof as provided in paragraph 2.10.3, whichever shall first occur. Thereafter, such written consent shall be obtained from the Association.

2.16. There shall be no violation of rules as to the use of the Association or Common Areas adopted by the Association and furnished in writing to the Owners. The Association is authorized to adopt such rules in the same manner provided as in the case of amendment of the Declaration.

2.17. In addition to all other remedies available, violations of this Article 2 by an Owner shall be subject to enforcement by the Association and the Architectural and Landscaping Committee, as provided for in Articles 3.5.3 and 3.5.4.

2.18. Management and control of the Association and Common Areas is vested in the Association. No person shall use the Association or Common Areas or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right but not the obligation to promulgate rules and regulations limiting the use of the Association and Common Areas to Owners and their respective families, guests, employees, invitees, agents, servants or licensees. Subject to the rules and regulations from time to time pertaining thereto, all Owners shall have the mutual, non-exclusive, right to use and enjoy the Association or Common Areas, provided however that the Association and Common Areas shall be used in such manner as will not restrict, interfere with or impede the use thereof by other Owners.

2.19. Maintenance, repair, improvement, management, operation and administration of the Association and Common Areas shall be the responsibility of the Association, but nothing herein contained, however, shall be construed so as to preclude the Association from delegating to persons, firms or corporations of its choice, such duties as may be imposed upon the Association by

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the terms of this Declaration and as are approved by the Board of Directors of the Association.

2.20. Notwithstanding anything herein to the contrary, Developer may operate and maintain upon said property a model complex, together with parking areas and/or a real estate sales and development business, and may place, erect and maintain upon said property such customary sales and advertising signs, offices and parking areas as is usual and reasonable for such real estate sales and development operations for this Project and/or nearby projects of Developer. Developer shall have this right only until all Lots in this Project or any annexed parcels shall be sold.

2.21. Developer states its intention to substantially complete the entire Phase I Project prior to the sale of any Lots; however, subject to prior substantial completion, Developer reserves the right for itself, and those duly authorized by Developer, to enter upon the Property subsequent to the sale of one or more Lots as may be necessary fully to complete the entire Project and/or to perform work required by government agencies having jurisdiction in the premises. It is expressly provided that no Owner shall in any manner interfere with any of the foregoing activities of Developer. No action may be maintained by any Owner for damage or inconvenience resulting from the exercise of the foregoing rights of Developer.

2.22. Nothing in this Declaration shall imply the right of any Owner to construct or maintain any improvement or condition of use in the absence of first securing approval from the Association and Architectural and Landscaping Committee.

2.23. It shall be the obligation of each Owner:

2.23.1 To maintain his Lot and Residence in a state of excellent condition and repair; to keep it in a clean, attractive, and healthful condition, and to reconstruct and restore the destruction of the same by casualty, as provided in this Declaration, all subject to the control of the Association through the Architectural and Landscaping Committee.

2.23.2 Not to paint or otherwise decorate or change the appearance of any portion of the improvements within the Project except for the interior of his Residence, unless the written consent of the Association and Architectural and Landscaping Committee is first obtained in accordance with the provisions of Article 2.9. herein. Any disputes arising between Owners regarding the work contemplated by this paragraph shall be submitted to the Architectural Committee for arbitration. The decision of said Committee shall be binding on the Owners.

2.23.3 Not to make any alterations in the Landscaping or landscaping plan within the Project, including the drainage pattern, slopes, banks and drainage facilities, except as otherwise provided in Article 2.9. herein.

2.23.4 Not to erect any improvement within the Project, unless the written consent of the Association and Architectural and Landscaping Committee is first obtained, except as provided for in Article 3.6. herein.

2.23.5 To comply with all of the provisions of this Declaration.

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2.24. The Common and Association Areas shall remain undivided and no Owner shall bring any action to divide said areas by way of action for partition or otherwise, excepting as otherwise hereinafter provided, it being agreed that this restriction is reasonable and necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project.

3. ASSOCIATION.

The Association shall maintain, repair, operate, manage and administer the Project in accordance with the following provisions:

3.1. General.

3.1.1 The Association is incorporated under the name of Crown Pointe Community Association, Inc., as a corporation not for profit under the laws of the State of California. Any other form of organization for the Association may be substituted after first obtaining the written approval of seventy-five per cent (75%) of all of the members thereof, all lenders, and any necessary governmental authorities.

3.1.2 The duties and powers of the Association are those set forth in this Declaration, and in the Articles of Incorporation and the Bylaws of the Association, together with those reasonably implied to effect the purposes of the Association and this Declaration; provided, however, that if there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws, the terms and provisions of this Declaration shall prevail. All Owners, severally, shall be deemed members of the Association automatically upon the recordation of documents of title to their Lots and shall be and remain so, so long as such persons are Owners. The powers and duties of the Association shall be exercised in the manner provided by the Articles of Incorporation and the Bylaws and any duties or rights of the Association which are granted by or to be exercised in accordance with the provisions of this Declaration, shall be so exercised except that wherever this Declaration requires the act or approval of the Board of Directors of the Association, such act or approval must be that of the Board of Directors done or given in accordance with the Bylaws.

3.1.3 Notices or demands, for any purpose, shall be given by the Association to Owners and by Owners to the Association in the manner provided for notices to members of the Association by the Bylaws of the Association.

3.1.4 All funds and the title to all properties acquired by the Association and the proceeds thereof, after deducting therefrom the costs incurred by the Association in acquiring the same, shall be held for the benefit of the Owners, for the purposes herein stated.

3.1.5 Within thirty (30) days after the formation of the Association, the Board of Directors shall establish by resolution a Capital Fund. All sums collected with respect to those separate assessments for Common Charges described in Article 1.14(c) and those portions of Common Charges described in Article 1.14(b) and (f) which are determined to be for capital purposes shall be deposited in the Capital Fund. Sums may be

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disbursed from the Capital Fund only for qualified purposes of the Fund.

3.1.6 All other sums collected by the Association shall constitute general funds of the Association.

3.1.7 All income received by the Association from the rental or licensing of any part of the Association Area (as well as such income anticipated) shall be used for the purpose of reducing prospective Common Expenses prior to establishing the annual assessment for Common Expense.

3.2. Voting.

At any meeting of the Association each Owner shall be entitled to cast one vote per Phase I Lot owned; provided, however, Developer as to those Phase I Lots not sold shall be entitled to cast three (3) votes for each such Phase I Lot unsold and owned by Developer. Said right of Developer, if not earlier terminated by the sale of all Phase I Lots, shall terminate and be reduced to one (1) vote for each Lot owned three (3) years after the recordation of the sale of the first Phase I Lot or upon the sale of 75% of all Phase I lots, whichever shall first occur. Developer shall have no votes for any Phase II or any other annexed Lots unless and until Developer elects to proceed with the development of said Phase II or annexed Lots. At the time of the close of escrow of the first Phase II or annexed Lot, Developer shall be entitled to cast three (3) votes for each such Phase II or annexed Lot unsold or unleased and owned or leased by Developer. Said right of Developer, if not earlier terminated by the sale or lease of all Phase II or annexed Lots, shall terminate and be reduced to one (1) vote for each lot owned or leased three (3) years after the recordation of the sale or lease of the first Phase II or annexed Lots or upon the sale or lease of 75% of all Phase II lots, whichever first occurs.

3.2.1 Any Owner may attend and vote at such meeting in person or by an agent authorized by a written proxy and filed with the Association. Any designation of an agent to act for an Owner may be revoked at any time by written notice thereof to the Association and shall be deemed revoked when the Association shall receive actual notice of the death or judicially declared incompetence of such Owner, or of the conveyance by such Owner of his Lot to another, whereupon the vestee of such Lot shall be deemed the Owner for purpose of voting.

3.2.2 Where there is more than one record Owner of a Lot, any or all of such persons, as Owners, may attend any meeting of the Association, but it shall be necessary for those present to act unanimously in order to cast the one vote to which the Lot is entitled.

3.2.3 The presence, in person or by proxy, of Owners holding at least fifty per cent (50%) of the voting power shall constitute a quorum for the transaction of business at all meetings. 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 48 hours nor more than 30 days from the time the original meeting was called, at which later meeting the quorum required shall be twenty-five per cent (25%).

3.2.4 Every Owner entitled to vote at any election for directors of the Association may cumulate his votes and give

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one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his membership is entitled, or distribute his votes on the same principle among as many candidates as he wishes.

3.3 Anything in this Declaration to the contrary notwithstanding, a majority vote of the then total voting power of the members of the Association shall be required in the event there be proposed: (a) an assessment in excess of \$2,000.00 for capital improvements; (b) an assessment to make up a deficiency in insurance proceeds received incident to the damage or destruction of improvements; (c) to encumber or convey any Association property in any amount in excess of \$2,000.00; (d) any other assessment not otherwise provided for herein; or (3) an election not to rebuild an improvement, damaged or destroyed; or, with reference to subparagraphs (a) and (c) above, and only in respect thereof, except as may otherwise be specifically provided in this Declaration, Declarant's voting power, or the voting power of any successor in interest of Declarant succeeding to the ownership of five (5) or more Lots, shall be excluded in the determination of total voting power and a majority vote.

3.4 The Association shall have full power to control, and it shall be its duty to maintain, repair and make necessary improvements to and pay out of the Maintenance Fund to be provided, the following:

3.4.1 All Common and Association Areas and the improvements thereon, including but not limited to, (1) fences, any recreational or other buildings and facilities, and all other recreational improvements, and (2) the plants, trees, shrubs, flowers, ground cover, slopes, banks, private drainage facilities and all other landscaping; and (3) Association Areas, under lease to the Association, directly, which is the Association's obligation to keep in full force and effect.

3.4.2 All restorative and corrective structural, architectural and landscaping work pursuant and subject to the provisions of Articles 3.5.3 and 5. herein.

3.4.3 All metered utilities in Common and Association Areas.

3.4.4 All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utilities, television and other similar services lying within the Common and Association Areas.

3.4.5 All private roadways, streets, walks and other means of ingress and egress to or abutting said Project which shall, for the purposes of Maintenance and Repair, be treated as Association Areas. To insure City, County, public authority or public utility access to maintain and repair services and facilities extended by such City, County, public authority or public utility to the Project, the Association shall keep all of said roadways, streets, walks and other means of ingress and egress of quality upon original installation, and such areas shall be available to said public bodies as access to and in conjunction with the said services and facilities.

3.4.6 All landscaping, and maintenance of same, over that portion of any Lot located generally between any private

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street and the nearest decorative wall, fence or gate forward of a residence, or the exterior wall of the residence itself (where no such wall, fence or gate is located), all as shown on the Final Landscape Plan and/or, as originally installed.

3.4.7 Where appropriate, to pay for reconstruction of any portion or portions of the Project damaged or destroyed which are to be rebuilt.

3.4.8 The Association shall be obligated to maintain a proper number of "no parking" signs, the locations, dimensions and form of which shall be approved by the Committee, the cost of which shall be borne by the Association as a Common Expense. The Association, and all Owners, shall maintain the private streets free and clear of obstructions and in a safe condition for vehicular use at all times.

3.4.9 The Association, acting through the Architectural and Landscaping Committee, shall have the right and obligation to remove all obstructions in private streets, including, but not limited to, vehicles parked in the "no parking" zones, and cause said obstructions, including vehicles, to be stored or impounded at the sole cost and expense of the Owner thereof. In the event that the Association for any reason incurs expense in connection with the foregoing, such expense shall initially be borne by the Association as a Common Expense, subject to reimbursement by the Owner responsible therefor in accordance with and pursuant to the special assessment provisions of Article 1.5.3 of this Declaration.

3.4.10 Payments for the items constituting the subject of this Article 1.4 which are those Common Charges described in Article 1.14(c) and those portions of Common Charges described in Article 1.14(b) and (f) which are determined to be for capital purposes shall be paid from the Capital Fund. Expenditures incurred with respect to all other items described in this Article 1.4 shall be made from the General Funds of the Association.

1.5. Architectural and Landscaping Committee.

The Architectural and Landscaping Committee (hereinafter sometimes referred to as "Committee") is hereby established as follows:

The membership of the Architectural and Landscaping Committee is and shall be as follows:

1.5.1 Commencing at the time of recordation of this Declaration and continuing until 90% of the Phase I Lots have been sold or three (3) years have elapsed, whichever shall occur first, said Committee shall be a committee of three (3) and the initial members thereof are:

CLIFTON S. JONES, JR.
R. G. TRIGG
W. D. WINDISCH

In the event that additional Lots are annexed to the Project as provided for herein before the expiration of periods set forth above then, in that event, said initial members shall continue to serve until 90% of the annexed lots have been sold or three (3) years from the date of annexation of said additional lots, whichever shall occur first.

During the periods set forth above, each member of the Architectural and Landscaping Committee shall serve at the pleasure of the Declarant, and may be removed from office at any time by Declarant; during said period, Declarant shall have authority to fill any vacancy existing in the membership of said Committee.

1.5.2 Following the expiration of the aforementioned

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periods, said Committee shall be a committee of three (3) members elected by the Association of Crown Pointe Community Association, Inc., not less than one of whom shall be a duly licensed architect.

3.5.3 The Association and the Architectural and Landscaping Committee acting as its advisor shall periodically inspect each Lot and all Common Area to assure compliance with the provisions of this Declaration. In the event that the Committee determines that a violation of any of the provisions of this Declaration exists, the Committee shall give written notice thereof to the Association who will give written notice to the Owner of the condition or violation complained of by the Committee. Unless, within fifteen (15) days after such notice (or such longer period as the Association may deem reasonable under all circumstances), the Association shall have received from the Owner involved, plans for required corrective action, and shall have approved the same, the Association may cause to be done and provide all work and materials necessary to correct the subject condition. If such plans are approved within the time aforesaid, and the Owner shall not forthwith commence corrective action or, having commenced the same, shall fail thereafter diligently to prosecute the same to completion, the Association may in like manner cause such work to be done or completed providing all materials required. All work, whether done by the Owner or the Association shall be at the sole cost and expense of the Owner; if done by the Association, the Owner shall pay for the same, by progress payments or in a lump sum, upon demand of the Association, interest to run at the highest legal rate on all payments demanded by the Association from the date of demand until payment. The costs aforesaid shall include a reasonable charge for the services of the Committee in the premises. The Association, and the Architectural and Landscaping Committee acting on its behalf, and the persons authorized by either, shall have a right of entry in and upon all Lots, exterior of any residence for the purpose of taking whatever corrective action may be deemed necessary or proper by the Association upon the advise of the Committee to conform the Lots and the exteriors of residences to the decisions of said Association in accordance with the procedures and powers reserved unto said Association and Committee as herein provided. The cost of such corrective action, if taken by the Association shall be assessed to the particular Owner and his Lot as a Special Assessment subject to levy, enforcement and collection in accordance with the Assessment lien procedures hereinafter provided in Article 3.9., and 3.11., the Association to advance any required funds prior to corrective action or on demand.

3.5.4 The Association acting through the Architectural and Landscaping Committee, may immediately (to the extent feasible), and without notice, remove, correct and/or remedy violations of Articles 2.11., 2.12., 2.13., 2.14., 2.15 and 2.16. pertaining to the Common and Association Areas, upon discovery of such violation, and shall in any event remove, correct or remedy such violation within a reasonable period of time; any cost or expense incurred by the Association in connection therewith shall be part of the Common Expenses or shall be charged to the Owner responsible therefor as a Special Assessment, with enforcement and collection in accordance with Articles 3.9 and 3.11.

3.5.5 In the event of the death, incapacity or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor, to act until

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the election of a successor by the Association. The Committee then acting shall act in all matters by the majority vote, consent, or direction of the then authorized number constituting the Committee.

3.5.6 Until such time as the Association elects the members of the Committee, none of the members of such Committee shall be entitled to any compensation for services performed as a member of the Architectural and Landscaping Committee. Thereafter, the members shall be entitled to such compensation as may be determined by the Board of Directors of the Association.

3.5.7 Members of the Architectural and Landscaping Committee elected by the Association under this Article shall serve at the pleasure of said Association and may be removed from office at any time by a majority vote of the Association.

3.5.8 In all matters herein provided, the Committee may act through agents, employees, contractors and other duly authorized persons and entities.

3.6. Except as hereinabove provided in connection with unsafe or unhealthful conditions incident to damage or destruction, nothing in Articles 3.5. through 3.5.8 shall in any manner limit the right of the Owner to the exclusive control over the interior of his residence.

3.7. Any Owner or Lessor may, by appropriate judicial proceedings or otherwise, compel the Association to fulfill its responsibilities hereunder in the event that the Association, and/or the Architectural and Landscaping Committee acting as its Agent fails to take remedial action within a reasonable period of time after written notice to the Association of the particular violation.

3.8 Common Assessments.

3.8.1 Common Assessments for Common Expenses shall be made by the Board of Directors of the Association for each tax year not less than thirty (30) days prior, nor more than thirty (30) days subsequent, to the beginning of each tax year and at such other and additional times as in the judgment of the said Board of Directors additional Common Expense Assessments are required. Assessments shall commence as of the date of close of escrow of the first sale of the first Phase I Lot in the Project. The Board of Directors shall make a determination of the requirements for capital purposes as described in Article 1.14(c) and those portions of the common charges described in Article 1.14(f) which it designates as capital charges. The aforesaid Common Assessments shall be made separately for all capital charges.

3.8.2 The total of each annual Common Assessment shall be in the amount of the estimated Common Expenses for the year then commencing, including a reasonable allowance for contingencies and reserves.

3.8.3 If the Annual Common Assessment is not made as required, a payment in the amount required by the last prior annual Common Assessment shall be due upon each assessment payment date until changed by a new assessment.

3.8.4 The annual Common Assessment payable by each Owner, including Declarant, shall be payable in twelve (12) equal monthly installments on the first day of each calendar month, or at such other date or times and in such other installments as the Association may determine. Delinquent installments shall bear interest at the maximum rate allowed by law.

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3.8.5 Each Owner, including Developer as to each unsold Phase I Lot, shall pay his proportionate share of the total Common Assessment, commencing on the date of the close of escrow of the first sale of the first Phase I Lot in the Project, on the basis of the allocation of the Common Assessment pursuant to Article 3.12., infra.

3.8.6 In the event additional property is annexed to the Project as provided for herein, each owner of each annexed lot, including the Developer as to each unsold annexed lot, shall pay his proportionate share of the total common assessment of the combined Phase I and annexed portions of the Project commencing on the date of the close of escrow of the first sale of any annexed lot, on the basis of the allocation set forth in Article 3.12 hereof.

3.9 Special Assessments.

Special Assessments against particular Owners and their respective Lots shall be proposed by the Architectural and Landscaping Committee, as advisor for the Association pursuant to the provisions of Article 3.5.3 herein, upon the date when the cost has been incurred by the Association for the corrective work or corrective action and written demand for payment thereof has been sent by mail to the particular Owner. The amount of the Special Assessment shall be due and payable by the Owner to the Association on the said date of demand, and shall bear interest from the date of each expenditure at the maximum rate allowed by law. The Association shall determine and separately assess the portion of the total Special Assessment which shall be placed in the Capital Improvement Fund.

3.10 The Association shall segregate all sums collected as assessments and credit such segregated amounts as follows:

3.10.1 Amounts received with respect to charges described in Article 1.14(c) and those portions of costs described in Article 1.14(b) and (f) which are for capital purposes shall be deposited in the Capital Fund and shall be credited to the books of the Association as paid-in surplus contributed by several Owners.

3.10.2 All other sums shall be credited to the general funds of the Association.

3.11 Collection of Assessments.

All Common and Special Assessments shall be a debt of the Owner at the time the Assessment is made. The amount of such Assessment plus interest and costs, including reasonable attorneys' fees where applicable, shall be and become a lien upon the Lot assessed when the Association causes to be recorded with the County Recorder of Los Angeles County a Notice of Assessment which shall state the amount of such assessment, including interest and estimated attorneys' fees, a description of the Lot against which the same has been assessed, and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

3.11.1 If, within five (5) days after payment of any assessment is due, such payment is not made, the Owner so

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assessed shall be notified of such failure. If, within ten (10) days after payment of any assessment is due, the Owner so assessed shall fail to make said payment, the Association shall immediately give notice of such failure to Declarant and to all Mortgagees as they appear on the assessment rolls as having any interest in the Lot owned by that assessed Owner; and the lien of such assessment shall be enforced against said Lot and Owner at the end of thirty (30) days following such failure as provided herein.

3.11.2 The assessment lien so provided shall be prior to all other liens recorded subsequent to the recordation of said Notice of Assessment.

3.11.3 Unless sooner satisfied and released, or the enforcement thereof initiated, such lien shall expire and be of no further force or effect one (1) year from the date of recordation of said Notice of Assessment; provided, however, that said one (1) year period may be extended by the Association for not to exceed one (1) additional year by recording a written extension thereof.

3.11.4 The assessment lien above provided may be enforced by the Association, its attorney, or other person authorized to make the sale after failure of the owner to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924, et seq., of Civil Code of the State of California applicable to the exercise of powers of sale in mortgages and deeds of trust, as the same now provide or may hereafter be amended, or in any other manner permitted by law.

3.12. Assessment Roll.

The assessments against all Owners shall be set forth upon a roll of the Lots which shall be available at the office of the Association for inspection at all reasonable times by Owners, their Mortgagees, the Lessors or their duly authorized representatives. Such roll shall indicate for each Lot the names and addresses of the Lot Owner or Owners, Mortgagee(s) and Lessor(s) and the assessments for all purposes and the amount of all assessments paid and unpaid. The common assessment for common expenses shall be allocated to the respective Phase I Lots on the basis of each and every Lot bearing 1/44 of the total of such assessment, except as may be adjusted by reason of the construction of Phase II or any other annexation, as provided in Article 17 herein. A certificate made by the Association as to the status of an Owner's assessment account shall limit the liability of any person for whom made other than the Owner. The Association shall issue such certificates to such persons as an Owner may request in writing.

3.13. Liability for Assessments.

The Owner of a Lot and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of conveyance but without prejudice to the rights of the grantee to recover from the grantor, the amounts paid by the grantee therefor. Such liability may not be avoided by a waiver of the use or enjoyment of any Association Area, Appurtenant Area or by abandonment of the Lot for which the assessments are made. A purchaser of a Lot at any judicial or trustee sale shall be

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liable only for assessments coming due after such sale and for that portion of due assessments prorated to the period after the date of such sale.

3.14. Anything in Article 13 to the contrary notwithstanding amendments to Article 3.8., 3.9., 3.10., 3.11., 3.12., and 3.13. shall only be effective upon 75% written consent of the Lessors, Owners, and their Mortgagees, whether such amendment is attempted by way of amendment of this Declaration, modification of the Association Articles of Incorporation or Bylaws, or otherwise.

4. ACCOUNTING.

The Association, as a Common Expense, shall cause to be prepared a balance sheet and an operating (income) statement for the Association and copies thereof shall be distributed to each member of the Association and to each Lessor within sixty (60) days of the following accounting dates: (a) a balance sheet as of an accounting date which shall be the last day of the month closest in time to six months from the date of closing of the first sale of a lot in the Project to a member of the Association and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date; and (b) a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year. The operating statement for the six months accounting period referred to in (a) above shall include a schedule of assessment received or receivable itemized by lot number and by the name of the person or entity assessed. The Association, as a Common Expense, shall cause to have prepared all necessary tax returns. Each Owner and each Lessor shall be entitled at reasonable times to inspect the books of the Association, and to have such books examined at said Owner's expense by an attorney or accountant representing such Owner or Lessor, and may make excerpts or copies of such books or portions thereof, and each such Owner or Lessor, at his own expense, shall have the right to have such books independently audited by a public accountant.

5. DAMAGE AND DESTRUCTION.

In the event of a total or a substantially total, destruction of the improvement on a Lot, the Owner shall restore such improvements in a manner satisfactory to the Association and Architectural and Landscaping Committee, commencing such restoration within one hundred fifty (150) days after determination by the Association of the need of restoration, except as provided in Article 12 herein. During said one hundred fifty (150) day period of time, the Owner shall be required to make such repairs and take such corrective action, of a temporary or permanent nature, as may be determined by the Association and Architectural and Landscaping Committee for the purpose of eliminating unsightly, unsafe or unhealthful conditions within the Lot. The Association shall have a delegable right of entry for such purpose.

6. INSURANCE.

The insurance other than title insurance, which shall be carried upon the Property, shall be governed by the following provisions:

6.1. Authority to Purchase.

All insurance policies upon the Common Area Property or the operations of the Association (except as hereinafter allowed) shall be charged to Common Expenses. To assist in the purchase and administration of such policies of insurance as may be required hereunder or deemed prudent by the Association, the Association may retain the services of an independent insurance analyst, consultant, or broker, the expense of which shall be included in Common Expenses.

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6.2. Property Insurance.

The Common Area and all improvements thereon, excepting therefrom all Units and all personal property owned individually by the various Owners, shall be insured so as to provide for the full replacement thereof in the event of damage or destruction from the insured perils. All personal property included within the Common Area shall be insured so as to provide for the full actual cash value thereof in the event of damage or destruction from the insured perils. All such policies shall be paid for and issued in the name of the Association as Trustee for the Owners.

Such coverage as is required under this subsection shall afford protection against:

(a) Loss or damage by fire, lightning, extended coverage, and vandalism and malicious mischief.

(b) Such other additional perils commonly referred to as Special Form (applicable to all structures) and Optional Perils (applicable to all personal property).

(c) Additional perils shall be at the option of the Association.

The Association may comply with the above requirements by the purchase of a Special Multi-Peril, or "Package" policy and may elect such deductible provisions which in the opinion of the Association are consistent with good business practices.

Insurance proceeds shall not be commingled with other Association funds and shall be used forthwith exclusively for restoration of the damaged or destroyed improvements and/or personal property.

The above policy, or policies shall be endorsed to provide that the insurance company waives its right of subrogation against any Owner.

6.3. Public Liability and Property Damage.

The Association shall purchase liability coverage in such amounts and in such forms deemed appropriate by it. This coverage shall be issued in the name of the Association and shall include all Owners as additional insured, and evidence thereof shall be furnished to each additional insured. Coverage under this policy shall include, but is not limited to, legal liability of the Association for bodily and personal injuries, property damage, operation of owned and non-owned automobiles on behalf of the Association and operations of the Association in connection with the ownership, operation, maintenance or use of the property and negligent injury by one Owner to another.

6.4. Workmen's Compensation and Employers' Liability.

The Association shall purchase Workmen's Compensation and Employers' Liability Insurance in such form as to meet the requirements of law for injuries to Association employees.

6.5. Crime.

The Association shall purchase coverage against

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dishonesty of employees, destruction or disappearance of money or securities and against forgery in amounts, and in such forms as shall be determined by the Association.

6.6. Boiler and Machinery.

The Association may purchase insurance against explosion of steam boilers or pressure vessels and breakdown of machinery in such amounts, and in such forms as are deemed appropriate by the Association.

6.7. Owner Insurance.

Each Owner shall, at his sole expense, obtain and keep in full force and effect at least fire, lightning, extended coverage and vandalism and malicious mischief insurance coverage on the improvements within his Lot with limits satisfactory to the Association. The Owner shall also obtain, at his sole expense, Comprehensive Personal Liability insurance with limits satisfactory to the Association. The Owner may meet these requirements by purchasing a "Homeowner's Tenants" or "Renters" policy that combines the above coverages and is properly endorsed to meet the Association's requirements. Each such insurance policy shall contain a loss-payable endorsement in favor of an institutional lender holding a first mortgage lien and Declarant's second mortgage lien, if any, against said Unit. The Association shall release its claim to such proceeds in a manner deemed satisfactory to it and by the Architectural and Landscaping Committee in connection with the action taken by the Owner to restore the improvements to their prior condition as required by Articles 2.23:1 and 5 of this Declaration.

6.8. Copies of all such insurance policies (or certificates thereof showing the premiums thereon to have been paid) shall be retained by the Association and open for inspection by Owners at any reasonable time(s). All such insurance policies shall provide that they shall not be cancellable by the insurer, without first giving at least ten (10) days' prior notice in writing to the Association. Should Owner fail or refuse to furnish such insurance, or should any policy lapse or be cancelled, the Association shall purchase on behalf of the Owner the minimum coverage required by Paragraph 6.7. hereof. The purchase price of said policies shall be charged to the Owner as a Special Assessment.

6.9. In the event of any loss, damage or destruction to any improvement upon a Common Area not insured against, or inadequately insured, the Association shall undertake to cause the same to be replaced, repaired or rebuilt. The cost of such replacement, repair or rebuilding shall be assessed equally to all of the Owners in the Project as a Common Expense.

7. PARTY WALLS.

7.1. Each wall which is built as a part of the original construction of the Residences or improvements on Lots within the Project, or as a replacement of the original because of damage or destruction, placed on, or to the extent located at, the dividing line between the Lots shall constitute a party wall.

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7.2. Use.

A party wall is erected for the benefit of the Owners of the Residences on either side of such wall, and such Owners (including Declarant as long as any of said Lots remain unsold) shall have the use of and maintain their Residences at all times in good order and repair. Such rights of use shall be such as not to interfere with the use and enjoyment of the other Owner of such party wall rights.

7.3. Damage and Alteration.

Should any party wall be damaged, injured or destroyed, the Owners of the Residences on each side thereof shall immediately re-erect or repair same. The expense of such re-erection or repair shall be borne by the Owner causing the damage or injury necessitating the same, or, in case neither or both adjoining Owners caused the damage or injury, said expense shall be borne equally. No party wall, or its footing or any portion of either, shall be removed, damaged, injured or destroyed, nor shall the same be altered, added to, enlarged or extended except only for the purpose of maintenance, repair or replacement of the same. All party wall re-erection or repair shall be done in workmanlike manner using good, new materials of a like kind and quality to that of the original wall and complying in all things with all applicable governmental requirements.

8. LIABILITY FOR BODILY INJURY OR PROPERTY DAMAGE.

To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding liability for bodily injury or property damage due to negligence or willful acts of commission or omissions shall apply.

9. COMPLIANCE AND DEFAULT.

9.1. Each Owner shall be governed by and shall comply with the terms of this Declaration and regulations adopted pursuant thereto and as they may be amended from time to time. Non compliance shall constitute a default which shall entitle the Association or other Owners acting by or through the Association to the following relief:

9.1.1 Failure to comply with any of the terms of this Declaration and regulations adopted pursuant thereto, shall be ground for relief which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, specific performance, or any other similar or dissimilar remedy at law or in equity.

9.1.2 Each Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of his family or his or their guests, invitees, employees, agents, servants, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Nothing herein contained, however, shall be constructed so as to modify any Waiver by Insurance Companies of rights of subrogation.

9.1.3 In any proceedings arising because of an alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceedings and such reasonable attorneys' fees as may be determined by the Court.

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9.1.4 The failure of the Association or of an Owner to enforce any right, provisions, covenant or condition which may be granted by this Declaration shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant or condition in the future.

9.1.5 All rights, remedies and privileges granted to the Declarant, Developer, Lessor, Association or an Owner pursuant to any terms, provisions, covenants or conditions of this Declaration shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by any other document or at law or in equity.

9.2. Each and every provision of this Declaration made and being in favor of Declarant, whether expressly or impliedly so, may be enforced by Declarant by the use of any available proceeding or remedy at law or in equity.

10. RIGHTS OF LENDERS.

10.1. Any Owner may voluntarily or involuntarily encumber his Lot with or by a real property mortgage, deed of trust or other instrument of hypothecation. Upon the encumbrance of any Lot the lender shall within ten (10) days thereof give written notice to the Association for the purpose of notices required by this Declaration. Upon receipt of said written notice by the lender the Association shall, forthwith, cause the Assessment Roll to reflect the name, address and interest of said lender.

10.2. Each and every lien created by or pursuant to this Declaration is and shall be subordinate, inferior and subject to the lien and charge of (i) any Lease between the Lessors of the Property and Developer; (ii) any real property mortgage or deed of trust encumbering any Lot and given for value; and (iii) any blanket construction (including acquisition) mortgage(s) or deed(s) or trust encumbering all or any part of the Project which mortgage(s) or deed(s) of trust may have been subordinated to this Declaration.

10.3. In the event any Lender (i) shall acquire title to any Lot by judicial foreclosure, exercise of power of sale contained in any real property mortgage or deed of trust, or deed in lieu of foreclosure, and (ii) shall thereafter sell and convey such Lot, any real property mortgage or deed of trust received by such Lender as security for all or a portion of the purchase price of such Lot shall be incontrovertibly deemed "given for value". Notwithstanding the provisions of Article 10.2. above, any lien created by or pursuant to this Declaration which lien arises from assessment(s) accruing during the period of such Lender's holding of title to said Lot, shall be a lien superior to the lien of said real property mortgage or deed of trust received to secure a portion of said purchase price.

10.4. In the event there shall be any express or implied conflict between any provision of this Article 10. and any other provision of this Declaration, the provisions of this Article 10. shall govern and prevail.

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10.5. During any period(s) of time that any Lot shall be subject to any mortgage as defined above, the following shall be applicable:

10.5.1 Each Lender shall be given written notice by the Association at least thirty (30) days prior to the effective date of (i) any change in the Articles of Incorporation or the By-laws of the Association or this Declaration, and (ii) any change of a manager or a management company which has been employed by the Association to manage the Project. A change in the employees of a corporation employed as the management company shall not be a change for which notice must be given.

10.5.2 The Lender holding a Mortgage, deed of trust or other real property security agreement encumbering a Lot shall be notified in writing of any default by the Owner of such Lot in the performance of his obligations under this Declaration when such default has been in existence for ten (10) days after notification to such Owner, and has not been cured.

10.5.3 Each Lender shall be exempt from any right of first refusal or other restriction on the sale or rental of a Lot encumbered by a Mortgage held by such Lender in the event such restriction(s) are hereafter added to this Declaration.

10.5.4 No Lender who shall acquire title as described in Article 10.3. shall be liable for any claim(s) for unpaid assessments or charges levied against the Lot encumbered by such Lender acquiring title.

10.5.5 Without the prior written approval of 75% of all Lenders holding Mortgages, the Association shall not (i) change the pro rata interest or obligation of any Lot for assessment purposes, except in the case of annexation as provided for in this Declaration, (ii) Partition or subdivide any Lot or the Common Area of the Project, except as provided in this Declaration, (iii) by act or omission seek to abandon the Project except as set forth in Article 12., nor enact any amendment which would adversely affect the value of any Mortgage on the Project or any portion thereof or the rights of any Mortgagee.

11. TAXES AND SPECIAL ASSESSMENTS (OF GOVERNMENTAL AGENCIES):

The assessment of each lot for taxes and special assessments by governmental bodies when such taxes and special assessments are not separately taxed or assessed to a Lot shall be treated as follows:

Such unallocated taxes and assessments shall be included in the budget of the Association and shall be paid by the Association. The Association shall assess each Lot Owner on the basis Common Assessments are allocated.

12. TERM OF DECLARATION.

12.1 The covenants, conditions and restrictions contained herein shall run with the land and shall be binding on all parties and all persons claiming under them until May 1, 2050, after which time, this Declaration shall automatically be extended for successive periods of ten (10) years unless an instrument executed by not less than a majority of owners of Lots in the Project shall be recorded cancelling or terminating this Declaration.

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12.2. This Declaration may be earlier terminated by a written Declaration of Termination executed by the Owners of not less than seventy-five per cent (75%) of the Lots included in this Project and their mortgagees, but only upon a showing that (i) three (3) years after damage or destruction to the Project which renders a material part thereof unfit for its designated use, the Project has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or (ii) that three-fourths (3/4) or more of the Project has been destroyed or substantially damaged, and that Owners holding in the aggregate more than a seventy-five per cent (75%) voting interest in the Association are opposed to repair or restoration of the Project.

12.3. Any such termination, as provided in Article 12.2 above, shall also constitute the termination of any Lease upon any Lot in the Project or other area subject to or otherwise bound by this Declaration.

X 13. AMENDMENTS.

13.1. Declaration.

Amendment to the Declaration shall be proposed and adopted as follows:

13.1.1 Notice.

Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the notice to Association members and lessors of any meeting of Association members at which a proposed amendment is to be considered.

13.1.2 Resolution.

A resolution adopting a proposed amendment may be proposed by the Owners meeting as members of the Association. Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such approval must be by Owners who in aggregate own not less than seventy-five per cent (75%) of the Lots.

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13.1.3 Recording.

A copy of each amendment shall be certified by not less than a majority of the authorized number of Directors of the Association as having been duly adopted after compliance with Articles 10.5.1 and 13.1.2 and thereafter shall be effective when recorded in public records of Los Angeles County, California. For purposes of notice, a copy of the same shall be sent to each Owner, but such notice shall not constitute a condition precedent to the effectiveness of such amendment.

13.1.4 Notwithstanding the foregoing, amendments to Article 2.23., 3.4.5 and 3.14. of this Declaration shall not be adopted or effective, nor shall amendments to related enforcement procedures be applicable to said Articles unless the consent of 75% of all Lot Owners, Mortgagees and Lessors is obtained.

13.1.5 Deleted.

13.2. Amendment of Declaration, Articles of Incorporation and Bylaws.

The Declaration, Articles of Incorporation and the Bylaws of the Association may be amended only in the manner provided for by law or by such document.

13.3. No amendment to this Declaration, the Articles of Incorporation or Bylaws of the Association shall be effective without the approval of the City of Long Beach if any such Amendment would violate any of the requirements of the City of Long Beach for any Conditional Use approval of Subdivision Tract Approval by the City of Long Beach necessary to maintain the Project.

13.4. No amendment, which would adversely affect the value of any mortgage on the Project or any portion thereof or the rights of any mortgagee, shall be effective until said amendment has received the written approval of the mortgagees of seventy-five per cent (75%) of all Lots in the Project.

14. COVENANTS RUNNING WITH THE LAND - EQUITABLE SERVITUDES.

All provisions of this Declaration are and shall be construed to be covenants running with the land or equitable servitudes as the case may be and with every part thereof and interested therein, subject to the term provided in Article 12, including, but not limited to every Lot, Common Area, and the appurtenances thereto; the Association, every Owner and claimant of the property or any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns are and shall be bound by all of the provisions of this Declaration.

15. SEVERABILITY.

The provisions hereof shall be deemed independent and

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severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or provisions hereof.

16. INTERPRETATION.

16.1. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof in the future.

16.2. Any Owner, not at the time in default hereunder, or any member of the Association who shall be deemed to be acting on behalf of any of the Owners, or lessors, shall be entitled to bring an action for damages against any defaulting Owner, and, in addition, may enjoin any violation of this Declaration, or a rule or regulation duly adopted by the Association hereunder, or to prosecute any other appropriate legal or equitable action that may be necessary under the existing facts, provided the Association within a reasonable period after demand shall have failed so to do.

16.3. It is expressly agreed that a breach of any of the provisions, covenants, restrictions, or limitations, or the recording of any lien or assessment hereunder, or the pursuit of any remedy hereunder shall not defeat or render invalid the lien of any mortgage made by the Owner in good faith and for value upon the interest, right or title of a portion and percentage of interest of any Owner, grantee, or grantees in said Property, but all are hereby declared to be subject and subordinate to each such mortgage. However, each and all of said provisions, conditions, covenants, and restrictions, and limitations shall be binding upon and effective against any Owner whose title to said Property is thereafter acquired through foreclosure or trustee sale or continues under such mortgage.

17. ANNEXATION.

17.1. Declarant or their successors or transferees may, within three (3) years from the date of recording of this Declaration, without consent of any Owner, annex additional property to the Project, including but not necessary limited to all or a portion of that property described in Exhibit "A" attached hereto and by this reference made a part hereof and any other parcel or parcels contiguous thereto. Any annexation after three (3) years from the date of recording of this Declaration shall require a two-thirds (2/3) majority of the then existing voting power, excluding the voting power of Declarant. Should such property be annexed, such annexed property shall be added to the Assessment Roll as provided in Article 3.12. and shall be subject to and controlled by the terms, covenants, easements and restrictions of this Declaration, and the Articles and Bylaws of the Association. The Owners of annexed property as well as the existing Owners shall be granted reciprocal rights and easements of enjoyment in all existing and annexed Association and Common Areas subject to the provisions of Article 17.3. below.

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17.2. Upon any such annexation, as provided in Article 17.1., above, the allocation of common assessments shall be adjusted to reflect the addition of such annexed Lots to the Project, notwithstanding the provisions of Article 10.5.5 or any other Article to the contrary. Per capita assessments to Owners shall not be increased on account of or by reason of said annexation but may increase due to increased costs of goods and services necessary to maintain the Common and Association Areas at the time of annexation.

18. SPECIFIC DECLARATION OF EASEMENTS.

Attached hereto as Exhibit "B" is a document entitled "Declaration of Easement" wherein Lot 78 is burdened with easements in favor of Lots 75 and 76 for landscape and other purposes as more fully set forth in said document.

19. OWNERS OF LOTS 51 and 54.

The owners of Lots 51 and 54, their heirs, grantees and assigns shall not be members of the Association and shall have no rights to the use and enjoyment of the Common or Association areas and facilities unless and until Phase II should be developed or these lots or either of them are annexed. Should Phase II be developed and annexed to the Project then, in that event, Lots 51 and 54 together with all other Lots comprising Phase II shall be subject to and controlled by the terms, covenants, easements and restrictions of this Declaration, and the Articles and Bylaws of the Association and all rules and regulations promulgated by the Association.

IN WITNESS WHEREOF, Declarant and the Owners of Lots 79 and 84 have executed this instrument on the 24 day of July, 1975.

LONG BEACH CONSTRUCTION CO.,
a California corporation

By W. D. Windisch
W. D. WINDISCH, Vice President

By J. M. Windisch
J. M. WINDISCH, Secretary

STATE OF CALIFORNIA)
 : ss
COUNTY OF LOS ANGELES)

On this 24th day of July, 1975, before me, the undersigned, a Notary Public in and for said State, personally appeared W. D. WINDISCH and J. M. WINDISCH, known to me to be the

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Vice President and Secretary, respectively, 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 bylaws or a resolution of its board of directors.

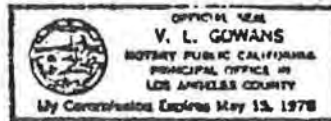
WITNESS my hand and official seal.

V. L. Gowans

NOTARY PUBLIC IN AND FOR SAID COUNTY

MY COMMISSION EXPIRES:

May 15 1978



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The undersigned, owners of Lots 79 and 84, agree to become members of the Association and be subject to and controlled by the terms, covenants, easements and restrictions of this Declaration, the Articles and Bylaws of the Association and all rules and regulations promulgated by the Association.

LOT 79

C. J. JONES

and

MARION E. JONES

Husband and Wife

LOT 84

C. S. JONES a widower

CLIFTON S. JONES, Trustee under the Will of Edith E. Jones, deceased, and the Decree of Distribution of the Estate, a certified copy thereof being recorded on July 3, 1975, as Document number 3767 of Official Records of Los Angeles County

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss

On this 3rd day of July, 1975, before me, the undersigned, a Notary Public in and for said State, personally appeared C. J. JONES, MARION E. JONES, C. S. JONES and CLIFTON S. JONES, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the

AUG 1 1975

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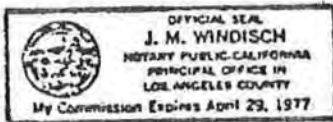
SAME.

WITNESS my hand and official seal.

J. M. Windisch
NOTARY PUBLIC IN AND FOR SAID
COUNTY

MY COMMISSION EXPIRES:

April 29, 1977



AUG 1 1975

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EXHIBIT "A"

Lots 29 through 72, inclusive, of Tract 29315
as per Map recorded in Book 834, Pages 87, 88
and 89 of Maps, in the Office of the County
Recorder of Los Angeles County.

AUG 1 1975

EXHIBIT "A"

-31-35

AUG 1 1975

SUBORDINATION AGREEMENT

THIS INSTRUMENT, executed this 21st day of August, 1975, by SOUTHERN CALIFORNIA SAVINGS AND LOAN ASSOCIATION, a corporation, beneficiary, and CONTINENTAL DEVELOPMENT OF CALIFORNIA, INC., a corporation, trustee,

WITNESSETH:

THAT WHEREAS, LONG BEACH CONSTRUCTION CO., a California corporation, as the owner of

Lots 1 through 28, 73 through 78, 80 through 83, and 85 through 88, inclusive, of Tract 29315, in the city of Long Beach, county of Los Angeles, state of California, as per map recorded in book 834, pages 87 through 89, inclusive, of Maps in the office of the county recorder of said county,

did execute the attached Declaration of Restrictions affecting said land;

AND WHEREAS, SOUTHERN CALIFORNIA SAVINGS AND LOAN ASSOCIATION, a corporation, one of the undersigned is the present owner and holder of the notes secured by deeds of trust executed by LONG BEACH CONSTRUCTION CO., a California corporation, to CONTINENTAL DEVELOPMENT OF CALIFORNIA, INC., a corporation, trustee, which affects:

Lots 1 through 28, 73 through 78, 80 through 83, and 85 through 88, inclusive, of said Tract No. 29315, said deeds of trust being recorded March 26, 1974, as Documents 30 through 72, inclusive, of Official Records of Los Angeles County,

AND WHEREAS, it is the intent that the lien or charge of said deeds of trust and any renewals or extensions thereof shall be and remain at all times junior and inferior to the covenants, conditions, restrictions, reservations, and easements as set forth and provided for in the attached Declaration of Restrictions.

NOW, THEREFORE, the undersigned do hereby understand, declare and agree that said deeds of trust, securing said notes and any renewals or extensions thereof, shall be and remain at all times a lien or charge on the land described therein junior and inferior to the covenants, conditions, restrictions, reservations and easements, as set forth and provided for in the attached Declaration of Restrictions.

It being the intent of this instrument to establish the priority of said covenants, conditions, restrictions, reservations and easements over said deeds of trust to the end that if said deeds of trust be foreclosed, title to the property described therein shall be acquired in subordination and subject to the above mentioned conditions, restrictions, covenants, reservations and easements.

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year first above written.

SOUTHERN CALIFORNIA SAVINGS AND LOAN ASSOCIATION,
a Corporation

By [Signature]
Title Harrison Owen, Vice President

By [Signature]
Title F. S. Ambrose, Assistant Secretary

"Beneficiary"

CONTINENTAL DEVELOPMENT OF CALIFORNIA, INC.,
a Corporation

By [Signature]
Title Harrison Owen, Assistant Vice President

By [Signature]
Title Barbara Olsen, Assistant Secretary

AUG 1 1975

AUG 1 1975

TO WHOM IT MAY CONCERN
(Corporation)

(T)

STATE OF CALIFORNIA
COUNTY OF Los Angeles } SS.

On July 30, 1975 before me, the undersigned, a Notary Public in and for said State, personally appeared Harrison Owen known to me to be the Vice President, and E. S. Ambrose known to me to be the Assistant 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 Esther Harris

Name (Typed or Printed)



(This area for official notarial seal)

AUG 1 1975

TO WHOM IT MAY CONCERN
(Corporation)

(T)

STATE OF CALIFORNIA
COUNTY OF Los Angeles } SS.

On July 30, 1975 before me, the undersigned, a Notary Public in and for said State, personally appeared Harrison Owen known to me to be the Assistant Vice President, and Barbara Olson known to me to be the Assistant 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 Esther Harris

Name (Typed or Printed)



(This area for official notarial seal)

MAR 6 1976
WITNESSETH
John F. Keating, Esq.
10880 Wilshire Boulevard,
Suite 1810
Los Angeles, California 90024

2512

RECORDED IN OFFICIAL RECORDS
OF LOS ANGELES COUNTY, CA
21 MIN. PAST 11 A.M. MAR 2 1976

Recorder's Office

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AMENDMENT OF DECLARATION OF RESTRICTIONS

This AMENDMENT OF DECLARATION OF RESTRICTIONS made this 25th day of February, 1976, by LONG BEACH CONSTRUCTION CO., a California corporation (hereinafter referred to as "Declarant"),

W I T N E S S E T H:

This Amendment is made under the following facts and circumstances:

1. Declarant is the owner of the following real property located in Los Angeles County, California:

"lots 1 through 28, 29 through 50, 52, 53, 55 through 72, 73 through 78, 80 through 88, inclusive, of Tract 29315, as per map recorded in Book 834, Page 8 of Miscellaneous Maps in the Office of the County Recorder of said County."

2. On or about August 1, 1975, Declarant recorded that certain Declaration of Restrictions (hereinafter referred to as "the Declaration"), pertaining to said Tract 29315 and to other tracts annexed pursuant to the provisions of said Declaration.

3. Declarant now desires to amend the Declaration as hereinafter provided.

NOW, THEREFORE, Declarant hereby amends said Declaration in the following particulars:

Paragraph 2.18 of said Declaration is hereby deleted in its entirety, and in lieu thereof the following paragraph is inserted:

"2.18. Management and control of the Common Areas is vested in the Association. No person shall use the Common Areas or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Areas and Association Areas to owners and their respective families, guests, employees, invitees, agents, servants or Lessees, provided, however, such rules shall not impair right and use of enjoyment of easements granted by the Declarant to third parties. Subject to the rules and regulations from time to time pertaining thereto, all Owners shall have the

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Association or Common Areas, provided however, that the Association and Common Areas shall be used in such manner as will not restrict, interfere with or impede the use thereof by other Owners."

The Declaration, as hereby amended, shall continue in full force and effect, and the parties hereto hereby affirm the same.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

LONG BEACH CONSTRUCTION CO.,
a California corporation

By [Signature]
C. S. JONES, JR., President

{SEAL}

To and of
(Corporation)

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } SS

On February 26, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared C. S. JONES, JR.

known to me to be the President of the corporation that executed the within Instrument.

known to me to be the person 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 [Signature]

V. L. Gowans

Name (Typed or Printed)



(This area for official notarial seal)

WHEN RECORDED RETURN TO:
John Keatir Esq.
1088 Wilshire Boulevard,
Suite 1810
Los Angeles, California 90024

(Rec'd 11)
Crown Point

AMENDMENT OF DECLARATION OF RESTRICTIONS

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Paragraph 2.18 of said Declaration is hereby deleted in its entirety, and in lieu thereof the following paragraph is inserted:

"2.18. Management and control of the Common Areas is vested in the Association. No person shall use the Common Areas or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time may be promulgated by the Association. Without in any manner intending to limit the generality of the foregoing, the Association shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Areas and Association Areas to owners and their respective families, guests, employees, invitees, agents, servants or Lessees, provided, however, such rules shall not impair right and use of enjoyment of easements granted by the Declarant to third parties. Subject to the rules and regulations from time to time, pertaining thereto, all Owners shall have the mutual, non-exclusive right to use and enjoy the

Association or Common Areas, provided however, that the Association and Common Areas shall be used in such manner as will not restrict, interfere with or impede the use thereof by other Owners."

The Declaration, as hereby amended, shall continue in full force and effect, and the parties hereto hereby affirm the same.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

LONG BEACH CONSTRUCTION CO.,
a California corporation

By *C.S. Jones, Jr.*
~~President~~, President
C.S. JONES, JR.

(SEAL)

TO 442 C
(Corporation)

(11)

STATE OF CALIFORNIA }
COUNTY OF Los Angeles } SS.

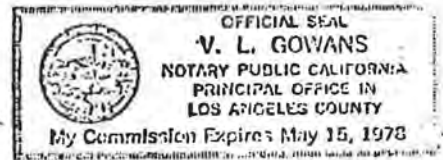
On February 26, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared C. S. JONES, JR., known to me to be the President, ~~and~~

known to me to be the ~~agent~~ of the corporation that executed the within Instrument, known to me to be the person 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 *V. L. Gowans*

V. L. Gowans
Name (Typed or Printed)



(This area for official notarial seal)

THIRD AMENDMENT TO ENTRANCE LOT LEASE

THIS AMENDMENT TO ENTRANCE LOT LEASE made and entered into this 18th day of July, 2002, by and between JUDITH E. JONES SCHMID, CHARLES M. JONES (aka C. MICHAEL JONES), CLIFTON S. JONES, JR., (individually and as Successor Trustee of the Clifton S. Jones Trust u/t/d/ 6/18/80 and Successor Trustee of the Edith B. Jones Trust u/t/d 7/31/71), LESSORS, and CROWN POINTE HOMEOWNERS ASSOCIATION, a California Corporation, hereinafter referred to as LESSEE.

RECITALS

1. On March 1, 1974, C.J. Jones and Marion E. Jones, Husband and Wife, and C.S. Jones, as Lessor, and Long Beach Construction Company, a California Corporation, as Lessee, entered into a written lease for the following described property:

"Lot 7 and the Southerly ten (10) feet of Lot 6 of Tract 12286, as shown on Map recorded in Book 238 pages 23 and 24, inclusive, of Maps in the office of the County Recorder of said County.

Subject to: (a) current taxes and assessments;
(b) covenants, conditions, restrictions, reservations, rights, rights of way and easements of record;"

2. A memorandum of said Lease was recorded in the official records of Los Angeles County, California, on April 25, 1974 in Book M 4670 at page 173.

3. On April 1, 1976 the Estate of Charles J. Jones by Marion E. Jones, Charles Michael Jones and Judith Eloise Schmid, executors, Marion E. Jones and C.S. Jones, all as LESSORS, and LONG BEACH CONSTRUCTION COMPANY, a California Corporation, as LESSEE, entered into a Second Amendment to Entrance Lot Lease in connection

with the property identified in paragraph 1 above, and that a memorandum of said lease was recorded in the official records of Los Angeles County, California, on April 15, 1976 in Book M 5307 at page 597.

4. On April 1, 1976, Long Beach Construction Company, a California Corporation, and Crown Pointe Community Association, Incorporated, entered into a written Assignment of Entrance Lot Lease, under and pursuant to which Long Beach Construction Company assigned all of its right, title and interest under and pursuant to said lease to Crown Pointe Community Association, Incorporated and a written Memorandum of Assignment of Lease was recorded in the official records of Los Angeles County, California, on April 15, 1976 in Book M 5307 at page 599.

5. Crown Pointe Homeowner's Association, a California Nonprofit Mutual Benefit Corporation is Successor-in-Interest to Crown Pointe Community Association Incorporated and is presently a common interest development with the meaning of Civil Code § 1350 having jurisdiction over the community known as Crown Pointe in Long Beach, California and is present Lessee of the property described in paragraph 1 above.

Whereas, the parties hereto are desirous of amending said lease.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

(i) Paragraph 21 is hereby amended to provide as follows:

"21. RENTAL ADJUSTMENT: Upon the expiration of the twenty-fifth (25th) year, the thirty-fifth (35th) year, the forty-fifth (45th) year, the fifty-fifth (55th) year and the sixty-fifth (65th) year of the term of this lease, the rental hereunder shall be adjusted to yield a sum equal to seven and one-half percent (7 1/2%) per

4/11/1976 - 20
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annum of the fair market value of the Leased Land as improved (exclusive of the gatehouse and appurtenances thereto) at the end of said periods. After any such adjustment of rental, Lessee shall pay monthly to Lessor such rental as so adjusted during the period applicable thereto at the times and in the manner hereinabove provided in Paragraph 3; provided, however, in no event shall the rental as so adjusted be less than the initial rental provided in Paragraph 3. If, upon the expiration of said twenty-fifth (25th) year, thirty-fifth (35th) year, forty-fifth (45th) year, fifty-fifth (55th) year or sixty-fifth (65th) year (as the case may be), the parties hereto shall have failed to agree upon such adjusted rental, then and thereupon the fair market value of the Leased Land and the amount of rental to be adjusted in relation thereto as hereinabove provided shall be determined by a qualified real estate appraiser chosen by the Lessor from the roster of active members of the American Institute of Real Estate Appraisers, the American Society of Appraisers, or comparable professional appraisal organization then in existence. Lessor shall provide Lessee with a copy of said written appraisal. If the adjusted rental determined upon the basis of said appraisal is satisfactory to CPHA, the adjusted rental shall commence in accordance with the terms of the Entrance Lot Lease, as amended. If the appraisal performed by Lessor and adjusted rental based thereon is unsatisfactory to Lessee, Lessee shall have the right to the performance of a second appraisal on the Entrance Lot, the appraisal to be performed by an appraiser of Lessee's choosing (Lessee's appraiser to meet the qualifications above-stated), the cost of which is to be paid for by Lessee. Lessee's appraiser shall

value the fair market value of the Leased Land in accordance with the terms of the Entrance Lot Lease, as amended, and issue the appraisal within 30 days of the receipt of Lessor's appraisal. The Appraiser retained by Lessor and the appraiser retained by Lessee shall then meet and confer within 15 days of the date of Lessee's appraisal to determine whether or not they are able to agree on an appraised value for the Entrance Lot in accordance with the terms of the Entrance Lot Lease, as amended. If Lessor's appraiser and Lessee's appraiser can agree, the adjusted rentals predicated upon the agreed appraised value of the Entrance Lot shall commence in accordance with the term of the Entrance Lot Lease, as amended. If Lessor's appraiser and Lessee's appraiser are unable to agree on an appraised value for the Entrance Lot, Lessor's appraiser and Lessee's appraiser shall, within 30 days thereafter, mutually agree upon and select a third appraiser to appraise the Entrance Lot in accordance with the terms of the Entrance Lot Lease, as amended, the determination of the third appraiser as to the fair market value of the Leased Land to be binding upon Lessor and Lessee, with the costs of the third appraisal to be borne by Lessor and Lessee equally.

Pending the final decision of such adjusted rental, Lessee shall pay to Lessor the amount of rent previously payable under Paragraph 3 hereof as previously adjusted. If such adjusted rental as finally determined shall exceed the amount of the previous rental, the excess amount accruing during the interim period shall be paid by Lessee to Lessor within thirty (30) days after the final determination of said adjusted rental."

IN WITNESS WHEREOF, the parties have executed this Third Amendment of Entrance Lot Lease as of the day and year first above written.

Date: 7/18/02

J. Jones
An Authorized Representative of Lessee, CROWN POINTE HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation

Date: _____
Lessor, JUDITH E. JONES SCHMID

Date: _____
Lessor, CHARLES M. JONES

Date: _____
Lessor, CLIFTON S. JONES, JR.

Date: _____
Lessor, CLIFTON S. JONES, JR.
(Successor Trustee of the Clifton S. Jones Trust u/t/d 6/18/80 and Successor Trustee of the Edith B. Jones Trust u/t/d 7/31/71)

a:\jones\jaml lee

WHEN RECORDED MAIL TO:

Clifton S. Jones, Jr., Trustee
10945 South Street, Suite 301
Cerritos, CA 90703-5350

.CD

02-2673309

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SPACE ABOVE FOR RECORDERS USE

MEMORANDUM OF THIRD AMENDMENT TO LOT LEASE

THIS MEMORANDUM is entered into this 29th day of AUGUST, 2002, by and between CLIFTON S. JONES, Jr., (Successor Trustee of the CLIFTON S. JONES TRUST w/d 6/18/80 and Successor Trustee of the EDITH B. JONES TRUST w/d 7/31/71), JUDITH E. JONES SCHMID, and CHARLES M. JONES (aka C. MICHAEL JONES), as LESSORS, and CROWN POINTE HOMEOWNERS ASSOCIATION, a California Corporation, as LESSEE.

1. Lessors are the owners of certain real property situated in the City of Long Beach, County of Los Angeles, State of California, legally described as:

"Lot 7 and the Southerly ten (10) feet of Lot 6 of Tract 12286, as shown on Map recorded in Book 238 pages 23 and 24, inclusive, of Maps in the office of the County Recorder of said County.

2. For a valuable consideration C. J. JONES, MARION E. JONES and C. S. JONES, Lessors, entered into a written Lease entitled Entrance Lot Lease dated March 1, 1974 with LONG BEACH CONSTRUCTION CO., a California Corporation, as Lessee, for a term commencing on March 1, 1974 and ending on May 1, 2030, subject to all terms and conditions set forth therein.

3. That a MEMORANDUM OF LEASE referring to said Entrance Lot Lease was recorded on April 25, 1974 in Book M4670 Page 173 in Official Records of Los Angeles County, California.

4. Said Lease was amended by a written Amendment of Entrance Lot Lease dated July 29, 1975 wherein and whereby, among other things, the term of said Lease has been extended to terminate on May 1, 2030.

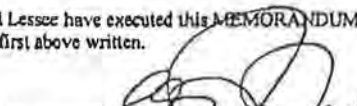
5. That a MEMORANDUM OF AMENDMENT OF ENTRANCE LOT LEASE was recorded on August 1, 1975 in Book M5079 Page 268 in Official Records of Los Angeles County, California.

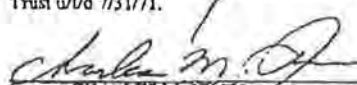
6. Said Lease was amended by a written SECOND AMENDMENT OF ENTRANCE LOT LEASE dated April 1, 1976, wherein and whereby Lessor and Lessee have the right to grant non-exclusive right of ingress and egress over the Leased Land, for the term of said lease as extended.

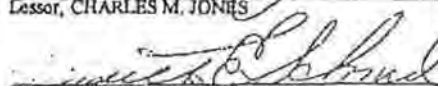
7. That a MEMORANDUM OF SECOND AMENDMENT OF ENTRANCE LOT LEASE was recorded on April 15, 1976 as Document No. 699 in Book M5307 Pages 597 & 598 in Official Records of Los Angeles County, California.

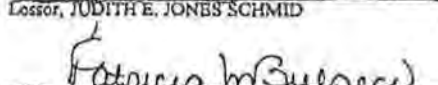
8. That said Entrance Lot Lease has been further amended by a THIRD AMENDMENT OF LOT LEASE dated July 18, 2002, wherein and whereby LESSORS AND LESSEE mutually agreed to a clarification and restatement concerning the adjustment of rental of said leased land at the expiration of the twenty-fifth (25th) year, thirty-fifth (35th) year, forty-fifth (45th) year, fifty-fifth (55th) year, or the sixty-fifth (65th) year (as the case may be) and conditions for appraisal of the fair market value of the leased land.

IN WITNESS WHEREOF, Lessor(s) and Lessee have executed this MEMORANDUM OF THIRD AMENDMENT TO ENTRANCE LOT LEASE on the day and year first above written.


Lessor, CLIFTON S. JONES, JR., Successor Trustee of the Clifton S. Jones Trust w/d 6/18/80 and Successor Trustee of the Edith B. Jones Trust w/d 7/31/71.


Lessor, CHARLES M. JONES


Lessor, JUDITH E. JONES SCHMID


An Authorized Representative of
Lessee, CROWN POINTE HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation.

2002

FOURTH AMENDMENT TO ENTRANCE LOT LEASE

THIS AMMENDMENT is entered into this 11th day of August, 2010, by and between CLIFTON S. JONES, JR., (Successor Trustee of the CLIFTON S. JONES TRUST u/d 6/18/80 and Successor Trustee of the EDITH B. JONES TRUST u/d 7/31/71), JUDITH E. JONES SCHMID, and CHARLES M. JONES (aka C. MICHEAL JONES), as LESSORS, and CROWN POINTE HOMEOWNERS ASSOCIATION, a California Corporation, as LESSEE.

1. Lessors are the owners of certain real property situated in the City of Long Beach, County of Los Angeles, State of California, legally described as:

*Lot 7 and the Southerly ten (10) feet of Lot 6 of Tract 12286, as shown on Map recorded in Book 238 pages 23 and 24, inclusive, of Maps in the office of the County Recorder of said County.

2. For a valuable consideration C.J. JONES, MARION E. JONES and C. S. JONES, Lessors, entered into a written Lease entitled Entrance Lot Lease dated March, 1, 1974 with LONG BEACH CONSTRUCTION CO., a California Corporation, as Lessees, for a term commencing on March 1, 1974 and ending on May 1, 2030, subject to all terms and conditions set forth therein.

3. That MEMORANDUM OF LEASE referring to said Entrance Lot Lease was recorded on April 25, 1974 in Book M4670 Page 173 in Official Records of Los Angeles County, California.

4. Said Lease was amended by a written Amendment of Entrance Lot Lease dated July 29, 1975 wherein and whereby, among other things, the term of said Lease has been extended to terminate May 1, 2050.

5. That a MEMORANDUM OF AMENDMENT OF ENTRANCE LOT LEASE was recorded on August 1, 1975 in Book M5079 Page 268 in Official Records of Los Angeles County, California.

6. Said Lease was amended by a written SECOND AMENDMENT OF ENTRANCE LOT LEASE dated April 1, 1976, wherein and whereby Lessor and Lessee have the right to grant non-exclusive right of ingress and egress over the Lease Land, for the term of said lease as extended.

7. That MEMORANDUM OF SECOND AMENDMENT OF ENTRANCE LOT LEASE was recorded on April 15, 1976 as Document No. 699 in Book M5307 Pages 597 & 598 in Official Records of Los Angeles County, California.

8. Said Lease was amended by a written THIRD AMENDMENT TO ENTRANCE LOT LEASE dated July 18, 2002, wherein and whereby LESSORS AND LESSEE mutually agreed to a clarification and restatement concerning the adjustment of rental of said lease land at the expiration of the twenty-fifth (25th) year, thirty-fifth (35th) year, forty-fifth (45th) year, fifty-fifth (55th) year and the sixty-fifth (65th) year and conditions for appraisal of the fair market value of the lease land.

9. That said Entrance Lot Lease has been further amended by this FOURTH AMENDMENT TO ENTRANCE LOT LEASE dated August 10th, 2010, wherein and whereby LESSORS AND LESSEE mutually agree to the value upon which the adjustment of the rental rate of the said lease land at the expiration of the twenty-fifth (25th) year shall be based. For the period of March 1, 2009 through February 28, 2019 the rental rate shall be set at \$31,144.00 (THIRTY-ONE THOUSAND ONE HUNDRED FORTY-FOUR DOLLARS AND NO/100) per year or \$2,595.00 (TWO THOUSAND FIVE HUNDRED NINETY-FIVE AND NO/100 DOLLARS) based on 7.5% of an agreed upon valuation of \$415,250.00 (FOUR HUNDRED FIFTEEN THOUSAND TWO HUNDRED FIFTY DOLLARS). Nothing in this FOURTH AMENDMENT TO ENTRANCE LOT LEASE shall alter the provisons by which future adjustments may be made at the expiration of the thirty-fifth (35th) year, the forty-fifth (45th) year, fifty-fifth (55th) year and the sixty-fifth (65th) year as provided for in the THIRD AMENDMENT TO ENTRANCE LOT LEASE..

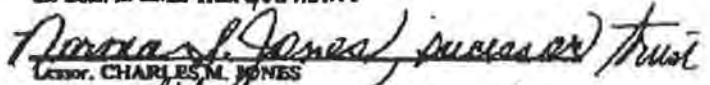
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10. As a part of this Agreement, the LESSORS shall pay the sum of \$7,859.00 (SEVEN THOUSAND EIGHT HUNDRED FIFTY-NINE AND NO/100 DOLLARS) as the differential between the new agreed upon rent and the rent paid since the expiration of the THIRD AMENDMENT TO ENTRANCE LOT LEASE. This payment will bring all rent current to JULY 20, 2010. The New rental rate shall commence on August 1, 2010.

IN WITNESS WHEREOF, Lessor(s) and Lessee have executed this FOURTH AMENDMENT TO ENTRANCE LOT LEASE on the day and year first above written.


Lessor, CLIFTON S. JONES, JR. (Successor Trustee of the Clifton S. Jones Trust w/d 6/18/80 and Successor Trustee of the Edith B. Jones Trust w/d 7/31/71)


Lessor, CHARLES M. JONES


Lessor, JUDITH B. JONES SCHMID


An Authorized Representative of Lessee, CROWN
POINTE HOMEOWNERS ASSOCIATION, a California
Nonprofit Mutual Benefit Corporation

BYLAWS
OF
CROWN POINTE COMMUNITY ASSOCIATION, INCORPORATED

ARTICLE I

NAME AND LOCATION

The name of the corporation is Crown Pointe Community Association, Incorporated, hereinafter referred to as the "Association." The principal office of the corporation shall be located in the City of Long Beach, County of Los Angeles, State of California, but all meetings of members and directors shall be held within the subdivision or as close thereto as practicable.

ARTICLE II

DEFINITIONS

1. "Declarant" shall mean Long Beach Construction Co., a California corporation, its successors and assigns.

2. "Declaration" shall mean the Declaration of Restriction applicable to the Property described in the Articles of Incorporation of this corporation, and as recorded in the Office of the County Recorder of Los Angeles County, State of California.

3. "Member" shall mean those persons and entities entitled to membership as provided in the Articles of Incorporation of this corporation and the Declaration.

4. As to other terms, not otherwise defined herein, those definitions set out in the aforementioned Declaration shall apply.

ARTICLE III

MEETINGS OF MEMBERS

1. Annual Meetings. The first annual meeting of the members shall be held within six (6) months after the close of the

Bylaws

first escrow for a unit in the project. Subsequent regular annual meetings of the members shall be held on the first Tuesday of May at the hour of 8:00 o'clock P.M.

If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. At such meetings there shall be elected by ballot of the Owner a Board of Directors in accordance with the requirements of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the total votes.

3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 but not more than 30 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. The annual operating statement reflecting income and expenditures of the Association for its preceding fiscal year shall be delivered to the members as a part of the notice of annual meeting.

4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, 50% of the total votes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, without notice other than announcement at the meeting, to a time not less than 48 hours nor more than 30 days from the time the original meeting was called, at which meeting the quorum requirement shall not be less than 25% of the total members, present or represented by proxy.

5. Proxies. Any Owner may attend and vote at such meeting in person or by an agent authorized by a written proxy

and filed with the Association. Any designation of an agent to act for an Owner may be revoked at any time by written notice thereof to the Association and shall be deemed revoked when the Association shall receive actual notice of the death or judicially declared incompetence of such Owner, or of the conveyance by such Owner of his Lot to another, whereupon the vestee of such Lot shall be deemed the Owner for purpose of voting. Where there is more than one record Owner of a Lot, any or all of such persons, as Owners, may attend any meeting of the Association, but it shall be necessary for those present to act unanimously in order to cast the one vote to which the Lot is entitled.

6. Majority of Owners. A majority of the voting power present in person or by proxy, shall carry any resolution at all meetings, subject to provisions of Sections 4 and 5, inclusive, of this Article III, and subject to each and all of the provisions of the provisions of the Declaration, Articles of Incorporation, and these Bylaws otherwise providing. Without limiting the foregoing, the voting power of the Declarant or any successor in interest of Declarant succeeding to the ownership of five (5) or more units in the Project, shall be excluded in the determination of majority voting power in the event there be proposed (a) an assessment in excess of \$2,000.00 for capital improvements; or (b) to encumber or convey any Association property in an amount in excess of \$2,000.00.

ARTICLE IV

SELECTION AND TERM OF OFFICE OF BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

2. Term of Office. The Board of Directors shall be elected each year at each annual meeting of the members, each director so elected to serve for the ensuing year, or until the election of a successor.

3. Removal. At any regular or special meeting of members duly called, any one or more of the directors may be removed, with or without cause, by a majority vote of the members, and a successor may then and there be elected to fill the vacancy thus created (by cumulative voting as provided in Article V, Section 3). Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting; provided, however, unless the entire Board is removed, an individual director shall not be removed if the

number of votes voted against the resolution for his removal exceeds the quotient arrived at when the total number of votes entitled to vote is divided by one plus the authorized number of directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

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

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons, in number depending upon the number of vacancies, receiving the largest number of votes shall be elected to such vacancies.

3. Cumulative Voting. The election of directors shall be cumulative voting in accordance with California Corporations Code Section 2235.

4. Election of Owner Other than Declarant. At least one director shall be an owner other than the Declarant. In the event that the owners, other than Declarant, through the cumulating of all of their votes are unable to elect at least one director then, in that event, the Owners, excluding the Declarant, shall vote by separate secret written ballot and the nominee receiving the greatest number of votes shall be elected.

ARTICLE VI

MEETINGS OF DIRECTORS

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

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

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

(b) Suspend, after notice and hearing, the voting rights and right to use the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association and for a period not to exceed thirty (30) days for infraction of the Declaration, these Bylaws or any other published rules or regulations;

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

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

(e) Employ a manager, an independent contractor, and such other employees as it deems necessary, and to prescribe their duties; provided, however, that any management body or agent selected prior to the first annual election of the Board of Directors after incorporation, shall be employed to manage only until the first annual election of the Board, at which time the continuance of the same or the selection of another body or agent shall be determined by a majority vote of the Board of Directors;

(f) Enforce applicable provisions of the Declaration, these Bylaws, and any other instruments for the management and control of the subdivision;

(g) Pay taxes and assessments which are or could become a lien on the Common and/or Association Areas or some portion thereof; and

(h) Contract for materials and/or services for the Common and/or Association Areas or the Owner's Association with the terms of any service contract limited to a duration of one year. For any service contract for a duration of more than one year, a majority vote of the Association shall be required.

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

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

(b) Supervise all officers, agents and employees of the Association, and to assure that their duties are properly performed;

(c) As more fully provided in the Declaration to:

(1) Fix the amount of the annual assessment against each member at least thirty (30) days in advance of each annual assessment period;

(2) Establish the Capital Fund and Assessment Roll of the Association;

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

(4) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law or pay the same.

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

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

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

(g) Cause the Common and/or Associations Areas to be maintained;

(h) Delegate its power within the limits provided by law;

(i) At each annual meeting, the members shall determine by majority vote, whether to refund the excess of assessments collected over operating expenses if any, to the members. Such excess, if not refunded shall be applied to the following year's assessments; and

(j) Enter into any unit at reasonable hours when necessary in connection with the maintenance or construction for which the Association is responsible.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

1. Enumeration of Offices. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

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

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

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

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

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

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

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

(a) President: The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

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

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

(d) Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, and shall keep proper books of account and shall cause to be prepared a balance sheet and an operating (income) statement for the Association and copies thereof shall be distributed to each member of the Association and to each Lessor within sixty (60) days of the following accounting dates: (a) a balance sheet as of an accounting date which shall be the last day of the month closest in time to six months from the date of closing of the first sale of a lot in the Project to a member of the Association and an operating statement for an accounting period from the aforesaid date of first closing to the aforesaid accounting date; and (b) a balance sheet as of the last day of the Association's fiscal year and an operating statement for said fiscal year. The operating statement for the six months accounting period referred to in (a) above shall include a schedule of assessments received or receivable itemized by lot number and by the name of the person or entity assessed.

ARTICLE IX

COMMITTEES

The members shall elect an Architectural and Landscaping Committee, at the times provided for in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in order to carry out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obliged to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. If any assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the legal rate, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive, or otherwise be relieved of liability for, the assessments provided for herein by nonuse of the Common Area or by abandonment of his interest.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Crown Pointe Community Association, Incorporated - California, incorporated

July 17, 1975, 1975.

ARTICLE XIII

AMENDMENTS

1. These Bylaws may be amended, at a regular or special meeting of the members, or by a written consent of members, by a vote or written consent of a majority of a quorum (as determined by Article III, Section 4) of members; provided, however, that no such amendment that would materially change the rights, preferences or privileges of any person, or restrictions upon any Owner affected thereby, shall be submitted for approval to members without the prior consent of the California Real Estate Commissioner as set forth in California Business and Professions Code, Section 11018.7 (unless said statutory section no longer applies), and provided, further, that where an amendment is of such substance as to require by the terms of the Declaration a

larger plurality, the provisions of the Declaration shall control.

2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

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

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned, Secretary of the Association known as Crown Pointe Community Association, Incorporated, does hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors of said Association on the ___ day of _____, 1974, and that they now constitute said Bylaws.

Secretary

BEFORE THE
DEPARTMENT OF REAL ESTATE
OF THE
STATE OF CALIFORNIA

TELEPHONE NO. (213) 620-2700

RECEIVED
Subdivision Section
FEB 26 1975
DEPT. OF REAL ESTATE

In the matter of the application of
LONG BEACH CONSTRUCTION CO.,
a corporation
for a Preliminary Subdivision Public Report on
TRACT NO. 29315
"CROWN POINTE"
LOS ANGELES COUNTY, CALIFORNIA

PRELIMINARY SUBDIVISION
PUBLIC REPORT

FILE NO. 35950

ISSUED: FEBRUARY 7, 1975
AMENDED: MAY 23, 1975

**THIS REPORT IS NOT A RECOMMENDATION OR ENDORSEMENT OF THE SUBDIVISION
BUT IS INFORMATIVE ONLY**

This is a Preliminary Subdivision Public Report which permits the taking of reservations to purchase or lease a lot or parcel in this subdivision under the following conditions: (1) such reservations must be subject to the approval of the final public report by the proposed purchaser; (2) any valuable consideration involved must be placed in a neutral escrow depository subject to withdrawal by the proposed purchaser at any time without deductions and an option to cancel his reservation at any time until he approves the final public report; and (3) a copy of the reservation agreement signed by the prospective purchaser and by the subdivider or his agent must be placed in the escrow.

NOTE: This report expires one year from date of issuance or on issuance of a Final Report, whichever is sooner.

THE FILING OF THIS SUBDIVISION WITH THE DEPARTMENT OF REAL ESTATE IS INCOMPLETE IN THE FOLLOWING RESPECTS:

1. A title report issued after recordation of restrictions has not yet been submitted.
2. The Restrictions and the By-Laws of the Homeowners Association, as proposed by the developer, have not yet been accepted for recordation.
3. The budget submitted has not yet been reviewed.
4. A copy of the Articles of Incorporation with filing information from the Secretary of State has not yet been received.

SPECIAL NOTES

INFORMATION REGARDING SCHOOLS CAN BE FOUND ON THE LAST PAGE OF THIS REPORT.

THIS REPORT DOES NOT INCLUDE LOTS 51, 54, 79 OR 84.

PURCHASERS SHOULD BE AWARE THAT THE FEE OWNERS OF LOTS 51, 54, 79 AND 84 WILL HAVE THE USE OF THE COMMON AREAS WITHOUT BEING ASSESSED FOR THE MAINTENANCE OF THE COMMON AREAS.

THE 84 RESIDENTIAL LOTS AND COMMON AREA COVERED BY THIS REPORT COMPRISE A 12-ACRE OVERALL PROJECT PROPOSED TO BE DEVELOPED IN TWO INCREMENTS, WHICH INCLUDE A TOTAL OF 84 RESIDENTIAL LOTS PLUS THE COMMON AREAS. PHASE I WILL CONSIST OF 42 LOTS. THERE IS NO ASSURANCE THAT THE OVERALL PROJECT WILL BE COMPLETED.

THIS PROJECT IS A PLANNED DEVELOPMENT. IT INCLUDES COMMON AREAS AND COMMON FACILITIES WHICH WILL BE OPERATED BY AN INCORPORATED OWNERS ASSOCIATION. THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO YOUR RIGHT TO VOTE AT MEETINGS.

PRIOR TO EXECUTION OF THE PURCHASE AGREEMENT THE DEVELOPER SHOULD PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, RESTRICTIONS AND BYLAWS. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT.

THE AGREEMENT YOU WILL SIGN TO RESERVE A LOT IN THIS SUBDIVISION DOES NOT BIND THE SELLER TO SELL AT PRICES IN EFFECT OR QUOTED TO YOU AT THE TIME YOU ENTER INTO A RESERVATION AGREEMENT. BY THE TIME THE FINAL SUBDIVISION PUBLIC REPORT IS ISSUED TO THE DEVELOPER THE ACTUAL PURCHASE PRICE MAY INCREASE ON SOME OR ALL THE LOTS IN THIS SUBDIVISION.

INTERESTS TO BE CONVEYED: You will receive fee title to a specified lot, together with a membership in Crown Pointe Community Association, Inc., and rights to use the common areas.

LOCATION AND SIZE: In the City of Long Beach.

Approximately 12 acres divided into 88 residential lots in addition to the common area which consists of an interest in Lot 7 and the southerly ten feet of Lot 6 of Tract No. 12286, adjacent to the subdivision, with community facilities consisting of private streets, landscaping, entrance island and gatehouse.

MANAGEMENT AND OPERATION: The Crown Pointe Community Association, Inc., which you must join, manages and operates the common areas in accordance with the Restrictions, Articles of Incorporation and the By-laws.

MAINTENANCE AND OPERATIONAL EXPENSES: The subdivider has submitted a budget for the maintenance and operation of common areas. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each subdivision lot will be \$30.00.

The subdivider advises that the offering does not include the services of a security guard and no provisions have been provided in the budget for that purpose. If security guard service is instituted at a later date, the monthly assessments will increase substantially.

This project was not completed as of the date of issuance of this public report. Each lot will be assessed for their pro rata share of the actual expenses incurred by the association, which will include current operating and maintenance costs, as well as funds to be set aside and impounded to pay future costs of reserves for replacements and repairs. The association may increase the amount of monthly lot assessments at any time to meet actual expenses. The final budget and monthly assessment may be increased prior to the time when a final subdivision public report is issued.

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&Rs or Bylaws. In considering the advisability of a decrease in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

THE INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF ISSUANCE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT ACCURATELY AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Monthly assessments will commence on all lots on each phase during the month following the closing of the first sale of a lot. From that time, the subdivider is required to pay the association a monthly assessment for each lot which he owns.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the CC&Rs. These remedies are available against the subdivider as well as against other owners. The subdivider will post a bond as partial security for this obligation to pay these assessments. The governing body of the association should assure itself that the subdivider has satisfied his obligations to the association with respect to maintenance of the common areas before agreeing to a release or exoneration of the security.

TITLE: Title is vested in C. J. Jones and Marlon E. Jones, husband and wife; Clifton S. Jones, a widower, Margaret M. Avery, a widow; and Charles J. Jones, as trustees under the will of Charles H. Jones. The subdivider has entered an agreement to purchase 42 lots comprising Phase I.

EASEMENTS: Easements for utilities, drainage, rights of way, private streets, sewers and other purposes are shown on the title report and the subdivision map recorded in the Office of the Los Angeles County Recorder, Book 834, Page 87.

Private street easement cross portions of some residential lots within the tract.

USES AND ZONING: The property west of the subdivision is as follows: Pacific Electric Railway, Los Angeles County Flood Control Channel, and M-1 zone (semi-industrial without dwellings).

RESTRICTIONS: This subdivision will be subject to restrictions to be recorded in the Office of the Los Angeles County Recorder.

TAX ESTIMATES: If the subdivider is unable to give you the current tax information, you may approximate your taxes as follows:

TAKE 25% OF THE SALES PRICE, DIVIDE BY 100, AND THEN MULTIPLY BY THE TOTAL TAX RATE. THE TAX RATE FOR THE 1974/75 FISCAL YEAR IS \$12.4331. THE TAX RATE AND ASSESSED VALUATION MAY CHANGE IN SUBSEQUENT YEARS. FOR EXAMPLE, ANY BONDED DEBT OR SPECIAL DISTRICT ASSESSMENT APPROVED AFTER THE ABOVE TAX RATE HAD BEEN SET COULD INCREASE THE FUTURE RATE.

CONDITIONS OF SALE: If your purchase involves financing, a form of deed of trust and note will be used. These documents contain the following provisions:

An **acceleration clause.** This means that if you sell the property or use it as a security for another loan, the lender may declare the entire unpaid loan balance immediately due and payable.

A **late charge.** This means that if you are late in making your monthly loan payment, you may have to pay an additional amount as a penalty.

A **prepayment penalty.** This means that if you wish to pay off your loan in whole or in part before it is due, you may be required to pay an additional amount as a penalty in accordance with the terms of the loan.

NOTE: THE PURCHASE CONTRACT CONTAINS A **RE-PURCHASE OPTION** BY THE SELLER. YOU SHOULD READ AND UNDERSTAND THE TERMS OF THIS PROVISION. YOU MAY WANT TO SEEK LEGAL ASSISTANCE PRIOR TO ENTERING AN AGREEMENT.

RESERVATION MONEY HANDLING: If you reserve a lot, the subdivider must place all funds received from you in a neutral escrow at the California Escrow Service, 10929 South Street, Cerritos, California, subject to the conditions of the tentative reservation agreement.

GEOLOGIC CONDITIONS: The subdivider's engineering geologist advises that the subdivision is located on the north end of the Long Beach Anticline, very near the Cherry Hill Fault. The Palos Verdes Fault is about 7 miles southwest of the site. The site is quite active seismically. The Long Beach earthquake of May 11, 1933, with a magnitude of 6.3 on the Richter Scale, had its epicenter about 18 miles southeast of the site, offshore from Huntington Beach and reached an intensity of 7 on the modified Mercalli Scale. This intensity occurred principally in regions of man-made fills over lagoonal areas and in areas of saturated alluvium. Based on local geologic conditions an intensity of 5 is estimated for this site. The geologist states that this corresponds to a peak acceleration of about 15 feet per second squared or about 0.5 gravity acceleration (0.5g). The horizontal component of this movement is estimated at 0.2g, and this figure is recommended for use in slope stability analyses and foundation design.

The soils engineer recommends that structures on Lots 17 through 24 should be located a minimum of ten feet from the top of the slope and the rear yards of these lots should be paved to prevent saturation of the slope area. The subdivider's geologist states that particular attention was given to the proposed soil cement stabilization blanket at the rear of Lots 21 through 24 and the proposed drainage. He states that he sees no reason why the tract should not be graded as presently designed. The geologist also states that data from the test borings indicates the slope is geologically stable.

FILLED GROUND: Some lots will contain filled ground varying to a maximum depth of 6.9 feet. These soils were properly compacted for the intended use under the supervision of a state licensed engineer.

SOIL CONDITIONS: An engineering report has been filed which indicates soil is expansive, and included in the report are certain structural recommendations. Subdivider has certified that he will comply with the recommendations of the engineer, that the purchasers' funds will be impounded in escrow, and that no escrows shall close until recommendations have been completed.

FLOOD AND DRAINAGE: The City of Long Beach, Office of the City Engineer, advises that the tract will be relatively free from flood hazard from a ten-year frequency storm.

STREETS AND ROADS: The streets within this subdivision are private. No provision for their repair and maintenance has been made by the developer, and it is not contemplated that he will do so. All repair and maintenance of these private streets will be the responsibility of the association.

PUBLIC TRANSPORTATION: Bus service is approximately $\frac{1}{2}$ mile from the subdivision at Long Beach Boulevard.

SCHOOLS: The Long Beach Unified School District advises that the location and distance from the most distant lot in the tract to the nearest schools serving this tract are as follows:

Los Cerritos Elementary, 515 West Sant Antonio Drive, .05 mile;
Hughes Junior High, 3846 California Avenue, 1.2 miles;
Poly High, 1600 Atlantic Avenue, 3.55 miles.

School bus transportation is not provided to the aforementioned schools.

NOTE: Purchasers should contact the local school district if they desire information regarding school facilities.

SHOPPING FACILITIES: Bixby Knolls Shopping Center is located approximately one mile from the subdivision on Atlantic Avenue and SantAntonionDrive.

For further information in regard to this subdivision, you may call (213) 620-2700, or examine the documents at 107 South Broadway, Room 8136, Los Angeles, California 90012.

BEFORE THE
DEPARTMENT OF REAL ESTATE
OF THE
STATE OF CALIFORNIA

RECEIVED
Headquarters
5-1

In the matter of the application of

LONG BEACH CONSTRUCTION CO.
a corporation

For a Preliminary Subdivision Public Report on
TRACT NO. 2931.5, Phase II & Phase III
"CROWN POINTE"
LOS ANGELES COUNTY, CALIFORNIA

RECEIVED
JAN 15 1978
Dep.
Los Angeles Subdivisions

PRELIMINARY SUBDIVISION
PUBLIC REPORT

FILE NO. 35950

Issued : FEBRUARY 7, 1975

Renewed: DECEMBER 14, 1977

Expires: DECEMBER 14, 1982

**This Report Is Not a Recommendation or Endorsement of the Subdivision
But Is Informative Only.**

Buyer or Lessee Must Sign That He Has Received and Read This Report.

This is a Preliminary Subdivision Public Report which permits the taking of reservations to purchase or lease a lot or parcel in this subdivision under the following conditions: (1) such reservations must be subject to the approval of the final public report by the proposed purchaser; (2) any valuable consideration involved must be placed in a neutral escrow depository subject to withdrawal by the proposed purchaser at any time without deductions and an option to cancel his reservation at any time until he approves the final public report; and (3) a copy of the reservation agreement signed by the prospective purchaser and by the subdivider or his agent must be placed in the escrow.

This Report Expires on Date Shown Above. If There Has Been a Material Change in the Offering, an Amended Public Report Must Be Obtained and Used in Lieu of This Report.

Section 35700 of the California Health and Safety Code provides that the practice of discrimination because of race, color, religion, sex, martial status, national origin or ancestry in housing accommodations is against public policy.

Under Section 125.6 of the California Business and Professions Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they make any discrimination, distinction or restriction in negotiating a sale or lease of real property because of the race, color, sex, religion, ancestry or national origin of the prospective buyer. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, he or she should contact the Department of Real Estate.

The Filing of This Subdivision With the Department of Real Estate is Incomplete. Do Not Enter Into a Binding Contract to Purchase Until You Are Furnished a Final Subdivision Public Report. Read the Information on the Following Pages.

COMMON INTEREST SUBDIVISION GENERAL INFORMATION

The project described in the attached Subdivision Public Report is known as a common interest subdivision. Read the Public Report carefully for more information about the type of subdivision. The subdivision includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes partial ownership of the facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and Bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot/unit. The right to do this may be enforced through court proceedings, or your lot/unit may be liened and sold through the exercise of a power of sale if you are delinquent in the payment of assessments. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this subdivision. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest subdivision should contemplate active participation in the affairs of the association. He or she should be willing to serve on the board of directors or on committees created by the board. In short, "they" in a common-interest subdivision is you. Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Until there are a sufficient number of purchasers of lots or units in a common-interest subdivision to elect a majority of the governing body, it is likely that the subdivider will effectively control the

affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interest that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

In contemplating the purchase of a dwelling in a common-interest subdivision, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common-interest subdivision is very much like governing a small community. It could serve you well, but you will have to work for its success.

SPECIAL NOTES

INFORMATION REGARDING SCHOOLS CAN BE FOUND ON THE LAST PAGE OF THIS REPORT.

THIS REPORT COVERS ONLY PHASE II AND III.

THIS PROJECT IS A PLANNED DEVELOPMENT. IT INCLUDES COMMON AREAS AND COMMON FACILITIES WHICH WILL BE OPERATED BY AN INCORPORATED OWNERS ASSOCIATION. THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS NORMALLY LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.

PURCHASERS SHOULD BE AWARE THAT THE FEE OWNERS OF LOTS 51, 54, 79, AND 84 WILL HAVE THE USE OF THE COMMON AREAS WITHOUT BEING ASSESSED FOR THE MAINTENANCE OF THE COMMON AREAS.

THE 94 RESIDENTIAL LOTS AND COMMON AREA COVERED BY THIS REPORT COMPRISE A 12.5 ACRE OVERALL PROJECT PROPOSED TO BE DEVELOPED IN THREE INCREMENTS, WHICH INCLUDE A TOTAL OF 94 RESIDENTIAL LOTS PLUS THE COMMON AREAS. PHASE I CONSISTS OF 42 LOTS. THERE IS NO ASSURANCE THAT THE OVERALL PROJECT WILL BE COMPLETED.

THE SUBDIVIDER HAS STATED THAT HE WILL PROVIDE YOU WITH A COPY OF THE ARTICLES OF INCORPORATION, RESTRICTIONS AND BYLAWS, BY FURNISHING YOU COPIES PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COST OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT.

THE SUBDIVIDER STATES HE WILL NOT FURNISH THE CURRENT BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION THE BUILDING PLANS TO INCLUDE DIAGRAMS OF LOCATION OF MAJOR COMPONENTS, UTILITIES AND RELATED DATA. THESE ITEMS WILL BE IMPORTANT TO THE BOARD OF OFFICERS OR THOSE WHO WILL MANAGE OR REPAIR COMMON FACILITIES IN

THIS SUBDIVISION. SINCE THE SUBDIVIDER STATES HE WILL NOT FURNISH THE SAID PLANS AND DIAGRAMS, THE BOARD OF OFFICERS OF THE HOMEOWNERS ASSOCIATION SHOULD TRY TO OBTAIN THEM FROM THE CONTRACTORS WHO WORKED ON THE PROJECT OR FROM THE CITY BUILDING DEPARTMENT.

THE AGREEMENT YOU WILL SIGN TO RESERVE A LOT IN THIS SUBDIVISION DOES NOT BIND THE SELLER TO SELL AT PRICES IN EFFECT OR QUOTED TO YOU AT THE TIME YOU ENTER INTO A RESERVATION AGREEMENT. BY THE TIME THE FINAL SUBDIVISION PUBLIC REPORT IS ISSUED TO THE DEVELOPER THE ACTUAL PURCHASE PRICE MAY INCREASE ON SOME OR ALL OF THE LOTS IN THIS SUBDIVISION.

WARNING WHEN YOU SELL YOUR LOT TO SOMEONE ELSE YOU MUST GIVE THAT PERSON A COPY OF THE DELCARATION OF RESTRICTIONS, AND OF THE ARTICLE OF INCORPORATION, AND OF THE BYLAWS. IF YOU FORGET TO DO THIS IT MAY COST YOU A PENALTY OF \$500.00 -- PLUS ATTORNEYS FLLS PLUS DAMAGES. (SEE CIVIL SECTION 1360.)

THAT PORTION OF THE COMMON AREA CONSISTING OF LOT 7 AND THE SOUTHERLY TEN (10) FEET OF LOT 6, TRACT 12286, THE ENTRANCE LOT IS LEASED PROPERTY WITH THE ASSIGNMENT OF THE LEASE TO THE HOMEOWNERS ASSOCIATION. THE LEASE TERMINATED ON MAY 1, 2050, WITH CERTAIN RENTAL ADJUSTMENTS, WHICH WILL AFFECT THE MONTHLY ASSESSMENTS, TO BECOME EFFECTIVE ON FEBRUARY 28, 1999, AND CERTAIN INDICATED SUCCUSSIVE YEARS. THE HOMEOWNERS ASSOCIATION HAVE THE RIGHT OF FIRST REFUSAL IN THE EVENT OF SALE OF THIS PROPERTY BY THE SELLER FROM A PROSPECTIVE PURCHASER.

BY AN AFFIRMATIVE VOTE OF SEVENTY-FIVE PERCENT (75%) OF THE MEMBERS OF THE ASSOCIATION (EXCLUDING THE VOTE OF THE DEVELOPER), THE HOMEOWNERS ASSOCIATION SUBJECT TO CERTAIN LIMITATIONS MAY TERMINATE THE LEASE. ALSO, SHOULD LESSEE FAIL TO PAY ANY INSTALLMENT OF RENT OR OTHER SUM PROVIDED FOR IN LEASE AT THE TIME SPECIFIED, OR CERTAIN OTHER PROVISIONS OCCUR, THE LESSOR MAY TERMINATE THE LEASE. IN SUCH EVENT, THIS ENTRANCE TO THE TRACT COULD BE CLOSED OFF TO EVERYONE LIVING IN THIS SUBDIVISION.

INTEREST TO BE CONVLYED: You will receive fee title to a specified lot, together with a membership in Crown Pointe Community Association, Inc., and rights to use the common areas.

LOCATION AND SIZE: In the City of Long Beach.

Approximately 12.5 acres divided into 94 residential lots in addition to the common area which consists of a leasehold interest in lot 7 and the southerly ten feet of lot 6 of Tract No. 12286, adjacent to the subdivision, with community facilities consisting of private streets, landscaping, entrance island and gatehouse.

MANAGEMENT AND OPERATION: The Crown Pointe Community Association, Inc., which you must join, manages and operates the common areas in accordance with the Restrictions, Articles of Incorporation and the Bylaws.

MAINTENANCE AND OPERATIONAL EXPENSES: The subdivider has submitted a budget for the maintenance and operation of common areas. You should obtain a copy of this budget from the subdivider. Under this budget, the monthly assessment against each subdivision lot will be \$44.00. Of this amount approximately 9% is set aside for reserves for major repair or replacement.

The subdivider advises that the offering does not include the services of a security guard and no provisions have been provided in the budget for that purpose. If security guard service is instituted at a later date, the monthly assessments will increase substantially.

This project was not completed as of the date of issuance of this public report. Each lot will be assessed for their pro rata share of the actual expenses incurred by the association, which will include current operating and maintenance costs, as well as funds to be set aside and impounded to pay future costs of reserves for replacements and repairs. The association may increase the amount of monthly lot assessments at any time to meet actual expenses. The final budget and monthly assessment may be increased prior to the time when a final subdivision public report is issued.

The association may increase or decrease assessments at any time in accordance with the procedure prescribed in the CC&Rs or Bylaws. In considering the advisability of a decrease in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

THE INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF ISSUANCE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT ACCURATELY AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Monthly assessments will commence on all lots in a phase during the month following the closing of the first sale of a lot in that phase. From that time, the subdivider is required to pay the association a monthly assessment for each lot which he owns.

The remedies available to the association against owners who are delinquent in the payment of assessments are set forth in the CC&Rs. These remedies are available against the subdivider as well as against other owners. The subdivider has posted a bond as partial security for this obligation to pay these assessments. The governing body of the association should assure itself that the subdivider has satisfied his obligations to the association with

respect to maintenance of the common areas before agreeing to a release or exoneration of the security.

TITLE: Title to Lots 1 through 28, 73 through 78, 80 through 83 is vested in Long Beach Construction Company; to Lot 79 in C. J. Jones and Marion E. Jones, husband and wife; and to Lot 84 in Clifton S. Jones, a widower.

EASEMENTS: Easements for utilities, drainage, rights of way, private streets, sewers and other purposes are shown on the title report and the subdivision map recorded in the Office of the Los Angeles County Recorder, Book 834, Page 87 and a map to be recorded.

Private street easement cross portions of some residential lots within the tract.

USIS AND ZONING: The property west of the subdivision is as follows: Pacific Electric Railway, Los Angeles County Flood Control, and M-1 zone (semi-industrial without dwellings).

RESTRICTIONS: This subdivision subject to restrictions recorded in the Office of the Los Angeles County Recorder, August 1, 1975, as Instrument No. 885, and restrictions to be recorded.

TAX ESTIMATES: If the subdivider is unable to give you the current tax information, you may approximate your taxes as follows:

TAKE 25% OF THE SALES PRICE, DIVIDE BY 100,
AND THEN MULTIPLY BY THE TOTAL TAX RATE.
THE TAX RATE FOR THE 1977-78 FISCAL YEAR
IS \$12.3121. THE TAX RATE AND ASSESSED
VALUATION MAY CHANGE IN SUBSEQUENT YEARS.
FOR EXAMPLE, ANY BONDED DEBT OR SPECIAL
DISTRICT ASSESSMENT APPROVED AFTER THE
ABOVE TAX RATE HAD BEEN SET COULD INCREASE
THE FUTURE RATE.

CONDITIONS OF SALE: If your purchase involves financing, a form of deed of trust and note will be used. These documents contain the following provisions:

An acceleration clause. This means that if you sell the property or use it as a security for another loan, the lender may declare the entire unpaid loan balance immediately due and payable.

A late charge. This means that if you are late in making your monthly loan payment, you may have to pay an additional amount as a penalty.

A prepayment penalty. This means that if you wish to pay off your loan in whole or in part before it is due, you may be required to pay an additional amount as a penalty in accordance with the terms

of the loan.

NOTE: THE PURCHASE CONTRACT CONTAINS A RE-PURCHASE OPTION BY THE SELLER. YOU SHOULD READ AND UNDERSTAND THE TERMS OF THIS PROVISION. YOU MAY WANT TO SEEK LEGAL ASSISTANCE PRIOR TO ENTERING AN AGREEMENT.

PURCHASE MONEY HANDLING: The subdivider must impound all funds received from you in an escrow depository until legal title is delivered to you. (Ref. Sections 11013, 11013.2(a), Business and Professions Code.)

GEOLOGIC CONDITIONS: The subdivider's engineering geologist advises that the subdivision is located on the north end of the Long Beach Anticline, very near the Cherry Hill Fault. The Palos Verdes Fault is about 7 miles southwest of the site. The site is quite active seismically. The Long Beach earthquake of May 11, 1933, with a magnitude of 6.3 on the Richter Scale, had its epicenter about 18 miles southeast of the site, offshore from Huntington Beach and reached an intensity of 7 on the modified Mercalli Scale. This intensity occurred principally in regions of man-made fills overlagoonal areas and in areas of saturated alluvium. Based on local geologic conditions and intensity of 5 is estimated for this site. The geologist states that this corresponds to a peak acceleration of about 15 feet per second squared or about 0.5 gravity acceleration (0.5g). The horizontal component of this movement is estimated at 0.2g, and this figure is recommended for use in slope stability analysis and foundation design.

The soils engineer recommends that structures on Lots 33 through 48 (Tract No. 27353 Lots 17-24) should be located a minimum of ten feet from the top of the slope and the rear yards of these lots should be paved to prevent saturation of the slope area. The subdivider's geologist states that particular attention was given to the proposed soil cement stabilization blanket at the rear of Lots 41 through 48 (Tract No. 27353 Lots 21-24) and the proposed drainage. He states that he sees no reason why the tract should not be graded as presently designed. The geologist also states that data from the test borings indicates the slope is geologically stable.

FILLED GROUND: Some lots will contain filled ground varying to a maximum depth of 6.9 feet. These soils were properly compacted for the intended use under the supervision of a state licensed engineer.

SOIL CONDITIONS: An engineering report has been filed which indicates soil is expansive, and included in the report are certain structural recommendations. Subdivider has certified that he will comply with the recommendations of the engineer, that the purchasers' funds will be impounded in escrow, and that no escrows shall close until recommendations have been completed.

FLOOD AND DRAINAGE: The City of Long Beach, Office of the City Engineer, advises that the tract will be relatively free from flood hazard from a ten-year frequency storm.

STREETS AND ROADS: The streets within this subdivision are private. No provision for their repair and maintenance has been made by the developer, and it is not contemplated that he will do so. All repair and maintenance of these private streets will be the responsibility of the association.

PUBLIC TRANSPORTATION: Bus service is approximately 1/2 mile from the subdivision at Long Beach Boulevard.

SCHOOLS: The Long Beach Unified School District advises that the location and distance from the most distant lot in the tract to the nearest schools serving this tract are as follows:

Los Cerritos Elementary, 515 West San Antonio Drive, .05 mile;
Hughes Junior High, 3846 California Avenue, 1.2 miles;
Poly High, 1600 Atlantic Avenue, 3.55 miles.

School bus transportation is not provided to the aforementioned schools.

NOTE: Purchasers should contact the local school district if they desire information regarding school facilities.

SHOPPING FACILITIES: Dixby Knolls Shopping Center is located approximately one mile from the subdivision on Atlantic Avenue and San Antonio Drive.

For further information in regard to this sub division, you may call (213) 620-2700, or examine the documents at 107 South Broadway, Room 8136, Los Angeles, California 90012.

STATE OF CALIFORNIA



OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the RECORD on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

JUL 17 1975



March Fong Eu

Secretary of State

0744958

ENDORSED
FILED

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

JUL 17 1975

ARTICLES OF INCORPORATION

OF

CROWN POINTE COMMUNITY ASSOCIATION, INCORPORATED

FIRST: The name of this corporation (hereinafter referred to as "Association") is CROWN POINTE COMMUNITY ASSOCIATION, INCORPORATED.

SECOND: That the purposes for which the Association is formed are:

(a) The specific and primary purposes for which the Association is formed are to provide for the maintenance, preservation and architectural control of the Planned Development located in the State of California, County of Los Angeles, City of Long Beach, described as:

Lots 1 through 28, and 73 through 88, inclusive, of Tract 29315, as per Map recorded in Book 834, Pages 87, 88 and 89 of Maps, in the Office of the County Recorder of Los Angeles County;

and any additional contiguous property that may be annexed thereto pursuant to the Declaration of Restrictions.

(b) The general purposes and powers are:

(1) To promote the health, safety and welfare of the residents within the above-described property;

~~Page 1~~

(2) To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association arising from that certain Declaration of Restrictions, hereinafter called the "Declaration," applicable to the above-described property and recorded or to be recorded in the Office of the Recorder for the County of Los Angeles, State of California.

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

(4) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(5) To borrow money and with the assent of the members, as evidenced by a majority of the voting power, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

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

(7) To act in the capacity of principal, agent, joint venturer, or partner, or otherwise.

The foregoing statement of purpose shall be construed as a statement both of purposes and powers, and purposes and powers in each clause shall be in no wise limited or restricted by reference to or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

THIRD: That this Association is organized pursuant to the General Nonprofit Corporation Law of the State of California and does not contemplate pecuniary gain or profit to the members thereof and it is organized for nonprofit purposes.

FOURTH: That the County in this State where the principal office for the transaction of the business of the Association is located in the County of Los Angeles.

FIFTH: That the authorized number and qualifications of members of the Association, the different classes of membership, if any, the property, voting, and other rights and privileges of members, and their liability for dues and assessments and the method of collection thereof, shall be as set forth in the Declaration and the By-Laws.

SIXTH: (a) The number of the directors of the Association shall be three (3);

(b) The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
J. M. WINDISCH	10945 South Street Cerritos, California
C. L. AVERY	10945 South Street Cerritos, California
W. D. WINDISCH	10945 South Street Cerritos, California

(c) The Directors shall serve without compensation and no Director shall receive any pecuniary benefit as a direct result of being a Director of the Association.

(d) The powers of the Association shall be exercised, its property controlled and its affairs conducted by the Board of Directors, except as set forth in the By-Laws.

SEVENTH: That the Association is not organized, nor shall it be operated for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends to the members thereof and it is organized solely for nonprofit purposes.

EIGHTH: Neither the Directors nor the members of the Association shall be personally liable for the debts, liabilities or obligations of the corporation.

NINTH: Upon the winding up and dissolution of the Association, after paying or adequately providing for the debts and obligations of the Association, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation, which is organized and operated exclusively for charitable, educational and/or scientific purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code; if the Association holds any assets in trust, such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the County in which the Association's principal office is located, upon petition therefor by the Attorney General or by any person concerned in the liquidation.

TENTH: Notwithstanding any other provision in these Articles of Incorporation, the Association shall be subject to the following

limitations and restrictions:

(a) The Association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954.

(b) The Association shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954.

(c) The Association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954.

(d) The Association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954.

(e) The Association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954.

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
SEP 15 1980

MARCH FONG EU, Secretary of State
By JAMES E. HARRIS
Deputy

JIM MORGAN AND PAT SCHAUER certify that:

1. They are the president and the secretary, respectively, of CROWN POINTE COMMUNITY ASSOCIATION, INCORPORATED, a California Corporation.
2. Article Sixth: (a) The number of the directors of the Association shall be three (3); of the articles of incorporation of this corporation is amended to read as follows:
" SIXTH: (a) The number of the directors of the association shall be five (5);.
3. The foregoing amendment of articles of incorporation has been duly approved by the board of directors.
4. The foregoing amendment of articles of incorporation has been duly approved by the required vote of members.

Susan Stick
Jim Morgan, President *SUSAN STICK*

Pat Schauer
Pat Schauer, Secretary

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true of their own knowledge.

Executed at *Long Beach*, *Ca* on *8-26-80*
city state date

Susan Stick
Jim Morgan *SUSAN STICK*

Pat Schauer
Pat Schauer

SEAL:

CROWN POINTE COMMUNITY ASSOCIATION, INCORPORATED

Amendment to the Articles of Incorporation recorded with the State of California July 17, 1975. Corporate number 744958.

Section Amended:

Sixth: (a) The number of the directors of the association shall be five (5);