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Book 27 Page 1

PORTUGUESE BOND

DECLARATION NO. ONE OF PROTECTIVE RESTRICTIONS

DECLARATION made this 22 day of August 1947
by Palos Verdes Corporation, a corporation organized and existing
under the laws of the State of Delaware,

WITNESSETH

WHEREAS, Palos Verdes Corporation is the owner of a certain
tract of land in the County of Los Angeles, State of California,
which is more particularly hereinafter described; and

WHEREAS, Palos Verdes Corporation is about to sell or con-
vey the said real property subject to certain protective restric-
tions, conditions, reservations, liens and charges between it and
the acquirers or users of said property as hereinafter set forth,

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That Palos Verdes Corporation hereby certifies and declares
that it has established and does hereby establish a general plan
for the protection, maintenance, improvement and development of
said real property, and does hereby fix the restrictions, covenants,
conditions, reservations, liens and charges upon and subject to
which all portions of said property shall be held, conveyed and/or
leased by it as such owner, all of which are for the benefit of
said property and of each owner thereof or of any portion thereof,
and are covenants running with the land and shall inure to and pass
with said property and each and every portion thereof and shall ap-
ply to and be binding upon the successive successors in interest of
the respective owners thereof, and are and each is imposed upon
said property as a servitude in favor thereof and of each and every
portion thereof as the dominant tenant or tenants, as follows,
to-wit:

ARTICLE I.

Property Subject to Declaration

The said real property subject to this declaration is sit-
uate in the County of Los Angeles, State of California, and is
more particularly described as follows:

Tract 14112 as per map recorded in Book
200 Pages 54 and 55 of Maps, in the office
of the County Recorder of Los Angeles
County, California,

which real property is sometimes hereinafter referred to as "said
property."

ARTICLE II.

Definitions

Certain terms as used in this declaration shall be defined as follows, unless the context clearly indicates a different meaning therefor:

1. Declaration: This declaration as the same may be amended, changed or modified from time to time.

2. Association: The Portuguese Bend Community Association, a nonprofit corporation organized under the laws of California, and the successors to its rights and powers hereunder.

3. Committee: The Architectural Committee, with powers as hereinafter provided.

4. Building Site: A parcel of land embraced within the property covered by this declaration, and, if so indicated by the context, other property subject to the jurisdiction of the Association:

(a) Designated as a building site in any instrument of original conveyance, lease or sale by Palos Verdes Corporation covering said parcel; or

(b) Shown as a lot on any map of record of any original subdivision of said property, or any portion thereof, filed by Palos Verdes Corporation; or

(c) Shown as a lot on any map of resubdivision of said property, or any portion thereof, filed by Palos Verdes Corporation, which resubdivision has been approved by the Association.

Provided that none of the foregoing methods of designation of a building site or sites shall be exclusive and the last designation of a building site or sites shall be controlling.

5. Lot or Parcel: A distinct and separate portion of said property, and, if so indicated by the context, other property subject to the jurisdiction of the Association, whether the same is or is not a building site.

6. Single Family Dwelling: A private residence for one family alone containing but one kitchen, and, if desired, reasonable servants' quarters; provided that accessory and other buildings may be built and maintained in connection therewith as provided in paragraph 7 of this Article II.

7. Accessory Buildings or Structures:

(1) A building or structure accessory to a single family dwelling shall be upon the same building site, lot or parcel

as the main residence and shall include only: (a) reasonable servants' quarters in a separate detached building, with or without a kitchen; and/or (b) a guest house or guest houses, without kitchen, to be used and occupied only by nonpaying guests of the occupant of the main residence; and/or (c) a private garage for not more than two motor vehicles; provided that each accessory building and the right to construct the same shall be subject to the approval of the Architectural Committee.

(8) Farm buildings, stables, corrals and/or customary outbuildings which are upon the same building site, lot or parcel as the main residence and used in connection therewith, and/or bridges used in connection with the said premises may also be constructed and maintained, if and when the construction of such buildings, stables, corrals and/or bridges is approved by the said Committee.

9. Owner, Record Owner, and Owner of Record Title: The owner of legal title as shown by the records of the County Recorder of the County of Los Angeles; and also the owner of equitable title as shown by such records; if legal and equitable title are held of record by different persons; provided, however, that a mortgage, trustee and a beneficiary under a trust deed hold as security and/or a lessee shall not be deemed an owner, record owner or owner of record title unless expressly provided to the contrary, and in the case of a sale under a contract of sale the purchaser and not the seller thereunder shall be deemed to be the legal owner while such contract is in effect if such contract has been recorded.

10. Community Facilities: Public buildings, parks, pathways, playgrounds, recreation areas, bridge trails, tennis courts, golf courses, club houses, swimming pools, bathing beaches, boat landings, boat houses, life rafts, life saving apparatus, places of amusement, riding academies and other facilities of like nature, all for the use and benefit of the owners of said property.

11. Recorded, Recordings and Of Record: Recorded, recording or of record in the office of the County Recorder of Los Angeles County, California.

12. Articles of Incorporation and By-Laws: Articles of incorporation or by-laws, as the case may be, of the Association as the same may be amended from time to time.

13. Approvals and Consents: Approval, consent, authorization or permission shall mean an approval, consent, authorization or permission in writing.

14. Person: An individual person, a copartnership, an association and/or a corporation as the context requires.

14. Singular and Plural, Masculine and Feminine: The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine and neuter when the context so requires.

ARTICLE III

Building Restrictions

Section 1. Use of Property

(a) Single Family Dwelling: No building or structure shall be constructed, altered, added or maintained on any building site, lot or parcel upon or within the property covered by this declaration which shall be used, designed or intended to be used for any purpose other than for a single family dwelling as defined and provided in Article II hereof and/or for use in connection therewith as provided in said Article, and no portion of said property shall be used for any purpose other than for single family dwelling purposes, provided that animals, poultry and birds may be kept upon property as provided in subsection (b) of this Section 1.

(b) Buildings on Building Sites: Not more than one single family dwelling, together with accessory buildings and other buildings and structures permitted by Sections 2 and 7 of Article II hereof shall be erected, constructed or maintained upon a building site, and, without the approval of the Architectural Committee, no accessory or other building or structure shall be created, constructed or maintained upon any building site, lot or parcel prior to the erection or construction of the main dwelling thereon.

(c) Minimum Ground Area Requirements: No main dwelling, exclusive of accessory buildings, and exclusive of any porch, patio, covered but unenclosed area and any accessory building which is or are attached to a part of said dwelling, shall be constructed, altered, placed or maintained upon any building site, lot or parcel embracing any portion of said property covered by this declaration:

(1) in event such dwelling is of one story, if such dwelling covers less than one thousand two hundred and fifty square feet of ground floor area, and (2) in event such dwelling is of one and one-half or more stories, if such dwelling includes less than one thousand square feet of ground floor area and a total floor area of less than one thousand five hundred square feet.

(d) Building Setback Lines and Height Limits: No building, structure, frame or addition shall be constructed, used, maintained or held placed to any exterior line (front, rear or side) of any building site, lot or parcel embraced within any portion of

said property covered by this declaration than is permitted by the Architectural Committee, and no building or structure shall be constructed, altered, used or maintained upon any such building site, lot or parcel or a height in excess of that authorized by said Committee, nor shall any grade or excavation be made upon said property or any part thereof which does not conform to the depth, slope and area permitted by said Committee.

(e) Split-Building Site Ownership. An ownership or single holding comprising parts or portions of two or more adjoining building sites or all of one building site and one or more or a part of one or more building sites adjacent thereto may be readjusted by the owner or owners of the site or sites, or portion or portions thereof to be readjusted, into a single building site or a different number of building sites if approved by the Architectural Committee and Palos Verdes Corporation.

(f) Stable Requirements. No building or structure shall be erected, constructed, altered or maintained upon any part of the property covered by this declaration for use or which is intended to be used as a stable unless the same is permitted by the restrictions, including the required approval by the Architectural Committee, and conforms to the following provisions: (a) all exterior openings except doors shall be covered with flyproof metal screens; (b) all exterior doors shall be flyproof and self-closing or equipped with flyproof screen doors and kept closed; (c) all floors shall be constructed so as to drain into a properly constructed sand trap or other approved trap connected to a cesspool; (d) a waterproof and flyproof bin or pit for the reception and storage of manure shall be provided; (e) water connections must be provided for the flushing and washing of the floor; (f) equipped with fly traps; and (g) kept clean so as not to be offensive to the senses.

(g) Mining and Drilling. No derrick or other structure designed for use in boring or drilling for oil, water or natural gas shall be erected, placed or permitted upon any part of said property nor shall any oil, water or natural gas, petroleum, asphaltum or other hydrocarbon product or substance be produced or extracted therefrom, provided that the foregoing provisions of this subsection (g) shall not apply to any derrick or other structures used by Palos Verdes Corporation for boring or drilling for water, and water may be produced and extracted from said property and the property may be used for such purposes by Palos Verdes Corporation, which corporation may transfer all or a portion of its privilege under this subsection (g) to drill for and/or produce water, but only by specific mention thereof. No mining operations shall be conducted on, nor any mineral or mineral substance be produced or extracted from any part of said property.

(b) **Animals and Poultry.** The raising, keeping and/or selling of cattle, horses, sheep, rabbits, pigs, hogs, cats, dogs and/or other animals, poultry, birds and/or reptiles, either in the singular or plural number, for pleasure or for commercial gain upon any part of said property is prohibited except that: (1) dogs, cats and other usual household pets may be kept for pleasure provided that they are not in unreasonable quantities and that they do not become a nuisance to other owners and/or occupants of said property; and (2) horses, cows, dogs, cats, poultry and/or birds may be kept upon building sites, lots or parcels designated for such purpose by the Architectural Committee, in numbers, under conditions and for such purposes, including commercial purposes, as specified by said Committee.

(c) **Rubbish and Debris.** No rubbish or debris of any kind shall be placed or permitted to accumulate upon any portion of said property so as to render said portion unsanitary, unsightly, offensive, or detrimental to any of the property in the vicinity thereof or to the occupants thereof.

(d) **Clothes Drying.** No clothes, sheets, blankets or other articles shall be hung out to dry or for any other purpose on any part of said property except in a yard enclosed by a lattice or wood fence or other enclosure, approved by the Architectural Committee, at least six inches higher than such hanging articles.

(e) **Non-compliance and Diligence During Construction.** The work of construction of any building or structure shall be prosecuted diligently and continuously from the time of commencement until the same shall be fully completed and no such building or structure shall be occupied during the course of original construction or until made to comply with the restrictions and conditions set forth in this declaration.

(f) **Maintaining Natural Drainage.** No obstruction, diversion, bridging or confining of existing channels through which water in time of storms naturally flows upon, under and/or across any portion of said property shall be made by any person in such a manner as to cause damage to any other portion of said property, provided that any existing channel may be diverted, bridged or reconstructed or a new channel constructed, if the said Architectural Committee shall determine that said new channel or diverted, bridged or reconstructed channel is adequate to carry the amount of storm and other water liable to flow thereon, and shall approve the same; provided, further, that the right is expressly reserved to Falcas Varde Corporation, as an incident to the development of the entire property, including the construction of streets, gutters, ditches and otherwise, to cause reasonable increases or decreases in the amount of water which would in a state of nature flow into and through any such natural storm water channels.

(a) Race Restrictions

(1) No part of said property shall be used or occupied or permitted to be used or occupied in whole or in part by any person of African or Asiatic descent or by any person not of the white or Caucasian race, except that the domestic servants, chauffeurs, hoteliers, laborers, farmhands or gardeners of other than the white or Caucasian race may live on or occupy the premises where their employer resides.

(2) No part of said property shall be sold, conveyed, rented or leased in whole or in part to any person of African or Asiatic descent or to any person not of the white or Caucasian race.

Section 2: General Building, Architectural and Planning Regulations

(a) Approval of Plans, Planting and Alterations

(1) Building Plans, Etc. No building, dwelling, fence, sidewalk, wall, drive, gate, arbor, sculpture, pole, privy, cesspool or other structure or excavation shall be erected, constructed, altered or maintained upon, under or above or moved upon any part of said property (including those erected, constructed, altered, maintained or moved by the Portuguese Bend Community Association) unless the plans and specifications thereof, prepared by an architect or some other person approved by the Architectural Committee, showing the construction, nature, kind, shape, height, material and color scheme thereof, and a plot plan indicating the location of such structure on the building site, lot or parcel to be built upon, and grading plans (if requested) of the building site, lot or parcel shall have been submitted to and approved by the said Architectural Committee and a copy of such plans and specifications, plot plan and grading plan (if requested) as finally approved is deposited for permanent record with the Association.

(2) Trees and Shrubs. No tree, bush or shrub over six feet in height or which is of the type that may grow to over six feet in height shall be planted or replanted on any portion of said property (including those planted or replanted by said Association) unless a plot plan showing the kind of tree, bush or shrub and the exact location thereof shall have been submitted to and approved by the Architectural Committee.

(3) Alterations. No building or structure referred to in this subsection (a) of this Section 2 shall be changed or altered (including changes and/or alterations by said Association) so that the construction, exterior appearance or color scheme is changed, and no plot plan, grading or excavation referred to in this subsection (a) shall be changed or altered, and the planting referred to in this subsection shall not be changed as to type or location, without the approval of said Architectural Committee.

(4) Billboards and Signs. No billboard or sign of any character shall be erected, maintained or displayed (including those erected, maintained or displayed by said Association) upon or about any part of said property without the approval of the said Committee, and any billboard or sign not so permitted may be summarily removed and destroyed.

(5) Temporary Buildings and Signs of Palos Verdes Corporation. The provisions of this Section 2 and of this declaration shall not apply to temporary buildings, structures, or signs erected, constructed, used or maintained by Palos Verdes Corporation or its agents for or in connection with the sale, development or use of the property covered by this declaration or property immediately adjoining the same.

(b) Approval of Completed Works of Improvement. Upon compliance with subparagraphs 1, 2 and 3 of subsection (a) of this Section 2, all construction, work of improvement, alterations, planting and other work of whatsoever kind covered by the plans and specifications, plot plans, grading plans (if requested), landscaping plans and other plans and matters requiring such approval, shall be done and performed in accordance therewith, and upon the proper completion thereof in accordance with this subsection (b), the Architectural Committee shall, upon request, issue its certificate of completion and compliance. If said Committee fails to approve or reject such plans and matters requiring approval within thirty days after the same have been submitted to it, then such plans and matters shall be conclusively presumed to have been approved, and also if no certificate of disapproval thereof by said Committee (as provided for in Section 5 of Article IV) has been recorded, or if no action to enforce the provisions of this declaration in connection with the building, structure or work covered thereby has been filed within one year after notice of completion has been recorded covering such building, structure or work, the approval thereof by said Committee shall be conclusively presumed to have been given.

(c) Approval of Subdivision Plans. No part of the property covered by the declaration shall be subdivided or resubdivided, nor shall any map of the same nor any declaration of further or additional restrictions upon said property, or any part thereof, be recorded, unless and until the same shall have been submitted to and approved in writing by the Architectural Committee and by Palos Verdes Corporation; provided, however, that said approval of the Committee shall not be necessary as to any part of said property, the record ownership of which is vested in Palos Verdes Corporation.

(d) Right of Inspection. During reasonable hours any member of the said Committee or any agent of such Committee or any representative of the Association or of Palos Verdes Corporation shall have the right to enter upon and inspect any building site, lot or parcel embraced within said property and the improvements

thereon for the purpose of ascertaining whether or not the provisions of this declaration have been or are being complied with and shall not be deemed guilty of trespass by reason thereof.

(c) Regulations. The said Committee may promulgate regulations defining and describing buildings and structures, plot plans, grading, planting, construction, alterations and/or matters in respect to which its approval may be given under the provisions of this Section & without the filing of plans and specifications or other plans or information, and may prescribe the manner by which its approval thereto shall be given.

(d) Waiver and Liability.

(1) The approval by the Architectural Committee of any plans and specifications, plot plan, grading, planting, or any other plan or matter requiring approval under the declaration shall not be deemed to be a waiver by the said Committee of its right to withhold approval as to a similar or any other feature or element embodied therein when subsequently submitted for approval in connection with the same building site, lot or parcel or any other building site, lot or parcel.

(2) Neither the said Committee, nor any member thereof, nor the Association, nor Palos Verdes Corporation shall be in any way responsible or liable for any loss or damage for any error or defect which may or may not be shown on any plans and specifications, or in any plot or grading plan or planting or other plan or in any building or structure or work done in accordance with any such plans and specifications or plan, or in connection with any other matter whether or not the same has been approved by said Committee and/or any member thereof and/or the Association and/or Palos Verdes Corporation.

ARTICLE IV.

Architectural Committee

Section 1. Members of Committee

The Architectural Committee shall consist of three members, each of whom shall be appointed or elected for the term and be subject to the provisions set out in this declaration. No member of said Committee need be a member, director or officer of the Association.

Section 2. Appointment and Election of Committee Members.

(a) Appointment by Palos Verdes Corporation. The right to appoint the respective members of said Committee shall be and hereby is vested in Palos Verdes Corporation until such time as said corporation releases such authority by the recording of a statement of such release duly executed by said corporation. Each member of said Committee, subject to appointment by Palos Verdes Corporation, shall serve until such time as said corporation appoints a member to succeed him by recording a notice of such appointment, or until such member resigns by recording a notice of such resignation. The original members of such Committee who are hereby appointed by Palos Verdes Corporation are the following:

<u>Name</u>	<u>Present Address</u>
Kelvin G. Vanderlip	Administration Building Rolling Hills, California
Donald B. Ayres	5848 West Pico Blvd. Los Angeles, California
Martin L. Housman	5848 West Pico Blvd. Los Angeles, California

(b) Appointment by Board of Directors of Association. Upon the authority to appoint said members being released by Palos Verdes Corporation the authority to appoint the members shall be vested in the board of directors of the Association and such appointment shall be by election by said board of directors in the same manner as officers of the Association are elected. Upon such election of said members of said Committee, the said Committee shall be deemed a Committee of the Association and shall thereafter, but not before, anything to the contrary in this declaration notwithstanding, be subject (within the limits set out in this declaration) to its control and jurisdiction. The term of office and compensation, if any, of the members elected by the board of directors shall be governed and controlled by the provisions of the by-laws of the Association.

Section 3. Powers of Committee.

The powers and authority of the Committee shall be as provided in this declaration and, to the extent that said Committee is granted any power or authority under this declaration, the same shall be paramount and superior to all other powers and authority under this declaration excepting to the extent that such powers and authority may be shared with Palos Verdes Corporation. Said powers and authority of the Committee shall not be enlarged or diminished except by modification or amendment of this declaration as provided hereafter, and the same shall not be limited or changed by action of the board of directors of the Association.

Section 4. Action by Committee:

Approval, disapproval, consent, dissent or any action by the Committee shall require the affirmative action or vote, as the case may be, of at least two members thereof which shall be taken or made in the following manner: the Committee may act (a) by approval, disapproval, consent or dissent agreed to in writing and signed by at least two of its members; or (b) by vote at a meeting assembled, subject to all provisions as to notice of meeting, waivers of any such notice, place of regular and special meetings and all other matters contained in the by-laws of the Association applicable to the Committee.

Section 5. Conclusive Evidence of Action by and Membership of Committee.

(a) Approval, disapproval, consent or dissent given or action taken by the Committee pursuant to the provisions of this declaration may be evidenced by a certificate thereof signed by at least two members of the Committee, which may be recorded, and such certificate shall be conclusive evidence of such approval, disapproval, consent or dissent, unless revoked by a certificate stating that the same has been revoked, signed by at least two such members, which may also be recorded. Provided, that as to all such matters as also require action by Palos Verdes Corporation any such certificate of approval, disapproval, consent or dissent or any revocation of any such certificate must have an approval thereon in writing signed by an officer of Palos Verdes Corporation.

(b) A certificate signed by at least two members of the Committee as to the then constituted membership of the Architectural Committee, shall be conclusive evidence of such membership until such time as a like certificate certifying as to new membership constituting said Committee has been similarly signed by at least two such members, after which time said last certificate shall be conclusive evidence as to the then membership. The certificates referred to herein may be recorded.

(c) Any title company or person certifying, guaranteeing or insuring title to any building site, lot or parcel subject to the jurisdiction of the Association or of any lien thereon or interest therein shall be fully justified in relying upon the contents of any certificate signed and issued as provided for in subsections (a) and (b) of this Section 5, and such certificate shall fully protect any purchaser or encumbrancer in good faith in acting thereon.

ARTICLE V.

Portuguese Bend Community Association

Purposes, Memberships and Maintenance Charges

Section 1. Purposes of Association.

Portuguese Bend Community Association, a nonprofit association organized under the laws of the State of California, shall have the right and power (together with its general powers as a nonprofit corporation and in addition to any other powers granted it in this declaration and subject to the other provisions of this declaration and any limitations imposed thereby), to do and perform each and every of the following for the benefit, maintenance and improvement of the property covered by this declaration, and any other property at any time under the jurisdiction of the Association if so provided in the restrictions and conditions covering the same, and for the benefit of the owners thereof, to-wit:

(a) To purchase, construct, improve, repair, maintain, care for, own and dispose of parks, parkways, playgrounds, open spaces and recreation areas, tennis courts, golf courses, club houses, swimming pools, bath houses, bathing beaches, boats, boat houses, piers, boat landings, life rafts, life guards, life saving apparatus, skating rinks, hangars and fields for aircraft, bond-stands, dancing pavilions, casinos, places of amusement, hospitals, libraries, museums, aquariums, riding academies and community facilities appropriate for the use and benefit of the owners of, and/or for the improvement and development of said property, or any part thereof, and to charge for the use thereof.

(b) To hold easements for or the fee to and to improve, light and maintain streets, roads, alleys, trails, bridge paths, courts, walks, gateways, fences, ornamental features, fountains, shelters, comfort stations, and similar buildings and improvements, grass plots and other areas and plantings; to care for, plant and replant trees, shrubs or other plants on streets, parks, playgrounds, school grounds, easements, or upon any property over which it may have control or jurisdiction; to construct, improve, purchase and/or maintain sewer systems, storm water sewers and drains upon its easements and properties; to provide for the collection and disposition of street sweepings, ashes, garbage, rubbish and the like and to make and collect charges therefor; insofar as it can legally do so, to grant franchises, rights of way and easements for public utilities and other purposes upon, over and/or under any of said property; in respect to streets, roads, alleys, walks, easements and/or rights of way over which the Association has jurisdiction, to exercise such control as the Association may deem desirable and to issue permits to make cuts or excavations in such streets, roads

or easements when necessary and to require bonds or deposits therefor; and to erect, care for and maintain adequate signs for marking streets, parks or other property.

(c) To remove, clean up and/or burn grass and weeds and to remove any unsightly or obnoxious things from any building site, lot or parcel under its jurisdiction and to take such action with reference to such building sites, lots and parcels as may be necessary or desirable to keep the property neat and in good order; and to make and collect additional charges therefor as provided in subsection (b) of Section 5 of this Article V.

(d) To provide insofar as it may lawfully do so for community fire and/or police protection; for the protection of all or any portion of the property under the jurisdiction of the Association and/or the owners of said property and/or residents thereof; and to make and collect additional charges therefor as provided in subsection (c) of Section 5 of this Article V.

(e) To enter into agreements, contracts and arrangements with any owner of a building site, lot or parcel under the jurisdiction of the Association for construction or repair work, planting or replanting, care, cleaning, protecting, maintaining or the rendering of special services generally in connection with such building site, lot or parcel and/or the improvements thereon; provided the foregoing shall be paid for directly by such owner and shall not be paid from funds derived from either the general or special charges and/or assessments provided for in Section 5 of this Article V.

(f) To enter into, make, perform and carry out contracts of every kind for any lawful purpose, consistent with its status as a nonprofit corporation, with any person, firm, association, corporation, municipality, county, state, or other governmental subdivision. The foregoing powers shall include the right to make agreements with municipal, county, township, state, national or other public officials or with any political subdivision or any corporation or individual for and on behalf of the owners of said property covered by this declaration and other property owned or subject to the jurisdiction of the Association for a division of the work or the doing of the work on the streets, roads, parks or other portions of said property or for any other work to be done or utilities to be furnished as will enable the Association to cooperate with said officials, corporations or individuals to secure the benefits for the said property referred to or portions thereof that can be derived from the pro-rata share of any municipal, county, state, national or other funds that may be available for use thereon or in connection therewith or which might otherwise benefit the property.

(g) To exercise such powers of enforcement, control, interpretation, modification and cancellation of covenants, conditions, reservations, restrictions, liens and/or charges imposed upon any

property over which the Association has jurisdiction which now are hereafter may be vested in, delegated to, or assigned to the Association, and to pay all expenses incidental thereto; to commence and maintain in its own name, on behalf of itself and/or any person owning any building site, lot or parcel subject to its jurisdiction or in the name of and on behalf and as the agent of any owner of any such building site, lot or parcel, actions and suits to restrain and enjoin the breach or threatened breach of any restriction, condition or covenant and/or to enforce each and every restriction, condition, covenant, reservation, lien or charge affecting property subject to the jurisdiction of the Association, and to pay the expenses therefor.

(h) To establish, maintain and operate in addition to said Architectural Committee, such departments, boards and committees as may be provided for in the by-laws of the Association, with such powers and authority as said by-laws may provide, and to make funds of the Association available for the use of such departments, boards and committees; to employ a manager, secretaries, engineers, auditors, legal counsel, technical consultants or any other employees or assistants provided for by the by-laws of the Association or authorized by its board of directors; to pay all expenses necessary or incidental to the conduct and carrying on of the business of the Association; to keep records of all matters pertaining to the operation of the business or affairs of the Association; and to issue certified copies of its records and documents and to make and collect a charge therefor.

(i) Generally to do any and all things that a corporation organized under the laws of the State of California may lawfully do in operating for the benefit of its members and without profit to said corporation except as expressly limited in this declaration; and to do any and all lawful things which may be authorized or permitted to be done by the Association under or by virtue of this declaration or any restrictions, conditions, covenants, liens and/or charges or laws at any time affecting property subject to the jurisdiction of the Association and to do and perform any and all acts which may be necessary for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and/or general welfare of the owners of any property subject to the jurisdiction of the Association.

(j) Provided that, all of the foregoing powers of the Association and all powers and authority granted the Association in this declaration shall be subject and subordinate to the provisions of Section 2 of Article III of this declaration and other authority granted the said Architectural Committee and/or Palos Verdes Corporation under this declaration.

Section 4. Membership in Association.

The requirements and qualifications for memberships in the Association shall be subject to all provisions and conditions contained in the articles of incorporation and/or by-laws of the Association, provided, however, that:

(a) The ownership of legal and/or equitable title of record to a building site, lot or parcel embraced within the property covered by this declaration or other property subject to the jurisdiction of the Association, shall qualify such owner for membership in the Association while he remains such owner, so long as such owner complies with the said provisions and conditions of said articles of incorporation and by-laws subject to the following:

(1) Not more than one membership shall be issued based upon the ownership of any such building site, lot or parcel regardless of any difference in ownership of legal title and the ownership of equitable title thereto;

(2) The ownership of a building site, regardless of area, shall be a basis of membership, but the area of a lot or parcel required as a basis of membership shall be as provided in the by-laws of the Association.

(3) The ownership of title or any interest therein, either legal or equitable, held as security for the payment of money or for the performance of any other obligations, shall not be the basis for membership in the Association.

(4) Palco Verde Corporation shall not be entitled to or qualified for any membership or memberships in the Association by reason of the ownership of any building site, lot or parcel which is not subject to maintenance and improvement charges or assessments as provided for by Section 3 of this Article V.

(5) A purchaser and not the seller under a contract of sale covering a building site, lot or parcel subject to the jurisdiction of the Association (the ownership of which would qualify one for membership), shall be entitled to a membership by reason of such ownership so long as such contract is in effect if said contract has been recorded.

(6) In all other respects the articles of incorporation and/or by-laws of the Association shall control as to whether the legal or equitable owner of any such building site, lot or parcel shall be entitled to membership in the Association and as to all other qualifications for membership.

Section 3. Maintenance and Improvement Charges

(a) General Charges, Assessments and Liens. Each building site, lot, parcel and/or portion of property and the improvements thereon embraced within the real property covered by this declaration after the same has been conveyed by Palos Verdes Corporation or while subject to a contract of sale executed by Palos Verdes Corporation as seller, except property and/or improvements owned by the Association or designated by the board of directors of the Association as being devoted to public or semi-public use or not included in assessments by the County of Los Angeles, shall be subject to a continuous maintenance lien securing payment of an annual charge or assessment to be fixed, established and collected from time to time as herein provided. The Association shall have sole authority to fix and establish annually the amount of such annual charge or assessment (together with the penalties and costs of collection thereon) which charge or assessment shall be based on the assessed valuation of such building site, lot, parcel and/or portion of property and the improvements thereon as established by the County Assessor of Los Angeles County, or any successor authority, for the then current fiscal year, or for the last fiscal year for which such assessed valuation is then available. All such annual charges and assessments shall be made at a rate fixed by the board of directors of the Association based upon a uniform percentage of the respective assessed valuations, but such rate for any fiscal year shall never at any time be in excess of the annual tax rate established for all purposes for such fiscal year (or for the last fiscal year for which an assessed valuation is then available) by the City Council of Los Angeles, or any successor authority, for the City of Los Angeles. Provided, however, that said maximum tax rate may be increased by and to the extent agreed upon by the owners of record of not less than two-thirds in area of all lands subject to the jurisdiction of the Association which are subject to said charges and/or assessments, by written consent signed by such proportion of said owners duly recorded, provided that no such increased rate shall be effective as to the property covered by this declaration unless a similar increase becomes effective as to all property subject to charges and/or assessments by the Association.

(b) Clean-up Charges and Assessments. Each portion of the property covered by this declaration and the improvements thereon subject to the maintenance and improvement charges or assessments provided for in subsection (a) of this Section 3 shall also be subject to a continuous additional maintenance lien securing payment of the special clean-up charges provided for in Section 1 of this Article V, and the Association shall have full authority to do such clean-up work and to levy charges and assessments therefor as to each or any of the building sites, lots or parcels covered by this declaration, and to affix and establish annually the amount of such

charge and assessment, if any, including penalties and costs, necessary or advisable to do said work on any such building site, lot or parcel; provided that said charge and assessment shall only be made when the cost of the work done on any such building site, lot or parcel is greater than the ordinary proportionate amount of the funds which are available for such purpose from the general annual maintenance charge; provided further, that the charges and assessments so collected from the owner of any such building site, lot or parcel shall be expended solely for cleaning up and keeping in good order such building site, lot or parcel.

(c) Charges and Assessments for Fire and Police Protection and Special Community Facilities. In addition to the other charges and assessments provided for in this Section 3, each portion of the property covered by this declaration and the improvements thereon subject to the maintenance and improvement charges or assessments provided for in subsection (a) of this Section 3, shall also be subject to a continuous additional maintenance lien securing payment of such special charges or assessments as may be levied from time to time by the board of directors of the Association for additional funds for community fire and/or police protection and/or special community facilities (as "community facilities" are defined in Article II hereof). The special charges and assessments provided for by this subsection (c) shall be a lien and be fixed, levied and enforced in the same manner and to the same effect as the said general charges and assessments provided for by said subsection (a) of this Section 3 and the funds derived therefrom shall be used only for the aforesaid purposes; provided, however, that the special charges and assessments provided for under this subsection (c) shall not in any fiscal year be in excess of fifty per cent of said general charges and assessments assessable under said subsection (a) for said fiscal year; and provided, further, that nothing contained in this subsection (c) shall prevent funds obtained from said general charges and assessments from also being used for said fire and police protection and for community facilities, special or otherwise.

(d) Collection and Expenditure of Charges and Assessments. The Association shall have sole authority to collect and enforce the collection of all charges and/or assessments provided for or referred to in subsections (a), (b) and (c) of this Section 3, or otherwise provided for in this declaration, together with costs, penalties and interest imposed for the nonpayment thereof (costs provided for in this section to include reasonable attorneys' fees), and to expend all moneys collected from such charges, assessments, costs, penalties and/or interest for the payment of expenses and costs in carrying out the rights and powers of the Association as specified in this declaration and/or in the articles of incorporation and/or by-laws of the Association, subject to any express limitations contained in this declaration as to special charges and/or assessments, or otherwise.

(c) Fiscal Year and Due Dates. Each and every of the charges and/or assessments provided for or referred to in said subsections (a), (b) and/or (c) of this Section 3 and/or otherwise provided for in this declaration, subject to subsection (h) of this Section 3, shall be fixed on or about the first Monday of October, 1947, for the fiscal year beginning July 1, 1947, and annually thereafter on or about the first Monday of October of each year for each succeeding fiscal year (which shall run from July 1 to June 30, both inclusive), and each such charge and/or assessment shall be paid annually in advance to the Association (or otherwise than in advance as to clean-up charges, if so determined by the board of directors of the Association) on or before the first Monday in November in each and every year beginning in November, 1947, on which date each such charge and/or assessment shall become enforceable against the building site, lot or parcel and the improvements thereon (if any) against which the same have been assessed, and shall so continue until said charge and/or assessment, together with all costs, penalties and interest provided for, have been paid.

(f) Notice of Delinquency. At any time within one hundred and twenty days after any such general and/or special and/or clean-up charge or assessment against any building site, lot or parcel has become delinquent, the Association may record a notice of delinquent charges and/or assessments as to such building site, lot or parcel, which notice shall state therein the amount of such delinquency, and the interest, costs and penalties which have accrued thereon, a description of the building site, lot or parcel against which the same has been assessed, and the name of the record or reputed owner thereof, and such notice shall be signed by the Secretary or an Assistant Secretary of the Association; provided that upon the payment of said charges and/or assessments, interest, penalties and costs in connection with which such notice has been so recorded, or other satisfaction thereof, the Association shall record a further notice stating the satisfaction and the release of the lien thereof.

(g) Enforcement of Liens. Each lien established pursuant to the provisions of this declaration may be foreclosed as and in the same manner as is provided for the foreclosure of a mortgage upon real property by the laws of California at the date of the commencement of such foreclosure action; interest shall accrue at the rate of six per cent per annum upon all unpaid charges or assessments from the date of delinquency, and in any action to foreclose any such lien the Association shall be entitled to costs, including reasonable attorneys' fees; penalties for delinquent charges or assessments shall be as established by the by-laws of the Association.

(h) Power to Suspend Charges and Assessments. At any time prior to the first Monday of October, 1947, Palos Verdes Corporation may suspend all power and authority of the Association to levy any and all charges and assessments upon the property cov-

ered by this declaration by recording a statement of its intent to so suspend such power and authority and by specifying in said statement the time limit, which shall not be in excess of two years, during which the same shall be suspended; provided that said suspension period may be shortened after the recording of said statement by Palos Verdes Corporation similarly recording a notice stating the time by which said suspension period has been so reduced.

(1) Charges and Assessments against Property of Palos Verdes Corporation. Palos Verdes Corporation may at any time or from time to time as to the property covered by this declaration or any part thereof which it has not conveyed or which is not subject to a conditional sales contract executed by it as seller, record a statement indicating its intent to subject all or any part of said property to the charges and assessments provided for by this Section 3, or a portion of such charges or assessments, and said property as to which such intent is so expressed shall on and after the date of such recording be subject to such charges and assessments to the extent provided for in said recorded statement; and thereafter Palos Verdes Corporation shall be entitled to membership in the Association based upon the ownership of a building site, or sites, a lot or lots, or a parcel or parcels which are so made subject to such charges and assessments upon the same basis as other owners.

(2) Reservation of Assessment Liens. Palos Verdes Corporation as to every building site, lot or parcel covered by this declaration conveyed by it or in connection with which it has executed a sales contract as seller, except as otherwise expressly provided, has established and does hereby establish, reserve and impose a lien thereon securing such charge and/or assessment provided for by this declaration, together with said costs, penalties and interest, upon such building site, lot or parcel, and does hereby assign to the Association the right to collect and enforce collection of the same.

(3) Mortgages and Trust Deeds. Any lien or charge or assessment, together with any costs, penalties or interest, established, reserved or imposed under this declaration shall be subordinate to any valid bona fide mortgage or trust deed (and the lien and/or title thereof) which has been or may hereafter be given in good faith and for value on any building site, lot or parcel covered by this declaration; provided, however, that any subsequent owner of any such building site, lot or parcel shall be bound by the restrictions, conditions, covenants, reservations, liens and charges set out in this declaration or any modification thereof, whether obtained by foreclosure or trust deed sale, or otherwise, not including, however, any lien, charge or assessment arising prior to any sale under any such mortgage or trust deed.

ARTICLE VI.

Enforcement and Reversion of Title

Section 1. Enforcement

The Association shall have the right and power to enforce all restrictions, conditions, covenants, reservations, liens and charges imposed by the provisions of this or any subsequent declaration and/or by any conveyance, lease or contract of sale which may now or hereafter be created or exist upon said property covered by this declaration or to which any portion thereof may at any time be subject, provided that such right and/or power of the Association shall not be exclusive unless expressly so provided, and when not exclusive may be exercised severally or jointly with Palos Verdes Corporation and/or any owner or owners of any portion or said property in event such power and authority have also been vested in Palos Verdes Corporation and/or such owner or owners; provided, further, that Palos Verdes Corporation shall have the sole right to enforce the rights reserved to it in Section 3 of this Article VI.

Section 2. Nuisances and Violation of Provisions.

Every act or omission whereby any restriction, condition or covenant in this declaration set forth or to which the said property or any portion is subject is violated in whole or in part is declared to be and shall constitute a nuisance and may be enjoined or abated by the Association and/or Palos Verdes Corporation and/or the owner of any building site, lot or parcel included in said property. Each remedy provided for in this declaration shall be cumulative and not exclusive.

Section 3. Reversion of Title

A breach of any of the restrictions, covenants and/or conditions established against or upon said property or any part thereof by this declaration and/or any modification and/or amendment thereof and/or by any deed by Palos Verdes Corporation shall cause the building site, lot or parcel upon which such breach occurs to revert to Palos Verdes Corporation as the owner of the reversionary rights therein, and Palos Verdes Corporation as the owner of such reversionary rights shall have the right of immediate re-entry into and upon said building site, lot or parcel, and Palos Verdes Corporation hereby reserves such reversionary rights; provided, however, that no right of reversion and no reversion shall in any manner whatsoever affect or impair any bona fide mortgage or trust deed (or the lien or title thereof) which may have been, or which may be, given in good faith and for value; provided, further, however, that any subsequent owner of any such building site, lot or parcel shall be bound by the said restrictions, covenants, and conditions whether obtained by foreclosure or trust deed sale, or otherwise.

ARTICLE VII.

Duration and Modification

Section 1. Duration of Restrictions

All of the restrictions, conditions, covenants, reservations, liens and charges set forth in this Declaration shall continue and remain in full force and effect at all times against said property covered by this Declaration, and each part thereof, and the owners thereof, subject to the right to amend, change, modify and terminate provided for in Section 2 of this Article VII, until January 1, 1978, except those contained in subsection (a) of Section 1 of Article III of this Declaration, which shall be and remain in force perpetually. All of the said restrictions, conditions, covenants, reservations, liens and charges in this Declaration contained which are subject to expiration shall, as the same are in force immediately prior to such expiration, be continued automatically without further notice from that time for a period of ten years and thereafter for successive periods of ten years each without limitation, unless within the six months prior to January 1, 1978, or within the six months prior to the expiration of any successive ten year period thereafter a written agreement executed by the then record owners (including mortgagees under recorded mortgages and trustees under recorded trust deeds) of more than one-half of the area of all lands covered by this Declaration, exclusive of streets, parks, and property owned by the Association, be recorded by the terms of which agreement any of said restrictions, conditions, covenants, reservations, liens and charges are changed, modified or extinguished in whole or in part as to all or any part of the property subject thereto. In the event any such written agreement of extinguishment, change or modification be duly executed and recorded as provided herein the restrictions, conditions, covenants, reservations, liens and charges as therein modified shall continue in force for successive periods of ten years unless and until further changed, modified or extinguished in the manner above provided.

Section 2. Modification of Restrictions

(a) **Method of Modification.** Amendment, change, modification or termination of all or any of the restrictions, conditions, covenants, reservations, liens or charges set forth in this Declaration or any deed, contract of sale or lease hereafter recorded, unless otherwise provided therein, may be made and effected from time to time by written instrument duly executed and recorded:

(1) As to any property covered by this Declaration then owned by Palos Verdes Corporation, or any portion thereof, by the Association and Palos Verdes Corporation; and

(2) As to all or any part of any other property then covered by this declaration, by the Association, Palos Verdes Corporation, and the owners of record of two-thirds in area of all lands covered by the restrictions, conditions, covenants, reservations, liens or charges which are to be so amended, changed, modified or terminated.

Provided, however, that in neither case shall any such amendment, change, modification or termination as to any property be made without the written consent, duly executed and recorded, of the owners of record of not less than two-thirds in area of all lands held in private ownership within five hundred feet in any direction from the exterior boundary of the property concerning which such amendment, change, modification or termination is sought to be made; and provided, further, that this shall not be construed as requiring the consent of any owner or owners of any property not under the jurisdiction of the Association.

(b) Modification of Building Sites. The number and/or use of any building site or sites now or hereafter included in any lot, parcel or portion of the property covered by this declaration, whether established by this declaration by deed or by whatever means, may be amended, changed or modified (in addition to the use of the aforesaid method) by written instrument duly executed by the record owner or owners of such building site or building sites, with the approval of the Architectural Committee and Palos Verdes Corporation endorsed thereon, and duly recorded.

(c) Consent of Mortgages, Trustees, Beneficiaries and Lessees. "Owner," "record owner," and "owner of record title," and the plural of each of said terms, as used in this Section 2, shall include not only the persons designated in paragraph 8 of Article II hereof, but also each mortgagee, trustee under a trust deed, lessee, and seller under a contract of sale appearing of record shall be deemed to be an owner of the land covered by his mortgage, trust deed, lease or contract of sale with rights under this Section 2 equal to those of owners under said paragraph 8 of Article II.

ARTICLE VIII.

Annexation of Additional Property

As to any lands owned by Palos Verdes Corporation within the hereinafter set out area, upon the execution of a declaration of restrictions by said corporation, and upon such declaration being recorded, and/or upon any other owner or owners of land within said area executing a declaration of restrictions in the form hereinafter provided, with the approval of Palos Verdes Corporation in writing

(2) As to all or any part of any other property then covered by this declaration, by the Association, Palos Verdes Corporation, and the owners of record of two-thirds in area of all lands covered by the restrictions, conditions, covenants, reservations, liens or charges which are to be so amended, changed, modified or terminated.

Provided, however, that in neither case shall any such amendment, change, modification or termination as to any property be made without the written consent, duly executed and recorded, of the owners of record of not less than two-thirds in area of all lands held in private ownership within five hundred feet in any direction from the exterior boundary of the property concerning which such amendment, change, modification or termination is sought to be made; and provided, further, that this shall not be construed as requiring the consent of any owner or owners of any property not under the jurisdiction of the Association.

(b) Modification of Building Sites. The number and/or size of any building site or sites now or hereafter included in any lot, parcel or portion of the property covered by this declaration, whether established by this declaration by deed or by whatever means, may be amended, changed or modified (in addition to the use of the aforesaid method) by written instrument duly executed by the record owner or owners of such building site or building sites, with the approval of the Architectural Committee and Palos Verdes Corporation endorsed thereon, and duly recorded.

(c) Consent of Mortgages, Trustees, Beneficiaries and Lessees. "Owner," "record owner" and "owner of record title," and the plural of each of said terms, as used in this Section 2, shall include not only the persons designated in paragraph 8 of Article II hereof, but also each mortgagee, trustee under a trust deed, lessee, and seller under a contract of sale appearing of record shall be deemed to be an owner of the land covered by his mortgage, trust deed, lease of contract of sale with rights under this Section 2 equal to those of owners under said paragraph 8 of Article II.

ARTICLE VIII.

Annexation of Additional Property

As to any lands owned by Palos Verdes Corporation within the hereinafter set out area, upon the execution of a declaration of restrictions by said corporation, and upon such declaration being recorded, and/or upon any other owner or owners of land within said area executing a declaration of restrictions in the form hereinafter provided, with the approval of Palos Verdes Corporation in writing

thereon, and upon such declaration being similarly recorded, the Association shall have jurisdiction over the lands described in any such declaration and improvements thereon and shall have the power, authority and duty to do and perform all of the acts, and fix, impose and collect all charges and assessments from the owner or owners of said lands as therein provided, and such owner or owners shall be entitled to membership in the Association as provided in such declaration; provided, however, that each of such declarations covering lands within said area, unless otherwise approved by the Association and Palms Verde Corporation shall contain provisions which impose restrictions, conditions, reservations, covenants, liens and charges similar to those set forth in the following articles of this declaration: Article II, Article III, with the exception of subsections (a), (b) and (c) of Section 1 of Article III, Article IV, excepting as to the original members of the Committee as set out in subsection (a) of Section 3 of Article IV, Article V, excepting as to dates in subsections (c) and (d) of Section 3 of Article V, Article VI, Article VII, excepting that a later date for the expiration of the restrictions may be included, Article VIII, Article IX and Article X, with such variations as may be required by reason of differences in time elapsed and/or differences in ownership and/or conditions between the property covered by such new declaration and the property covered by this declaration, and with such other provisions as said Palms Verde Corporation may deem proper and which may be deemed to be contained therein pursuant to this Article VIII. Said area referred to in this Article VIII is situated in the County of Los Angeles, State of California, and is described as follows:

Lot "K" of the Rancho Los Palms Verdes, in the County of Los Angeles, State of California, allotted to Joshua Dixby by decree of partition in the action "Dixby, et al. v. Bent, et al.," Case No. 2373 in the District Court of the 17th Judicial District of said State of California, in and for said County of Los Angeles, and entered in Book 4, Page 57, of Judgments, in the Superior Court of said County.

ARTICLE II

Macallan

Section 1. Assentance of Restrictions by Grantees.

Each grantee of Palms Verde Corporation of any building site, lot or parcel included in said property or holder of a contract of sale or lease from Palms Verde Corporation covering any

such building site, lot or parcel, accepts the same subject to all of the restrictions, conditions, covenants, reservations, liens and charges and the jurisdiction, rights and powers of the Association, the Architectural Committee and Pales Vardes Corporation provided for in this declaration.

Section 2. Conclusiveness of Records.

For the purpose of making a title search upon or guaranteeing or insuring title to any building site, lot or parcel or interest therein or lien thereon embraced within the property covered by this declaration and for the purpose of protecting purchasers and/or encumbrancers for value and in good faith: (a) as to any act or non-act by the Association and/or its board of directors and/or any of the Association's departments, committees or agents (excepting the Architectural Committee) and/or as to the performance or non-performance of any act by any owner of any building site, lot or parcel or of any interest therein or lien thereon embraced within said property, including but not limited by the payment of any charge or assessment, a certificate as to any matters contained in the records of the Association certified by the Secretary of the Association shall be conclusive proof as to all such matters shown therein; and (b) as to any act or non-act by Pales Vardes Corporation, a certificate as to any matters contained in the records of such corporation certified by an officer thereof shall be conclusive proof as to all matters shown thereby. The provisions of this Section 2 shall not apply to the acts or non-acts of the Architectural Committee but the acts or non-acts of said Committee shall be evidenced as provided in Section 3 of Article IV.

Section 3. Street Grades, Cuts and Fills.

Pales Vardes Corporation reserves the right to make such cuts and fills as are necessary to grade the streets and roads, whether or not dedicated to the public, or private ways, within the boundaries thereof, in accordance with such grades as it may establish, including the right, so far as is reasonable and proper for necessary support and protection of streets, roads or ways so graded, to slope upon abutting lots; and Pales Vardes Corporation may assign any of such rights to the Association.

Section 4. Interpretation of Restrictions.

(a) In interpreting and applying the provisions of this declaration they shall be held to be minimum requirements adopted for the promotion of the health, safety, comfort, convenience and general welfare of the owners and occupants of said property. It is not the intent of this declaration to interfere with any provisions of any law or ordinance or any rules, regulations or permits previously adopted or issued or which may be adopted or issued pur-

suant to law relating to the use of buildings or premises; nor is it the intent of this declaration to interfere with or abrogate or annul easements, covenants or other agreements between parties; provided, however, that where this declaration imposes a greater restriction upon the use and/or occupancy of building sites, lots or parcels, or upon the construction of buildings or structures, or in connection with any other matters than are imposed or required by such provisions of law or ordinances or by such rules, regulations or permits or by such easements, covenants and agreements, then in that case the provisions of this declaration shall control.

(b) In case of uncertainty or ambiguity or conflict of opinion as to the meaning of the provisions of this declaration or any of them, or as to the meaning of any restriction, covenant or condition applying to said property, or any part thereof, the Association shall in all cases interpret the same, and such interpretation shall be final and conclusive excepting as to the rights of Pales Verdes Corporation hereunder.

Section 5. Construction and Validity of Restrictions.

All of said restrictions, conditions, covenants, reservations, liens and charges contained in this declaration shall be construed together and if it shall at any time be held that any one of such restrictions, conditions, covenants, reservations, liens or charges, or any part thereof, is invalid or for any reason becomes unenforceable, no other restriction, condition, covenant, reservation, lien or charge, or any part thereof, shall be thereby affected or impaired.

Section 6. Authority to Release Rights.

Pales Verdes Corporation shall have the authority at any time after the recording of this declaration to release all, or from time to time any part of its rights under this declaration to approve, disapprove or act under any of the provisions of this declaration by recording a written notice of such release, and to the extent of such release the approval, disapproval and/or action by Pales Verdes Corporation shall no longer be required under the provisions of this declaration.

Section 7. Prior Recorded Restrictions.

Any prior recorded restrictions, conditions, covenants and/or reservations covering the property covered by this declaration, or any part thereof, may be changed, modified or cancelled in the same manner and to the same extent as if this declaration had not been recorded and Pales Verdes Corporation was the owner of all land covered by this declaration; and each owner of a building site, lot or parcel, or any part thereof, embraced within the property covered by this declaration, or of any interest, lien or right in,

against or to any such building site, lot or parcel, or any part thereof, who becomes such owner subsequent to the date of the recording of this declaration agrees that said prior recorded restrictions may be amended, modified or cancelled in whole or in part without his approval, consent or agreement thereto, if such change, modification or cancellation is approved by Palos Verdes Corporation, and waives any and all rights which he may have to object to or prevent any such change, modification or cancellation which is so approved by Palos Verdes Corporation; provided that no such change, modification or cancellation shall nullify any of the provisions of this declaration.

Section 8. Ingress and Egress to and from
Palos Verdes Drive, South.

Vehicular ingress and egress to and from Palos Verdes Drive, South, and any building site, lot or parcel embraced within the property covered by this declaration, is prohibited (excepting as otherwise approved by Palos Verdes Corporation) unless the same is over a street leading into Palos Verdes Drive, South, and there shall at no time be constructed or maintained upon any such building site, lot or parcel a private or other driveway leading into or from Palos Verdes Drive, South, without the approval of Palos Verdes Corporation.

Section 9. Assignment of Powers.

Any and all rights and/or powers of Palos Verdes Corporation provided for in this declaration and/or any modification and/or amendment thereof, may be delegated, transferred, assigned or conveyed to the Association and/or any person, corporation or association by Palos Verdes Corporation.

Section 10. Waiver and Exemptions.

(a) The failure by the Association and/or Palos Verdes Corporation and/or any owner of any building site, lot or parcel included in said property or any other person, to enforce any of the restrictions, conditions, covenants, reservations, liens, or charges to which said property or any part thereof is subject, shall in no event be deemed a waiver of the right to do so thereafter or to enforce any other restriction, condition, covenant, reservation, lien or charge.

(b) Any portion of said property or any interest therein the title to which is acquired by the State of California and/or the United States of America and/or by any public authority any, with the written approval of the Palos Verdes Corporation and the Association, be specifically exempted from any or all of the provisions herein except the provisions of subsections (g), (i) and (m) of Section 1 of Article III hereof.

Section 11. Titles.

All titles used in this declaration, including those of articles, sections and subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect the terms or provisions of this declaration nor the meaning thereof.

Section 12. Successors in Interest.

Reference to the Association shall include the successors thereof and references to Palos Verdes Corporation shall also include its successors, and the respective rights, powers and authority of the Association and Palos Verdes Corporation hereunder shall accrue to and be for the benefit of their respective successors.

ARTICLE X.

Easements and Rights of Way

Section 1. Descriptions.

Palos Verdes Corporation hereby specifically reserves easements and rights of way on, over, under, across and along the parcels or strips of land to be described in a Declaration of Easements signed by Palos Verdes Corporation which shall be recorded subsequent to the recording of this declaration.

Section 2. Uses and Purposes of Easements and Rights of Way.

The easements and rights of way referred to in Section 1 of this Article X, unless expressly provided to the contrary in said Declaration of Easements, are reserved for the purpose of constructing, erecting, operating and maintaining thereon:

- (a) Roads, streets, or bridle trails, parkways and park areas; and
- (b) Poles, wires and conduits for the transmission of electricity for lighting, heating, power, telephone and other purposes and for the necessary attachments in connection therewith; and
- (c) Public and private sewers, storm water drains, land drains, and pipes, water systems, water, heating and gas mains or pipes; and

(d) Any other method of conducting and performing any public or quasi-public utility service or function upon or beneath the surface of the ground.

Section 3. Jurisdiction and Control of Easements.

(a) Notwithstanding anything in this Article contained, Palos Verdes Corporation, by and with the approval of the board of directors of the Association in respect to easements subject to its jurisdiction, shall have the right from time to time to release, convey and quitclaim to the owner of the building site, lot or parcel on which any easement and/or right of way is a servitude, all or so much of said easement or right of way hereby reserved as in the judgment of Palos Verdes Corporation, and the board of directors of the Association in respect to easements subject to its jurisdiction, is no longer needed for the uses and purposes set forth in Section 1 and/or Section 2 of this Article X; and Palos Verdes Corporation may also in any deed or conveyance reserve further easements and rights of way for such uses and purposes as may be designated and set forth therein.

(b) The jurisdiction and control of the Association as to easements and rights of way established by Palos Verdes Corporation shall extend only to such easements and rights of way as may be conveyed to it by Palos Verdes Corporation or in respect to which the Association shall be granted jurisdiction and control by Palos Verdes Corporation, said easements, whether or not under the jurisdiction of the Association, shall at all times be open to Palos Verdes Corporation and its assigns and licensees, and easements and rights of way over which the Association has jurisdiction and control shall at all times be open to it, and Palos Verdes Corporation in respect to all of said easements and rights of way, and the Association with respect to easements and rights of way subject to its jurisdiction and control, shall have the right of ingress and egress thereto and therefrom and the right and privilege of doing whatever may be necessary in, under and upon said locations for the carrying out of any of the purposes for which said easements and rights of way are reserved, and shall not thereby in any manner be deemed guilty of trespass; and Palos Verdes Corporation shall have the right at any time to convey or dedicate to the public all or any part of the easements and/or rights of way provided for in this Article or in said Declaration of Easements or otherwise established by Palos Verdes Corporation, and also to extinguish (with the written approval of the Association as to easements and rights of way subject to its jurisdiction) such easements and rights of way.

IN WITNESS WHEREOF, Palos Verde Corporation has caused its signature and seal to be hereunto affixed by its duly authorized officers the day and year first above mentioned.

PALOS VERDE CORPORATION

William C. Vanduldy
President

(SEAL)

ATTEST:

John H. Robertson
Assistant Secretary.

ACCEPTANCE:

PORTUGUESE BEND COMMUNITY ASSOCIATION, a nonprofit corporation organized under the laws of the State of California, do hereby accept and consent to all of the terms, provisions and conditions, including all protective restrictions, conditions, covenants, reservations, liens, charges and assessments, of the foregoing declaration and by this acceptance and consent agree to act in the conformity and with the powers and authority given it under said declaration. This acceptance and consent is hereby executed contemporaneously with the execution of said declaration and the undersigned heroby causes its signature and seal to be hereunto affixed by its authorized officers the day and year of the date of said declaration.

PORTUGUESE BEND COMMUNITY ASSOCIATION

By William C. Vanduldy
President

ATTEST:

John H. Robertson
Secretary

(SEAL)

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss

On this 22 day of August, 1947, before me, the undersigned Notary Public in and for said County and State, personally appeared Kelvin C. Vanderlip, known to me to be the President, and John E. Robertson, known to me to be the Assistant Secretary of Palos Verdes Corporation, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal the day and year in this certificate first above written.

Ernest R. Ormick
Notary Public in and for said
County and State.

(SEAL)

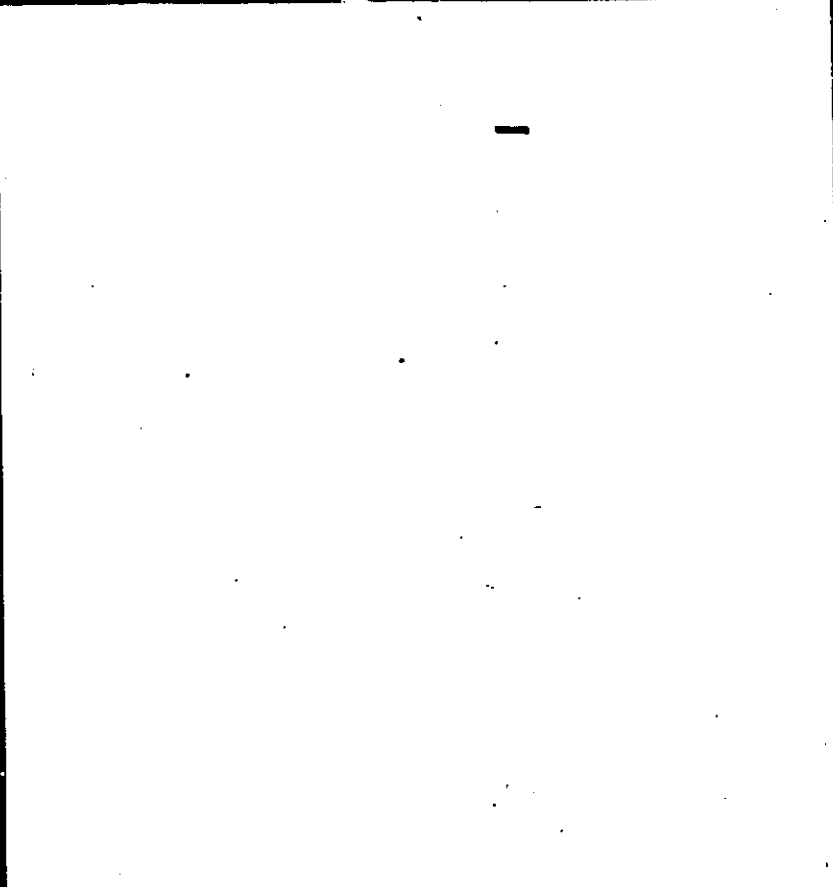
STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss

On this 22 day of August, 1947, before me, the undersigned Notary Public in and for said County and State, personally appeared Kelvin C. Vanderlip known to me to be the President, and M.L. Housman known to me to be the Secretary of Portuguese Bond Community Association, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereto set my hand and affixed my official seal the day and year in this certificate first above written.

Ernest R. Ormick
Notary Public in and for said
County and State.

(SEAL)



Recorded and compared: NAME B. BEATTY, County Recorder, BY Deputy

*W. H. ...
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...
...
...*

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RECORDED AT REQUEST OF
MILWAUKEE COUNTY CO.
AUG 22 1947 A.M. A.L.
L. B. 3756
Clerk of the Court, CHS
1450
W. H. BEATTY, County Recorder
Deputy

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