

# BALBOA TERRACE HOMES ASSOCIATION

Amended Articles Of Incorporation  
By-Laws And Deed Restrictions  
(May 1, 2001 Edition)



# BALBOA TERRACE HOMES ASSOCIATION

San Francisco, California

## Contents

	Page
• Introduction	3
• Articles of Incorporation & Amendments	6
• By Laws	12
• Deed Restrictions	22

## I. INTRODUCTION

Balboa Terrace Homes was established in 1920 as a planned residential real estate development for single family detached homes. There are several commonly owned or maintained areas: the two east-west paved walk parkways in the middle of the blocks, the grass area from Ocean to Monterey between Junipero Serra Boulevard and the east frontage road adjacent to Junipero Serra, and the three garden islands at the western end of Monterey Boulevard (the other islands are maintained by St. Francis Wood Homes Association). The rear drive easements are also the responsibility of the association, although these are located on easements from the adjoining lot owners.

The purchase of a lot in the tract automatically obligates the owner to comply with certain deed restrictions common to all lots, for the mutual benefit of the individual lot owner and for the benefit of the tract as a whole. There is no choice to accept or reject these deed restrictions. The covenants "run with the land." The basic purpose was to construct and maintain a single family detached home area, with no businesses, apartments or flats. There are setbacks, height limits (two stories, attic and basement), and various other rather limited restrictions, for example, regulating the placement and height of fences. A small annual tax provides for the ordinary operations, mostly for gardening and maintenance of the common areas or easements. (The current deed restrictions are stated at the end of this document.)

After the original developers sold enough lots, the homeowners in 1924 formed Balboa Terrace Improvement Association as a non-profit corporation under the law of California. By-laws were also adopted. In 1930 the Articles were amended to change the name to Balboa Terrace Homes Association. BTHA as successor to the original developer assumed the principal responsibilities of maintaining the deed restrictions. The Articles were amended again in 1978 to extend the corporate existence in perpetuity. The law relating to non-profits was revised substantially in 1978 and we are now a mutual benefit corporation (California Corporations Code, Section 7110 et seq.) In 1985 California enacted the Davis Stirling Common Interest Development Act (California Civil Code, Section 1351 et seq.) which has many detailed provisions governing residential home owner associations like ours.

The City and County of San Francisco has adopted numerous ordinances governing the homes in our tract, including zoning and building codes. We are zoned as a "RH-1 D" zone — single family detached residences.

The Articles of Incorporation and their amendments are filed with the California Secretary of State. The directors of BTHA maintain the By-laws. The deed restrictions are on file with the County Recorder's office at City Hall. The original deed restrictions were to expire in 1960; however, the deed restrictions were extended for twenty years in 1958 through 1980, then again in 1979 through 2000. On September 18, 2000, the deed restrictions were extended a third time, with some amendments, for an initial term of ten years. Thereafter the deed restrictions will be extended automatically in ten-year terms without limit. All extensions of the deed restrictions were approved by two thirds of the lot owners.

A two-thirds vote of the lot owners may end or amend the deed restrictions at any time. While the corporation administers the deed restrictions, the deed restrictions exist independently by reason of their original enactment which has been extended three times and now will run in perpetuity unless revoked by a two-thirds vote of the lot owners.

Balboa Terrace is roughly bounded by Junipero Serra Boulevard on the west, Monterey Boulevard and Darien VWay on the north, San Aleso Avenue and Aptos Avenue on the east and Ocean Avenue on the south. The exact boundaries are found in the following subdivision maps:

"Map of Balboa Terrace, San Francisco, California" filed in the Office of the Recorder of the City and County of San Francisco, State of California, September 8, 1920, in Map Book "J" at Page 4.

"Map of Balboa Terrace Addition, San Francisco, California" filed in the Office of the Recorder of the City and County of San Francisco, State of California, December 26, 1924, in Book "K" of Maps, Pages 4, 5 and 6.

"Map of Blocks of 3260 to 3269, inclusive, Balboa Terrace Addition, San Francisco, California" filed in the office of the Recorder of the City and County of San Francisco, State of California, June 22, 1927 in Map Book "L" Pages 29 to 33, inclusive.

**II. ARTICLES OF INCORPORATION OF BALBOA TERRACE HOMES ASSOCIATION**

(August 18, 1924, as amended January 3, 1930 and January 9, 1978)

Know All Men By These Presents:

That we, the undersigned, each of whom is a citizen and resident of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a non-profit co-operative corporation under the laws of the State of California and particular Title XXII, Division First, Part IV of the Civil Code thereof, to be known as BALBOA TERRACE HOMES ASSOCIATION.

And we Do Hereby Certify:

First: That the name of the said corporation is and shall be

**BALBOA TERRACE HOMES ASSOCIATION**

Second: That the purposes for which the said corporation is formed are:

- (a) To promote the collective and individual interests of all persons owning lots in the tract of land situated in the City and County of San Francisco, State of California, and known as "Balboa Terrace," the said tract of land being described as follows:

BEING the tract of land shown on a certain map entitled "Map of Balboa Terrace," San Francisco, California, recorded in the office of the County Recorder of the City and County of San Francisco, State of California, on the 8th day of September, 1920, in Map Book "J" at page 4.

- (b) To provide for the lighting, improving and maintaining of the gateways and the other ornamental features now existing, or hereafter to be erected, on said certain tract known as "Balboa Terrace;" to provide for the lighting, cleaning, improving and maintaining of such streets, sidewalks, parks and other open spaces now existing, or hereafter to be erected, in "Balboa Terrace," as shall be maintained for the general use of the owners of the lots in "Balboa Terrace," and their successors in interest; to care for all grass plots and other planted areas now existing, or hereafter to be erected, within the lines of the streets shown and designated on the said map; to care for and maintain a community social hall, or halls, and club house, or houses, tennis courts and playgrounds, if any be erected in "Balboa Terrace;" to maintain the sewerage system to be installed for the purpose of draining the said tract until any or all of the above functions are performed by and at the expense of the Municipality; to care for all vacant and unimproved lots and plots now existing, or which hereafter shall exist, in the said tract, and to take any action with reference to such vacant and

unimproved lots and plots as may be necessary or desirable in the opinion of the Board of Directors of this corporation to keep the said vacant and unimproved lots and plots in neat and good order, and to pay all taxes and assessments which may be levied by any authority upon the streets or parks now, or hereafter to be, opened, laid out or established in the said tract, and on such other open spaces as shall be maintained for the general use of the owners of said lots in said tract and their successors in interest, and also on the sewers and storm drains established in the said tract, whether taxed or assessed as a part of the said tract, or separately; to see to the enforcement of the easements, restrictions, conditions, covenants, charges and agreements now or at any time created for the benefit of the lots in said tract, or to which said lots may at any time be subject.

- (c) To collect from the respective owners of lots in said tract, or their successors in interest, an annual tax, the amount of said tax to be fixed by the members of this corporation, but in no event to be more than 1.2¢ square foot, per year, for the purpose of raising a fund out of which to meet the expenses incurred, and to be incurred, in carrying out the purposes of this corporation, and to take all lawful means for the enforcement of such collection.
- (d) To acquire by purchase, or otherwise own, hold, lease, and convey land and personal property or interest therein, either by leasehold or otherwise, in said "Balboa Terrace," and take



and hold title to or interest in streets or sidewalks or parks or other open spaces now existing, or hereafter to be created, in "Balboa Terrace," and to all easements or servitudes that may be created thereon or therein, all easements and parkways now existing to continue to be maintained as such, and to erect, construct and maintain therein wires and conduits for the transmission of electricity for lighting, telephone and other purposes, and for the necessary attachments in connection therewith, public and private, sewers, storm water drains, land drains and pipes, water and gas mains and pipes, and to exercise all rights granted in connection with said easements, and to grant to any public or municipal or other person or individual permission to exercise the rights created by such reservation of such easements, and to join with any other person, firm or corporation in the execution of deeds, conveyances, contracts of sale or mortgage to real property within said "Balboa Terrace" for the purpose of certifying that the charges and assessments against the same are fully paid, or for any other lawful purpose.

To exercise and enjoy fully all powers conferred upon it by the terms or implications of any declaration or reservation of, or instrument declaring creating or imposing said easements, restrictions, conditions, covenants, charges or agreements upon lots or lands in said tract, including approval or disapproval, consent, or refusal of consent in cases where the same may be provided for therein.

Third: That the place where the principal business of the said corporation is to be transacted is the City and County of San Francisco, State of California.

Fourth: This corporation shall have perpetual existence.

Fifth: That the number of directors of said corporation shall be five, and the names and residences of the directors selected for the first year and until their successors shall have been elected and shall have accepted office, are as follows, to-wit:

R. H. Hawkes, 261 San Fernando Way,  
San Francisco, California.

Wm. R. Hennies, 276 Santa Ana Avenue,  
San Francisco, California.

E. C. McMillan, 210 Santa Ana Avenue,  
San Francisco, California.

G. A. Ragan, 240 San Fernando Way, San  
Francisco, California.

Chalmers G. Graham, 219 San Fernando Way, San  
Francisco, California.

Sixth: That the voting power and property rights and interest of each member of this corporation shall be unequal, and that the members of this corporation shall be the original incorporators and directors hereinbefore named, and all those who hold legal title to any building site in the aforesaid tract of land, and/or those who, being parties to a contract, or contracts, for the purchase of any building site, although not the legal title holders are, nevertheless, the equitable owners thereof by virtue of the terms of a mortgage, and/or deed of trust; provided, however, that in such latter case the legal title holders shall not be considered as members of this corporation and entitled to the benefits thereof; that the holding of a

legal, and/or equitable interest as hereinabove set forth shall be the sole qualification for membership in this corporation, and certificates of membership shall issue to those whose names appear as such owners in the records on file in the office of the Recorder of the City and County of San Francisco, State of California, covering the aforementioned tract of land; said certificates of membership shall lapse and be null and void upon the cessation of any, and/or all of the qualifications as hereinabove set forth, and the holder thereof shall no longer be deemed to be a member of this corporation; that each member of this corporation shall be entitled to vote upon all matters that come before this corporation in the following manner, to-wit:

Each member shall be entitled to one vote for each building site, the legal or equitable title to which belongs to him, as hereinabove set forth.

Each member of this corporation shall have such an interest in all the property of this corporation as is represented by the ratio which the number of votes to which such member is entitled bears to the total number of building sites in the aforesaid tract.

(Signatures deleted)

**III. EDITED CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF BALBOA TERRACE IMPROVEMENT ASSOCIATION** (January 3, 1930)

RESOLVED, that this corporation change its name from Balboa Terrace Improvement Association to Balboa Terrace Homes Association, the latter name being more expressive of the purposes of this corporation.

**IV. EDITED CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION OF BALBOA TERRACES HOMES ASSOCIATION (January 9, 1978)**

Resolved, that Article FOURTH of the articles of incorporation be amended to read as follows: "This corporation shall have perpetual existence."

**V. BY-LAWS OF BALBOA TERRACE IMPROVEMENT ASSOCIATION (September 25, 1924)**

Article I. Membership and Dues

A building site, for the purposes of these By-Laws, shall be taken to be either a lot or any resubdivision of said lot, or a combination of any such lot or lots permitted by the restrictions applicable thereto, and thereby allowed to be used as a building site for a dwelling house, as shown on any map which is now on file, or which may hereafter be filed, in the office of the County Recorder of the City and County of San Francisco, State of California, of that certain tract of land known as "Balboa Terrace" and whether filed as a map of Balboa Terrace or an addition thereto.

Members of this corporation shall be the original incorporators and directors named in the original Articles of Incorporation, and each person or persons holding title in fee simple to any building site in the aforesaid tract of land.

Holders of contracts of purchase, mortgagees, trustees or beneficiaries under deeds of trust to said building sites shall not be considered members of this corporation.

Membership in the corporation as to any particular building site shall lapse and cease upon the recordation in the office of the County Recorder of the City and County of San Francisco of any transfer in fee simple of the building site.

A member holding a fee simple title in more than one building site, upon the transfer of title to one, retains membership as to the remaining building sites until sold by the member.

When a building site is owned of record in joint tenancy or tenancy in common, the membership as to such building site shall be joint, and the right of membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of such building site.

Membership in this corporation shall be appurtenant to the building sites within said tract to which the member has a fee simple title.

No membership fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of the corporation, except to pay quarterly the maintenance charge, or assessment, which is or may be made a lien on the respective properties of the members by virtue of the terms of any deed or deeds, and/or declaration or declarations which are, or may hereafter be recorded in the office of the County Recorder of the City and County of San Francisco, State of California, applicable to said tract of land; provided always that said maintenance charges or assessment shall not exceed the sum of one point two cents per square foot per year.

Article II. Property Rights and Interest

Each member of this corporation shall have such an interest in all the property of this corporation as is represented by the ratio which the number of votes to which such member is entitled bears to the total number of building sites in the aforesaid tract.

Article III. Corporate Powers

The corporate eleven (11) powers of this corporation shall be vested in a Board of eleven (11) directors, who shall be members of this corporation, and six (6) shall constitute a quorum for the transaction of business.

Article IV. Election of Directors

The Directors shall be elected by ballot, at the annual meeting of the members, to serve for one year and until their successors are elected. Their term of office shall begin immediately after election.

Article V. Vacancies

Vacancies in the Board of Directors shall be filled by the remaining directors when assembled as a Board, and such appointees shall hold office until the first annual meeting of the members thereafter.

Article VI. Powers of Directors

The Directors shall have power:

- 1st: To call special meetings of the members whenever they deem it necessary. And they shall call a meeting at any time upon the written request of one-third (1/3) of the members of this corporation.

2nd: To appoint and remove at pleasure all officers, agents and employees of the corporation, prescribe their duties, fix their compensation, and require from them security for faithful service.

3rd: To conduct, manage and control the affairs and business of the corporation, and to make rules and regulations not inconsistent with the laws of the State of California, or the By-Laws of the corporation, for the guidance of the officers and management of the affairs of the corporation.

4th: To determine, levy and assess annually the maintenance charge or assessment mentioned in Article I hereof, and to fix the rate per square foot of such maintenance charge or assessment.

Article VII. Duties of Directors

It shall be the duty of the Directors:

1st: To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the members when required by persons holding of record the legal and/or equitable interest to at least one-half (1/2) of the said building sites.

2nd: To supervise all officers, agents and employees and see that their duties are properly performed, and cause certificates of membership to be issued to the members of the corporation.

## Article VIII. Officers

The officers shall be a President, Vice-President, Secretary and Treasurer, which officers shall be elected by and hold office at the pleasure of the Board of Directors. The compensation and tenure of office of all the officers of the corporation (other than Directors) shall be fixed and determined by the Board of Directors. All officers of the corporation (other than Directors) may be appointed and elected by the Board of Directors by motion duly seconded and carried, or by resolution of the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

### Article IX: President

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President; and, if at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties; and, if the Vice-President, for any cause, shall be unable to act, they shall appoint some other member of the Board to act, in whom shall be vested, for the time being, all the duties and functions of the office of President, or in his absence or inability to act, the Vice-President, or, in the absence or inability to act of both the President and Vice-President, the Director appointed as above provided:

- 1st: Shall preside over all meetings of the members and Directors, and shall have the casting vote.
- 2nd: Shall sign as President all certificates of membership and all contracts and other instruments of writing which have been first approved by the Board of Directors.



3rd: Shall have such other powers as may be conferred upon him by the Board of Directors.

Article X. Secretary

The Board of Directors shall elect a Secretary.

1st: It shall be the duty of the Secretary to keep a record of the proceedings of the Board of Directors and of the members.

2nd: He shall keep the corporate seal of the corporation, and the book of blank certificates of membership; fill up and countersign all certificates issued and make the corresponding entries in the margin of such book on issuance; and he shall affix said corporate seal to all papers requiring a seal.

3rd: The Secretary shall serve all notices required either by law or the By-Laws of the corporation, and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by the President or Vice-President of the corporation.

4th: He shall keep proper books showing the date of issuance of each certificate of membership and the name of the person to whom issued, and showing the date of and parties to each transfer of membership.

Article XI: Treasurer

The Treasurer shall receive and deposit in such bank or banks as the Board of Directors may direct, all the funds of the corporation, subject to the check of such officers as the Board of Directors shall designate.

## Article XII: Books and Papers

The books and such papers as may be placed on file by vote of the members or Directors shall, at all times in business hours, be subject to the inspection of the Board of Directors or of any member.

## Article XIII: Certificate of Membership

Certificates of membership shall be of such form and device as the Board of Directors may direct, and each certificate shall be signed by the President and by the Secretary, and express on its face its number, date of issuance, the number and description of the building sites for which, and the person to whom it is issued.

The certificate book shall contain a margin on which shall be entered the number and date of the certificate, the number and description of building sites, and the name of the person expressed in the corresponding certificate.

## Article XIV: Transfer of Membership

Membership in this corporation shall be transferred or divided by the transfer of the fee simple title to all or part of the members building sites. Upon the recordation of such transfer in the office of the Recorder of the City and County of San Francisco, a certificate of membership shall thereupon issued to the new owner in fee simple.

Upon such transfer taking place the certificate of the transferor shall be cancelled on the books of the corporation as to the building site transferred, without the surrender or endorsement of the certificate.

If a certificate shall be lost or destroyed, upon proper demand the Board of Directors may order a new certificate issued upon the furnishing of such guaranty to the corporation as directors may deem satisfactory.

Article XV: Meetings

The annual meeting of the members shall be held in the City and County of San Francisco on the second Tuesday of March of each year, and shall be called by a notice in writing mailed to each member at his last known place of residence or business, or directed to each member at San Francisco; such notice to be deposited in the United State post office at San Francisco at least ten (10) days preceding the date of meeting, and postage thereon must be prepaid.

Special meetings of the members shall be called in like manner after five (5) days' notice.

No meeting of members shall be competent to transact business unless the owners, as above set forth, to a majority of the said building sites be represented, except to adjourn from day to day, or until such time as may be deemed proper. At such annual meeting of the members, Directors for the ensuing year shall be elected by ballot, to serve for one year and until their successors are elected. If, however, for want of a quorum or other cause, a members' meeting shall not be held on the day above named, or should the members fail to complete their elections, or such other business as may be presented for their consideration, those present may adjourn from day to day until the same shall be accomplished.

Regular meetings of the Board of Directors shall be held on the first Monday of each month at the office of the ASSOCIATION at eight o'clock P. M.; provided that the Board of Directors may change, by resolution, the day of holding the regular meeting. No notice of the regular meetings of the Board of Directors need be given.

The President, or any two of the Directors, may call special meetings of the Directors at any time, and notice shall be given of such called meeting by depositing in the United States Post Office at San Francisco, California, a written or printed notice thereof, with the postage thereon pre-paid, addressed to each Director at the last address left with the Secretary, at least three (3) days before the time of meeting, or by serving personally such notice on each Director one day before such meeting. Such service of notice shall be entered on the minutes of the corporation, and the said minutes, upon being read and approved at a subsequent meeting of the Board, shall be conclusive upon the question of service.

Notice specified in the Article for Members need be given only to members appearing as such on the books of the corporation.

#### Article XVI: Voting

At all corporate meetings each member, either in person or by proxy, shall be entitled to one vote for each building site to which he holds title in fee simple, as hereinabove set forth; provided that each member of the corporation shall have at least one vote. All proxies shall be in writing and filed with the Secretary.

#### Article XVII: Amendments

The By-Laws may be repealed or amended, or new By-Laws may be adopted, at any meeting of the members by a vote representing two-thirds (2/3) of the said building sites, or by the Board of Directors when thereunto authorized by any meeting of the members by a vote representing two-thirds of the said building sites, or by the written assent of the owners of two-thirds of the said building sites.

Article XVIII: Seal

The corporation shall have a common seal consisting of a circle having conveniently arranged on said seal the words:

"BALBOA TERRACE IMPROVEMENT  
ASSOCIATION,  
San Francisco, California,  
Incorporated  
September 10, 1924."

(Signatures deleted)

**VI. DURATION OF BALBOA TERRACE HOMES  
ASSOCIATION**

The deed restrictions were originally adopted by the developer of Balboa Terrace in 1920 and were extended three times by amendments by BTHA as successor to the developer. These earlier restrictions had a "sunset" provision limiting the term of the restrictions. The original restrictions expired on January 1, 1960, the first extension expired on January 1, 1980 and the second extension expired on January 1, 2001. The third extension with several amendments was recorded on September 18, 2000 and states the following concerning the duration of BTHA and the deed restrictions:

"The conditions, as amended by  
the First Amendment, Second  
Amendment and this Third  
Amendment, shall continue for a  
term of ten (10) years from the  
date this

Third Amendment is recorded unless superseded or terminated sooner by vote of two-thirds (2/3) of the owners or by operation of law. Thereafter, the term shall be automatically extended for successive periods of ten (10) years, unless the Association is terminated prior to the commencement of the next period."

The current deed restrictions therefore will extend until September 18, 2010, and then be extended automatically for successive ten year periods unless revoked or amended at any time by a two-thirds vote of the lot owners.

## **VII. DEED RESTRICTIONS**

The deed restrictions apply to all BTHA property. The current restrictions were adopted in 2000 by a two-thirds thirds vote of the individual homeowners. They were recorded in the Records Office, City and County of San Francisco, on September 18, 2000, as Records document 09/18/2000 G831827.

### **Edited Extracts of Deed Restrictions**

(Editor's Note: The following were edited to remove references to dates of expiration, since the deed restrictions have been extended on September 18, 2000, for ten year terms, without limit, unless revoked or amended by a two-thirds vote of the property owners.)

....AND THIS CONVEYANCE and the estate in said above-described real property hereby conveyed are made and created subject to the following express conditions, to wit:

FIRST: [Any] structure or building hereafter erected or constructed upon said premises shall be so erected or constructed [so as] not to come nearer to the front street line than a distance of one-tenth of the depth of lot and not to come nearer to the side street line than a distance of one-tenth of the width of lot, nor shall any garage be built or constructed in front of or nearer to the front or side street line of the said premises than the front or side line of the building nor shall any part or portion of building come nearer than \_\_\_\_\_ feet, or garage come nearer than \_\_\_\_\_ feet of the line of any lot or lots of any contiguous property owner, [Ed. note: side and rear setbacks of lots vary] nor shall any line or division fence be built or constructed from the front line of the building to the front street line or on the said front street line, and the portions of said premises in front of the front line occupied by the building thereon shall be kept free from rubbish, litter and weeds and properly cultivated to grow and maintain plants, flowers, shrubs or a lawn.

SECOND: That no building or structure which may hereafter be erected upon said land, or any part thereof, shall be used for any purpose except that of a dwelling house or appurtenances thereto at any time[.]

THIRD: That [no] trade, business or manufactures of any kind, or anything of the nature thereof, shall be carried on or conducted upon said real property, or any part thereof, and [no] stable fowl or animals (other than household pets) store, grocery or mercantile business shall be located or maintained or kept on any part of said land, or conducted thereon.

FOURTH: That [no] building shall be erected or placed upon any lot unless the exterior plan and elevation of such building shall have been first approved by Lang Realty Company or assigns. [Ed. note: BTHA has assumed this responsibility with the Amended Articles of Incorporation of August 18, 1924.]

FIFTH: That [no] flats, double houses or apartment house or houses shall be built or placed upon said real property, or any part thereof; that no more than one dwelling house shall be built or placed upon the hereinbefore described lot, and each and every dwelling house placed or built upon said property shall be of a height no greater than two stories, with basement and attic; and no fence or wall or similar structure shall be built or placed upon said land, or any part thereof, or along any boundary line thereof which is of a greater height than five (5) feet from the lot level.

SIXTH: That the party of the first part reserves the right to, an easement in and upon a strip of land of a uniform width of \_\_\_\_\_ feet along the \_\_\_\_\_ line of said property [Ed. note: easements vary by lot] over the entire length of said line to itself, its successors or assigns for the purpose of constructing and forever maintaining thereupon a public driveway, a drainage sewer, light, power, telephone or other wires for the transmission of electricity, together with poles or other devices necessary to establish and maintain the same; and with the right and privilege of doing whatever it may deem necessary in, upon and about the said strip of land therefor.

SEVENTH: That all garages or garage runways shall be built or constructed only from the rear driveway and not further away from rear driveway than 35 feet; therefore eliminating all runways or driveways from crossing the front sidewalk and making it necessary for all vehicles or automobiles to use rear driveways for ingress and egress to their respective garages.



EIGHTH: That the aforesaid restrictions, covenants and conditions have been and are considered by the parties hereto to be in furtherance of the general plan for the improvements, subdivision and sale of the said tract, and have been created with a view to, and are regarded as, subserving the sale of the lots in said tract and as enhancing and protecting the value, desirableness and attractiveness of said tract and of the several subdivisions thereof, for such purposes; and accordingly, that the said parties of the second part have accepted and do accept this conveyance upon and subject to the said restrictions, covenants and conditions and for [their] heirs, personal representatives and assigns have covenanted and agreed, and do hereby covenant, undertake and agree to and with the said party of the first part, and also to and with the other owners of lots in said Balboa Terrace, and the several grantees and successors in interest of said party of the first part of, in or to the said Balboa Terrace, or any portion of the same, to comply with, abide by and well and truly observe, fulfill and keep and perform the restrictions, provisions, covenants and conditions herein set forth; and each and every one thereof.

NINTH: All property owners shall bear equally, in proportion to the amount of square feet contained in each lot or parcel within Balboa Terrace, the cost of maintenance and operation of Balboa Terrace Homes Association. Assessments for such cost of maintenance and operation shall be fixed annually by the directors of the Association, provided that said cost of maintenance and operation so assessed shall not be more than two and four/tenths (2.4) cents per square foot of lot (parcel) area per year unless otherwise authorized by law. Notices of assessments shall be mailed not later than March 1 of each year and shall be delinquent fifteen (15) days after the due date shown on the notice. Delinquent assessments shall thereafter bear interest at the legal rate of interest then currently in effect within the State of California. The amount of any such delinquent

assessment, plus interest and costs as authorized by law, shall become a lien upon a lot or parcel when a notice of delinquent assessment is recorded with the County Recorder.

TENTH: That no "For Sale" signs of a larger size than 18" x 24" shall be placed on any lot or house, and no more than one sign on any lot or house, the Lang Realty Co. or assigns, however are to have the exclusive right to maintain larger signs for the purpose of advertising Balboa Terrace.

(End of deed restrictions)