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ENABLING DECLARATION ESTABLISHING
A PLAN FOR CONDOMINIUM OWNERSHIP

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NEITHER THE OWNER NOR THE BROKER MAKE ANY WARRANTY, REPRESENTATION AND/OR GUARANTEE, OF ANY KIND WHATSOEVER, REGARDING THE ACCURACY AND/OR COMPLETENESS OF ANY MATERIAL MATTERS HEREIN CONTAINED.

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ENABLING DECLARATION ESTABLISHING
A PLAN FOR CONDOMINIUM OWNERSHIP

P R E A M B L E

THIS DECLARATION is made this 25th day of May, 1983, by California Partners, a California general partnership (hereinafter referred to as "Declarant"), with reference to the following facts:

A. Declarant is the owner of that certain real property located in the City of Santa Ana, County of Orange, State of California more particularly described as Parcel 1 of Parcel Map No. 82 884, filed in Book 177, Pages 40 through 42 inclusive of Parcel Maps, records of Orange County, California.

B. Declarant has improved or intends to improve said property by converting ten (10) existing buildings situated thereon into a condominium project under the provisions of the California Condominium Act consisting of 42 Units, providing for separate title to each Unit within said project, each Unit to have an undivided interest in all of the remaining property.

C. The development shall be referred to as the "Project" as defined in Article 1, Paragraph 25, herein.

D. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said Condominiums and the owners thereof.

E. Declarant hereby establishes by this Declaration a plan for the individual ownership of the real property estates, consisting of the area of space for each Unit as well as the co-ownership by the individual owners, as tenants in common and as hereinafter set forth, of all of the remaining portions of the Project which is hereinafter defined and referred to as the "Common Area".

NOW, THEREFORE, Declarant hereby declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions and easements, all of which are declared and agreed to be in furtherance of a plan for the improvement of said Property and the division thereof into Condominiums and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project and every part thereof. All of the covenants, conditions, restrictions and easements shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein or any part thereof, and shall be for the benefit of and be binding upon each successor in interest of the Owners thereof. This declaration is made by Declarant pursuant to Section 1355 of the California Civil Code.

ARTICLE I

DEFINITIONS

1. "Articles" shall mean and refer to the Articles of Incorporation of the Association as amended from time to time.

2. "Association" shall mean and refer to Los Olivos Condominium Association, a California nonprofit mutual benefit corporation, the members of which shall be the owners of condominiums in the Project.

3. "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

4. "Bylaws" shall mean and refer to the Bylaws of the Association as amended from time to time.

5. "Capital Improvement Assessment" shall mean a charge against each Owner and his real property, representing the pro rata portion of the cost to the Association for the installation or construction of any capital improvements on any of the Common Area, which the Association may from time to time authorize in accordance with Article IV, paragraph 4, hereof.

6. "Common Area" shall mean and refer to those portions of the Property to which title is held by all of the owners in common, and excepting the individual condominium Units. The common area includes, without limitation, the following:

- (a) Said land in fee simple;
- (b) The foundations, columns, girders, beams, supports, main walls, interior loadbearing walls, pillars, roofs, stairs, stairways, and fire escapes of the Condominium Buildings;
- (c) Central and appurtenant installations for power, light and ventilation, and all pipes, conduits, ducts, vents and other service and utility lines which are utilized for or serve more than one condominium Unit;
- (d) The tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
- (e) The private sidewalk areas surrounding the Condominium Buildings;
- (f) The private street known as "South Main Street" intersecting the Project;
- (g) Parking area and driveways;
- (h) Storage spaces and premises for the use of janitors and other persons employed for the operation of the Property;
- (i) Machinery and electrical rooms;
- (j) Storage Areas not allocated or set aside for the exclusive use of any particular Owner;
- (k) All other parts of the Property necessary or convenient to its existence, maintenance and safety or normally in common use, except to the extent specifically included in the Units.

7. "Common Assessments" shall mean that portion of the cost of ordinary maintaining, improving, repairing, operating and managing the Property which is to be paid by each Unit Owner as determined by the Association to satisfy the Common Expenses.

8. "Common Expenses" means and includes the actual and estimated expenses of maintenance, management, operation, repair and replacement of the Common Area (excluding the cost of the construction, reconstruction, repair or replacement of any

capital improvement to the structural Common Area of the Condominium Buildings, but including any unpaid Condominium Building Improvement Assessments which remain unpaid for a period of thirty (30) or more days by the particular Unit Owner(s) assessed therewith as authorized by Article IV, Paragraph 7 hereof and including those costs not paid by the Unit Owner responsible for payment) and all sums designated common expenses by or pursuant to the Condominium Documents.

9. "Common Interest" means the proportionate undivided interest in the common area which is appurtenant to each Unit as set forth in this Declaration.

10. "Condominium" shall mean an estate in real property as defined in California Civil Code Section 783, consisting of a fee interest in a Unit and an undivided interest in the Common Area. The ownership of each Condominium shall include the fee ownership of a Unit and an undivided interest in the Common Area of the Project, membership in the Association, and nonexclusive easements for ingress and egress over the Common Area. Each Unit shall be a separate freehold estate consisting of the space described and defined in Article II, Paragraph 2(a).

11. "Condominium Building Improvement Assessment" shall mean a charge against each Owner of a Unit within a particular Condominium Building and his real property representing the pro rata portion of the cost to the Association for the construction, reconstruction, repair or replacement of any capital improvement to the structural Common Area of the particular Condominium Building in which said Unit is located, which the Association may from time to time authorize in accordance with Article IV, Paragraph 7, hereof.

12. "Condominium Buildings" shall mean the ten (10) single story office/industrial structures containing condominium units situated on the Property. A "Condominium Building" shall mean and refer to any one of the Condominium Buildings.

13. "Condominium Documents" means and includes this Declaration as it may be amended from time to time, the exhibits, if any, attached thereto, the Articles of Incorporation of the Association, the Bylaws of the Association, and the rules and regulations for the members as established from time to time.

14. "Condominium Plan" shall mean and refer to the recorded diagrammatic floor plan of the Units built or to be built on the property which identifies each Unit and shows its dimensions pursuant to Civil Code Section 1351.

15. "Declarant" shall mean and refer to California Partners, a California general partnership, and its successors and assigns.

16. "Declaration" shall mean and refer to this Enabling Declaration.

17. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, or other financial institution holding a recorded first mortgage on any Unit.

18. "Map" shall refer to that subdivision map entitled Parcel 1 of Parcel Map No. 82-884, filed in Book 177, Pages 40 through 42 inclusive of Parcel Maps, records of Orange County, California.

19. "Member" shall mean and refer to every person or entity entitled to membership in the Association as provided herein.

20. "Mortgage" shall include a deed of trust as well as a mortgage.

21. "Mortgagee" shall include a beneficiary or holder of a deed of trust as well as a mortgagee.

22. "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.

23. "Owner" or "Owners" shall mean and refer to the record holder or holders of title, if more than one, of a condominium in the Project. This shall include any person having a fee simple title to any Unit and shall include contract sellers, but shall exclude persons or entities having any interest merely as security for the performance of an obligation. (If a Unit is sold under a recorded contract of sale to a purchaser who occupies the Unit, the occupying purchaser, rather than the fee owner, shall be considered the "Owner" as long as he occupies the Unit as a contract purchaser).

24. "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

25. "Project" shall mean and refer to the entire real property above described and all structures and improvements erected or to be erected thereon.

26. "Property" or "Properties" means and includes the real property above described and all improvements erected thereon and all property, real, personal or mixed intended for or used in connection with the condominium.

27. "Exclusive Right to Use Area" shall mean and refer to those portions of the Common Area, if any, set aside for exclusive use of a Unit Owner or Owners, pursuant to Article II, Paragraph 2(c), or pursuant to Article VII, Paragraph 5.

28. "Share" means the percentages in and to the Common Area attributed to and appurtenant to each Unit as set forth in Article II, Paragraph 2(b).

29. "Special Assessment" shall mean a charge against a particular Owner and his real property, directly attributable to, or reimburseable by, the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest and other charges thereon as provided for in this Declaration.

30. "Unit" shall mean and refer to the elements of the condominium, as defined in Article II, Paragraph 2(a), which are not owned in common with the owners of other condominiums in the Project.

31. "Unit Designation" means the number, letter, or combination thereof or other official designations shown on the Condominium Plan.

32. Singular and Plural: The singular and plural number and masculine, feminine and neuter gender shall each include the other where the context requires.

ARTICLE II

DESCRIPTION OF PROJECT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS

1. Description of Project: The Project consists of the underlying real property with condominium Units and all other improvements located thereon. Declarant will convert the

existing ten (10) office/industrial buildings located upon the premises into condominium ownership. Said Condominium Buildings have approximately 253,419 aggregate square feet of space divided into 42 Units. In addition, the Project has the usual appurtenances and other facilities.

2. Division of Property: The Property is hereby divided into the following separate freehold estates:

(a) Units: Each of the Units is separately shown, lettered and/or numbered, and designated in the Condominium Plan. A Unit does not include those areas and those things which are defined as "Common Area" in Article I, Paragraph 6. Each Unit is subject to such encroachments as are contained in the Condominium Buildings, whether the same now exist or may be later caused or created in any manner referred to in Article VII, Paragraph 3. In interpreting deeds and plans, the then existing physical boundaries of a Unit, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the Condominium Building and regardless of minor variance between boundaries shown on the plan or deed, and those of the Condominium Buildings.

(b) Common Areas: The remaining portion of the Property, referred to herein as "Common Area" or "Common Areas", shall include, without limitation, all of the elements set forth in Article I, Paragraph 6. Each Unit owner shall have, as appurtenant to his Unit, an undivided interest in the Common Area equal to the percentage of the entire square footage of all Units represented by said Owner's particular Unit. Attached hereto as Exhibit "A" is a schedule setting forth the percentage of undivided interest in the Common area appurtenant to each Unit. The ownership of each condominium shall include a Unit and such undivided interest in the Common Area. The common interest appurtenant to each Unit is declared to be permanent in character and cannot be altered without the consent of all the Unit owners affected, and 75% of the first mortgagees of such Unit owners, as expressed in an amended Declaration. Such common interest cannot be separated from the Unit to which it is appurtenant. Each Unit owner may use the Common Areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of any other Unit owners.

(c) Exclusive Right to Use Areas: The portions of the Common Area, if any, referred to as "Exclusive Right to Use Areas", are hereby set aside and allocated for the exclusive use of the owner of the Unit to which they are attached and assigned by the Association.

(d) No Separate Conveyance of Undivided Interests: The foregoing undivided interests are hereby established and are to be conveyed with the respective Units as indicated above, and cannot be changed, except as herein set forth. The Declarant and its successors, assigns and grantees covenant and agree that the undivided interests in the Common Area, and the fee title to the respective Units conveyed therewith, shall not be separated or separately conveyed or encumbered even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

(e) Parking: The unassigned parking spaces contained on the Project may be used by all owners, their tenants and guests. The Board may from time to time assign the exclusive right to use said spaces to particular Units. Reassignment of said spaces shall be based upon mutual consent of Unit owners whose assignments are to be changed, and failing such consent,

shall be after notice to such owners and hearing before the Board.

3. Partition Prohibited: The Common Area shall remain undivided as set forth above. Except as provided by California Code of Civil Procedure Section 752b, and California Civil Code Section 1354, no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the Project. Judicial partition by sale of a single Unit owned by two or more persons and division of the sale proceeds is not prohibited hereby (but partition of title to a single Unit is prohibited).

ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

1. Association to Manage Common Areas: The management of the Common Area shall be vested in the Association in accordance with its Bylaws. The owners of all the Condominiums covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration, and the Articles and Bylaws of the Association.

2. Membership: The owner of a Unit shall automatically, upon becoming the owner of same, be a member of the Association, and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership shall be held in accordance with the Bylaws of the Association.

3. Transferred Membership: Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the Unit to which it is appurtenant, and then only to the purchaser, in the case of a sale, or mortgagee, in the case of an encumbrance, of such Unit. Upon death of a member, his membership passes automatically along with title to his Unit, to his heirs. A mortgagee does not have membership rights until he becomes an owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. No member may resign his membership. In the event the owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and may issue a new certificate to the purchaser of said Unit and thereupon any old certificate outstanding in the name of the Seller shall be null and void.

4. Membership Classes and Voting Rights: The association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Unit owned. When more than one person or entity holds an interest in any Unit, all such persons or entities shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

Class B. Class B Member(s) shall be the Declarant and shall be entitled to vote as follows: voting shall be the same as for Class A memberships, except that Class B members may triple their votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership when the total votes outstanding in the Class A membership equal the total votes (tripled as stated above) outstanding in the Class B membership.

Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of members holding at least a majority of the voting power of the Association.

ARTICLE IV

ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each Unit owned within the Project, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) all annual Common Assessments for Common Expenses, (2) all Capital Improvement Assessments, (3) all applicable Condominium Building Improvement Assessments, and (4) all applicable Special Assessments, such assessments to be established and collected as hereinafter provided. The annual Common Assessments, Capital Improvements Assessments, Condominium Building Improvement Assessments and Special Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on and a continuing lien upon the Condominium against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Condominium at the time when the assessment fell due, and shall bind his heirs, successors in interest, devisees, personal representatives and assigns. No Owner of a Condominium may exempt himself from this personal obligation by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of his Condominium.

2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of all the occupants of the entire Project and for the improvement and maintenance of the Common Area for the common good of the Project.

3. Maximum Annual Common Assessment: Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual Common Assessment per unit shall be as set forth in Exhibit "B" attached hereto.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual Common Assessment may be increased each year by not more than twenty percent (20%) above the maximum Common Assessment for the previous year without a vote of the membership.

(b) The Board may not, without the vote or written consent members holding a majority of the voting power of the Association, impose a regular annual Common Assessment which is more than twenty percent (20%) greater than the regular annual Common Assessment for the immediately preceding fiscal year.

(c) The Board of Directors may fix the annual Common Assessment to an amount not in excess of the maximum. The annual Common Assessment may not be decreased either by the Board or by the members by more than twenty percent (20%) in any one year without the approval of members holding a majority of the voting power of the Association.

(d) Subject to the limitations on the maximum and minimum amount of Common Assessments herein provided, if at any time during the course of any year the Board shall deem the amount of the annual Common Assessment to be inadequate or excessive, the Board shall have the power, at a regular or

special meeting, to revise the assessment for the balance of the assessment year, effective on the first day of the month next following the date of the revisions.

4. Capital Improvement Assessments; No Reserve Funds. The Board of Directors may levy, in any assessment year, a Capital Improvements Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area (excluding the structural Common Area of the Condominium Buildings), including fixtures and personal property related thereto, or for extraordinary expenses incurred by the Association, provided that in the event Capital Improvement Assessment(s) exceed in the aggregate five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the vote or written consent of members holding a majority of the voting power of the Association shall be required to approve such assessment(s). Capital Improvement Assessments shall be levied on the same basis as Common Assessments.

No part of the regular annual Common Assessments or Capital Improvement Assessments authorized above shall contribute or be comprised of any reserve funds for the purpose of defraying, in whole or in part, the cost or estimated cost of any reconstruction, repair or replacement of improvements, including fixtures and personal property related thereto. All such costs shall be paid solely by Capital Improvement Assessments made by the Board as authorized herein as and when such capital improvements and replacements are required to be made.

Amounts received by the Association as contributions, assessments or dues from the Owners shall be held in one or more accounts. Deposits shall be made, and funds accounted for so that funds for capital improvements and replacement can be clearly separated from funds for operating expenses. Capital improvement and replacement funds shall be used solely for capital improvements and replacements of the Common Area within the Project.

5. Notice and Quorum for any Action Authorized Under Article IV, Paragraphs 3 and 4: Any action authorized under Article IV, Paragraphs 3 and 4 which requires a vote of the membership, shall be taken at a meeting called for the purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting specifying the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

6. Division of Common and Capital Improvement Assessments: All Common Assessments and all Capital Improvements Assessments shall be charged to and divided among the Unit owners according to the respective common interest share of each as set forth in Article II, Paragraph 2(b). Assessments may be collected on an annual or monthly basis, or at such other intervals as the Board may fix from time to time.

7. Condominium Building Improvement Assessments. The respective Unit Owners within each Condominium Building shall be separately and solely responsible for the entire cost of any construction, reconstruction, repair or replacement of a capital improvement to the particular Condominium Building in which his Unit is located. The construction, reconstruction, repair or replacement of a capital improvement to any particular Condominium Building may be authorized by either (1) the Board of Directors or (2) Unit Owners of said Condominium Building occupying in the aggregate in excess of fifty percent (50%) of the entire square footage of said particular Condominium Building. Attached hereto as Exhibit "C" is a schedule setting forth as to each separate Condominium Building the percentage of

thereof occupied by each Unit located therein. Upon authorization in the manner hereinabove provided of any such construction, reconstruction, repair or replacement of a capital improvement to a particular Condominium Building, the Board of Directors shall levy a Condominium Building Improvement Assessment on the Owners of Units located within the particular Condominium Building undergoing such capital improvement work for the purpose of paying in whole the cost of any such work. Any Condominium Building Improvement Assessment not paid by any Unit Owner assessed therewith which remains unpaid for a period in excess of thirty (30) days after its due date shall additionally become a Common Expense subject to a Common Assessment, and the Board shall promptly levy a Special Assessment in the amount thereof on the delinquent Unit Owners.

8. Date of Commencement of Annual Common Assessment: Due Dates: The Common Assessments provided for herein shall commence as to all Units covered by this Declaration on the first day of the month following the conveyance of the first Condominium to an individual Owner other than Declarant. Subject to the provisions of Article IV, Paragraph 3, hereof, the Board of Directors shall determine and fix the amount of the annual Common Assessment against each Unit and send written notice thereof to every Owner at least sixty (60) days in advance of each annual Common Assessment period. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Unit have been paid. Such a certificate shall be conclusive evidence of such payment.

9. Transfer of Unit by Sale or Foreclosure: Sale or transfer of any Unit shall not affect any assessment lien authorized hereby. However, the sale or transfer of any Unit pursuant to mortgage foreclosure shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Where the mortgagee of a first mortgage of record or other purchaser of a Condominium obtains title to the same as a result of foreclosure of any such first mortgage, such acquirer of title, his successor and assigns, shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such condominium which became due prior to the acquisition of title to such Condominium by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from the owners of all of the Condominiums including such acquirer, his successors and assigns.

In a voluntary conveyance of a Condominium the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments of any nature by the Association against the latter up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, nor shall the Condominium conveyed by subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

10. Delinquency. Any assessment or installment of any assessment provided for in this Declaration shall become delinquent if not paid on the due date as established by the Board

of Directors of the Association. With respect to each assessment or installment of an assessment not paid within twenty (20) days after its due date, the Board of Directors may, after giving the delinquent Owner written notice and an opportunity to have a hearing before the Board of Directors, require the delinquent Owner to pay a late charge of ten percent (10%) of the amount of such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any assessment or installment of any assessment is not paid within thirty (30) days after it is due, the Board may mail a notice to the Owner and to the first Mortgagee and to Declarant (if also a mortgagee) of such Owner. The notice shall specify (1) the fact that the installment is delinquent; (2) the action required to cure the default; (3) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Common Assessments for the then current fiscal year and sale of Owner's interest in the Condominium. The notice shall further inform the Owner of his right to cure after acceleration and of his right to a hearing before the Board of Directors. If after said hearing, or if the Member waives his right to a hearing, the delinquent assessment or installments of the assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the annual Common Assessment for the then current fiscal year, attributable to that Owner and his Condominium or interest therein, to be immediately due and payable without further demand, and may enforce the collection of the delinquent assessment and the full Common Assessment and all charges thereon in any manner authorized by law and this Declaration.

11. Notice of Lien. The Board of Directors may cause to be recorded in the office of the County Recorder of Orange County a notice of assessment ("Notice of Lien") securing the payment of any assessment, or installment thereof, levied by the Association against any Owner. Such Notice of Lien shall state the amount of such assessment or installment, as the case may be, and other authorized charges and interest, including the cost of preparing and recording such Notice of Lien, the expenses of collection in connection with any delinquent installments, reasonable attorneys' fees, a sufficient description of the Condominium or interest therein against which the same has been assessed, the name of the Owner thereof, and the name and address of the Association. Such Notice of Lien shall be signed by an authorized representative of the Association. Upon payment to the Association of the full amount claimed in the Notice of Lien, or other satisfaction thereof, the Board of Directors shall cause to be recorded a notice of satisfaction and release of lien ("Notice of Release") stating the satisfaction and release of such amount claimed. The Board of Directors may demand and receive from the applicable Owner a reasonable charge for the preparation and recordation of such Notice of Release before recording the same. Any purchaser or encumbrancer, who had acted in good faith and extended value, may rely upon such Notice of Release as conclusive evidence of the full satisfaction of the sums stated in the Notice of Lien.

12. Liens, Enforcement. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective Condominium prior and superior to all other liens, except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority or seniority over other mortgages or deeds of trust), made in good faith and for value, and recorded prior to the date on which the assessment lien became effective. Assessment liens shall become effective

upon recordation of the Notice of Lien in the manner provided in Paragraph 11 of this Article. It shall be the duty of the Board of Directors to enforce the collection of any amounts due under this Declaration by one or more of the alternative means of relief afforded by this Declaration. Assessment liens may be enforced by sale of the interest of such Owner in the Condominium by the Association, its attorney, or other person authorized to make the sale, after failure of the Owner to pay an assessment, or installment thereof, as provided herein. Such sale shall be conducted in accordance with the provisions of the California Civil Code applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any manner permitted by law. A civil action may be brought to foreclose the lien of the Association by the Board, or by any Owner if the Board fails or refuses to act, after affording the delinquent Owner an opportunity to have a hearing before the Board of Directors and after the expiration of at least thirty (30) days from the date on which the Notice of Lien was recorded, provided that at least ten (10) days have expired since a copy of the Notice of Lien was mailed to the Owner affected thereby, and subject to the provisions of Paragraph 10 of this Article IV in the event that the Board accelerates the due date of any Common Assessment installments. In any such foreclosure, the Owner shall be required to pay a reasonable rental for the Condominium, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Association, through its agent, shall have the power to bid on the Condominium at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same. During the period a Unit is owned by the Association, following foreclosure:

- (a) No right to vote shall be exercised on behalf of the Unit;
- (b) No assessment shall be assessed or levied on the Unit; and
- (c) Each other Unit shall be charged, in addition to its usual assessment, its share of the assessment that would have been charged to such Unit had it not been acquired by the Association as a result of foreclosure.

After acquiring title to the Unit at foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the Unit which deed shall be binding upon the Owners, successors, and all other parties.

The Board may temporarily suspend the voting rights of a Member who is in default in payment of any assessment, after notice and hearing as provided in the Bylaws.

Suit to recover a money judgment for unpaid Common Assessments shall be maintainable without foreclosing or waiving the lien securing the same, but this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit in law or equity initiated pursuant to this Section may include reasonable attorneys' fees as fixed by the court.

13. Unallocated Taxes: In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than against the Units, said taxes shall be included in the assessments made under the Provisions of Article IV, Paragraph 1, and, if necessary, a Special Assessment may be levied against the Units in an amount equal to said taxes, to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

14. Exemption from Assessments: All property dedicated to, and accepted by, a local public authority or public agency, and all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from the assessments created by Article IV, Paragraph 13, hereof.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

1. Duties: In addition to the duties enumerated in its Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

(a) Maintenance: The Association shall maintain, repair, replace, restore, operate and manage all of the Common Area and the facilities, improvements, furnishings, equipment and landscaping thereon, and all property that may be acquired by the Association. Maintenance shall include (without limitation): Painting, maintaining, repairing and replacing all the Common Areas, the Condominium Buildings, landscaping, parking areas and the private sewage system located on the Property. The Association shall not have the obligation to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding each Unit. The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an Owner, or his guests, tenants or invitees, the cost of which is not covered by insurance. The repair or replacement of a Condominium Unit exterior resulting from such excluded items shall be the responsibility of each Owner; provided, however, that if an Owner shall fail to make the repairs or replacements which are the responsibility of such Owner, as provided above, then, upon a vote of a majority of the Board of Directors, and after not less than thirty (30) days notice to the owner, and hearing, the Association shall have the right (but not the obligation) to enter the Condominium and make such repairs or replacements, and the cost thereof shall be added to the assessments chargeable to such Condominium and make such repairs or replacements, and the cost thereof shall be added to the assessments chargeable to such Condominium and shall be payable to the Association by the Owner of such Condominium.

(b) Insurance: The Association shall maintain such policy or policies of insurance as are required by Article XI, Paragraph 7 of this Declaration.

(c) Discharge of Liens: The Association shall discharge by payment, if necessary, any liens against the Common Area, and assess the cost thereof to the Members responsible for the existence of said lien.

(d) Assessments: The Association shall fix, levy, collect and enforce assessments as set forth in Article IV hereof.

(e) Payment of Expenses: The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(f) Enforcements: The Association shall enforce this Declaration.

2. **Powers:** In addition to the powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

(a) **Water Charges and Sewer Rents:** Water shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit Owner shall be required to pay the bills for water consumed or used in his Unit. Water serving the common elements shall be separately metered and the Board of Directors shall pay all bills for water so consumed, as a common expense.

(b) **Gas:** Gas shall be supplied by the public utility company serving the area directly to each Unit through a separate meter, and each Unit owner shall be required to pay the bills for gas consumed or used in his Unit. Gas serving the common elements shall be separately metered and the Board of Directors shall pay all bills for gas so consumed, as a common expense.

(c) **Electricity:** Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Unit owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the common elements shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the common elements, as a common expense.

(d) **Heating and Air-Conditioning:** The cost of heating and air-conditioning servicing a Unit shall be borne exclusively by the Unit owner. Each Unit shall have appurtenant to it a separate air conditioner as shown on the Condominium Plan and each Unit Owner shall be responsible for the maintenance and repair of its respective air conditioning equipment, including without limitation all conduits, ducts and freon lines running between the air conditioning equipment and the Unit, and the obligation to repair any damage to the roof or other Common Area caused by each Unit Owner's air conditioning equipment, or as a result of the maintenance or repair of said air conditioning equipment.

(e) **Easements:** The Association shall have the authority to grant easements where necessary for drainage, utilities and sewer facilities over the Common Area to serve the common and open space areas and the Condominium Units.

(f) **Use of Exclusive Right to Use Areas:** The Association shall have the authority to assign to one or more Owners, from time to time, and for such period of time as the Association shall elect, the exclusive right to use the Storage Areas referred to in Article I, Paragraph 6(j) hereof and the items referred to in Article I, Paragraph 6(d) hereof.

(g) **Manager:** The Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, except the power to conduct a hearing or levy fines, provided that any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term, shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association, and to terminate the same for cause on thirty (30) days' written notice, or without cause or payment of a termination fee on ninety (90) days' written notice.

(h) **Adoption of Rules:** The Association may adopt reasonable rules not inconsistent with this Declaration relating to the use of the Common Area and all facilities thereon, and the

conduct of Owners and their tenants and guests with respect to the property and other Owners.

(i) Assessments, Liens and Fines: The Association shall have the power to levy and collect assessments in accordance with the provisions of Article IV hereof. The Association may impose fines or take disciplinary action against any owner for failure to pay assessments or for violation of any provision of the Condominium Documents. Penalties may include but are not limited to: fines, temporary suspension of voting rights, or other appropriate discipline, provided that the accused Member is given notice and the opportunity to be heard with respect to the alleged violations before a decision to impose discipline is made.

(j) Enforcement: The Association shall have the authority to enforce this Declaration as provided in Article XI hereof.

(k) Acquisition and Disposition of Property: The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of property shall be by document signed or approved by the vote of members holding two-thirds (2/3rds) of the voting power of the Association.

(l) Loans: The Association shall have the power to borrow money, and only with the assent (by vote or written consent) of members holding three-fourths (3/4ths) of the voting power of the Association, to mortgage, pledge, deed of trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

(m) Dedication: The Association shall have the power to dedicate all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication shall be effective unless an instrument has been signed by members holding two-thirds (2/3rds) of the voting power of the Association.

(n) Contracts: The Association shall have the power to contract for goods and/or services for the Common Area(s), facilities and interest or for the Association, subject to limitations elsewhere set forth in the Condominium Documents.

(o) Delegation: The Association shall have the power to delegate its authority and powers to committees, officers or employees of the Association.

ARTICLE VI

UTILITIES

1. Owners' Rights and Duties: The rights and duties of the Owners of Condominiums within the Project with respect to sanitary sewer, water, electricity, gas and telephone lines and facilities, and heating and air-conditioning facilities shall be as follows:

(a) Whenever sanitary sewer, water, electricity, gas, television receiving, telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Property, which connections, or any portion thereof, lie in or upon Units owned by other than the Owner of a Unit served by said connections, the Owners of any Unit served by said connections shall have the right, and are hereby granted an easement

to the full extent necessary therefor, to enter upon such Unit of others or to have the utility companies enter upon such Unit of others, in or upon which said connections, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when necessary.

(b) Whenever sanitary sewer, water, electricity, gas, or telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within the Property which connections serve more than one Unit, the Owner of each Condominium served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his Condominium.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board of Directors who shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

ARTICLE VII

EASEMENTS AND RIGHTS OF ENTRY

1. Access. Declarant expressly reserves for the benefit of the Owners in the Project reciprocal, nonexclusive, easements for access, ingress, and egress over all of the Common Areas, except for the individual Units, as necessary, which easements may be conveyed by Declarant to Owners and to the Association for so long as Declarant owns any interest in the Properties. Subject to the provisions of this Declaration governing use and enjoyment thereof, such easements may be used by Declarant, its successors, purchasers, and all Owners, their guests, tenants, and invitees, transacting business on or temporarily visiting the Properties, for purposes reasonably necessary for use and enjoyment of a Unit in the Properties. No Owner shall utilize his Unit so as to interfere with such easements, except as results from the construction of the Condominium Buildings. The Board of Directors of the Associations shall have the right to grant necessary easements and rights-of-way over the Common Areas to any person after the close of escrow for the sale of the first Condominium from Declarant.

2. Maintenance and Repair. Declarant expressly reserves for the benefit of the Board of Directors and all agents, officers, and employees of the Association nonexclusive easements over the Common Areas as necessary to maintain and repair the Common Areas and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Areas shall be appurtenant to and shall pass with the title to every Condominium conveyed. There are specifically reserved for the benefit of the Owners easements and reciprocal negative easements for utility services and repairs, replacement, and maintenance of the same over all of the Common Areas. Such easements shall be as not to unreasonably interfere with the use and enjoyment by the Owners of their Units.

3. Encroachments: Each Condominium within the Property is hereby declared to have an easement over all adjoining Condominiums and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the Condominium Buildings, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for

encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Condominium agree that minor encroachments over adjoining Condominiums or Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In Units where air-conditioning equipment is installed, an easement over the Common Area into which the air-conditioning equipment encroaches shall exist for the purpose of maintenance, replacement, and repair of said equipment.

4. Right of Entry. For the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of Directors of their respective responsibilities, the Association's agents or employees shall have the right, after reasonable notice to the Owner thereof, to enter any Unit or to enter any portion of the Common Area at reasonable hours. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association.

5. Exclusive Easements. Declarant, so long as it owns any portion of the Properties, expressly reserves the right to grant for the benefit of Owners and occupants of individual Units within the Project exclusive easements over portions of the Common Areas ("Exclusive Right to Use Areas") for the exclusive use and benefit of the Owners of particular Units, with each easement to be appurtenant to and running with the Units. The exclusive uses are to be only for parking, side yard and storage purposes and for the installation of security devices, such as fencing, walls, parking structures and barriers. Plans for any improvements and installations in the Restricted Common Areas, including, without limitation, fences and walls, must be submitted to and approved by the Architectural Control Committee as set forth in Article IX of this Declaration. At such time as Declarant no longer owns any portion of the Properties, the Board of Directors of the Association shall have the right to grant such exclusive easements creating Restricted Common Areas.

ARTICLE VIII

USE OF UNITS

1. Permitted Uses. The Condominium Buildings and each of the Units are intended and restricted as to use, and shall be used only, for office and industrial purposes which are consistent with and appropriate to the design of the Condominium Buildings and for which adequate ventilation, plumbing and similar facilities exist. In addition to and without limitation of the foregoing:

(a) No Unit shall be used for the purpose of operating therein a public restaurant, bar or cabaret, or otherwise for the sale to the public for consumption on the premises of food or drink, except as the Board of Directors shall approve.

(b) No owner of a Unit shall do, or suffer or permit to be done, anything in any Unit which would impair the soundness or safety of the Property, or which would increase the rate or result in the cancellation of insurance applicable to the Property, or which would be noxious or offensive or an interference with the peaceful possession and proper use of the other Units, or which would require any alteration or addition to any of the common elements to be in compliance with any applicable law or regulation, or which would otherwise be in violation of the law.

(c) No owner of a Unit shall, without the written approval and consent of the Board of Directors, place or suffer to be placed or maintained (i) any exterior door, wall or window of the Unit, or upon any door, wall or window of the Common Area, any sign, awning or canopy, or advertising matter or other things of any kind, or (ii) and decoration, lettering or advertising matter on the glass of any window or door of the Unit or (iii) any advertising matter within the Unit which shall be visible from the exterior thereof; provided, that the Board of Directors may establish from time to time reasonable and uniform regulations permitting the placement and maintenance by each Owner of identifying signs and insignia of such sizes and materials and in such locations as shall be architecturally suitable and appropriate to the design and function of the Property. Until such time as the Board of Directors shall amend the same, any sign or identifying criteria constructed on the Property shall conform to the standards set forth on Exhibit "D" attached hereto and by this reference made a part hereof.

2. Prohibited Uses. The following operations and uses shall specifically not be permitted:

- (a) Residential use of any type;
- (b) Trailer courts, mobile home parks, and recreational vehicle campgrounds;
- (c) Hotels and motels;
- (d) Junk yards and recycling facilities;
- (e) Commercial excavation of building or construction materials, except in the usual course of construction of improvements to a Condominium;
- (f) Distillation of bones;
- (g) Dumping, disposal, incineration, or reduction of garbage, sewage, offal, dead animals, or refuse;
- (h) Stockyards and slaughter of animals;
- (i) Refining of iron, tin, zinc, or other ores;
- (k) Cemeteries;
- (l) Jails and honor farms;
- (m) Labor camps and migrant worker camps.

3. Nuisances. No rubbish or debris of any kind shall be permitted to accumulate upon or adjacent to any site other than normal accumulation and storage of trash in connection with a confirmed and reasonably prompt trash disposal or pick-up program, and no odors shall be permitted to arise therefrom so as to render any site or portion thereof unsanitary, unsightly, offensive, or detrimental to any of the property in the vicinity thereof, or to its occupants.

4. Antennae. No telephone, radio, or other electronic antenna or device of any type shall be erected, constructed, placed, or permitted to remain on any of the Condominium Buildings, structures, or other improvements constructed on the Property, unless and until the same shall have been approved in writing by the Architectural Committee.

5. Drainage. There shall be no interference with the established drainage pattern over any portion of the Properties unless adequate provision is made for proper drainage and is

approved by the Architectural Committee. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time the overall grading of the Properties is completed or that which is shown on any plans approved by the Architectural Committee.

6. Leases. This Declaration is intended to be binding upon any lessee or tenant of any Unit or any portion thereof. In order to ensure the binding effect on tenants and lessees, each Owner agrees, by acceptance of a deed by which he acquires title to a Unit, not to rent or lease all or any portion of his Unit to any person, partnership, corporation, trust, or other entity, except pursuant to a written lease or rental agreement that (a) expressly refers to this Declaration, and contains a covenant by the lessee or tenant that he accepts the leasehold estate subject to the Declaration, and (b) contains either a covenant that lessee or tenant agrees to perform or comply with the restrictions herein, or adequate provisions to permit entry and other actions by the lessor for the purpose of performing and complying with these restrictions.

7. Compliance with City Ordinances. Nothing contained herein shall be deemed to exempt the Properties from compliance with all applicable provisions of the Santa Ana Municipal Code where said Code establishes more restrictive requirements than those set forth herein.

ARTICLE IX

ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY UNIT OWNERS

1. Approval Required: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Directors, or by an architectural control committee appointed by the Board. Plans and specifications showing the nature, kind, shape, color, size, materials and locations of such addition, alteration or improvement shall be submitted to the Board of Directors or the architectural control committee for approval, which approval shall not be unreasonably withheld. The Board of Directors or architectural control committee shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute consent to proposed addition, alteration or improvement.

No Unit Owner shall shall construct any additions to the exterior of his Unit, make structural changes to any of the Common Area, or excavate or otherwise alter the Common Area, whether such Common Area be located in, under or adjacent to the Condominium Buildings.

2. Architectural Control Committee. The architectural control committee shall consist of three (3) members. Declarant may appoint all of the original members of the Committee and all replacements until the first anniversary of the first sale of a Unit in the Project. The Declarant reserves to itself the power to appoint a majority of the members to the committee until ninety percent (90%) of all the Units in the project have been sold. After one year from the date of the first sale of a Unit in the Project, the Board shall have the power to appoint one (1) member to the architectural control committee until ninety percent (90%) of all the Units in the project have been sold. Thereafter, the Board shall have the power to appoint all of the members of the architectural control committee. Members appointed to the architectural control committee by the Board shall

be from the membership of the Association. Members appointed to the architectural control committee by the Declarant need not be members of the Association. A majority of the architectural control committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the successor shall be appointed by the person, entity or group which appointed such member until Declarant no longer has the right to appoint any members to the committee, and thereafter the remaining members of the committee shall have full authority to designate such a successor.

3. Violations; Waiver. If, after such plans and specifications have been approved, the improvements are altered, erected, or maintained in or to the Unit otherwise than as approved by the Board of Directors or the architectural control committee, such alteration, erection, and maintenance shall be deemed to have been undertaken without the approval of the Board of Directors or the architectural control committee having been obtained as required by this Declaration. After the expiration of one (1) year from the date of completion of any improvement, addition, or alteration, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance, executed by one (1) member of the Board of Directors or the architectural control committee, shall appear of record in the office of the County Recorder of Orange County, California, or legal proceedings shall have been instituted to enforce compliance with these provisions. Upon approval of the Board of Directors or the architectural control committee, it shall be conclusively presumed that any improvement, addition or alteration placed or constructed in accordance with the approved plans and specifications does not violate the provisions of this Declaration. The approval of the Board of Directors or the architectural control committee of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of Directors or the architectural control committee of its rights to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted, nor shall its approval be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other codes.

4. Nonliability of Committee Members. Neither Declaration, the Board of Directors or the architectural control committee, nor any member thereof, nor their duly authorized representatives, shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the negligent performance of their duties hereunder, unless due to willful misconduct or bad faith. The Board of Directors or the architectural control committee members shall not be entitled to any compensation for services performed pursuant to this Declaration.

ARTICLE X

COMMON AREA PROTECTION

1. Regulation of Parking. The Association, through its officers, committees, and agents is hereby empowered to establish "parking" and "no parking" areas within the Common Areas in accordance with Section 22658 of the California Vehicle Code, or any similar statute hereafter enacted, as well as to enforce these parking limitations by all means lawful for such enforcement on county streets, including the removal of any violating vehicles to those so empowered.

2. Easements for Vehicular Traffic. In addition to the general easements for use of the Common Areas reserved therein, there shall be, and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, non-exclusive easements appurtenant for vehicular traffic over the portions of the Common Areas designated as drive areas, subject to the provisions set forth in Paragraph 1 of this Article X.

3. Easement for City and County Public Service Use. In addition to the foregoing easements over the Common Areas, there shall, be and Declarant hereby reserves and covenants for itself and all future Owners within the Properties, easements for City and County public services, including but not limited to, the right of police to enter upon any part of the Common Areas for the purpose of enforcing the law.

4. Taxes. Each Owner shall execute such instruments and take such action as may reasonably be specified by the Association to obtain a separate real estate tax assessment of each Condominium. If any taxes or assessments may, in the opinion of the Association, nevertheless be a lien on the Common Areas, or any part thereof, they may be paid by the Association, and each Owner shall be obligated to pay or to reimburse the Association for, as the case may be, the taxes and assessments assessed by the County Assessor or other taxing authority against the Common Areas and attributable to his own Unit and interest in the Common Areas.

ARTICLE XI

GENERAL PROVISIONS

1. Enforcement: The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, and in such action shall be entitled to recover reasonable attorneys' fees as are ordered by Court. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Invalidity of any Provision: Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this Project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

3. Term: The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of the Condominiums, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

4. Amendments: Prior to close of escrow on the sale of the first Unit, Declarant may amend this Declaration. After sale of the first Unit, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Association (without regard to the class of membership). However, the percentage of voting power necessary to amend a specific

clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded and shall become effective upon being recorded in the Recorder's Office of the County of Orange. No amendment shall adversely affect the rights of the holder of any mortgage of record prior to the recordation of such amendment.

5. Rights of Institutional Lenders and Declarant: No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) or the lien of any mortgage in favor of Declarant on any Unit made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise. Notwithstanding any provision in the Condominium Documents to the contrary, Institutional Lenders and Declarant (if also a lender) shall have the following rights:

(a) The Declarant and all Institutional Lenders that have filed with the Association a request for notice of default shall be entitled to receive written notice from the Association of any default by the trustor of any deed of trust on a Unit (the beneficial interest in which is held either the Declarant or by said Institutional Lender) in the performance of such trustor's obligations under the Condominium Documents, which is not cured within thirty (30) days.

(b) The Association shall discharge its obligation to notify the Declarant and Institutional Lenders by sending the written notices required hereby to the lender or lenders requesting notice, at the address given on the current request for notice, in the manner prescribed by Article XI, Paragraph 19.

(c) The Condominium Documents contain no provisions creating a "right of first refusal", but should any such rights be created in the future, any such rights shall not impair the rights of any Institutional Lender or the Declarant (if also a lender) to: (1) foreclose or take title to a Unit pursuant to the remedies provided in the mortgage, or (2) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or (3) sell or lease a Unit acquired by the mortgagee.

(d) Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Area of the Project, unless the holders of at least seventy-five (75%) of the first mortgages (based upon one vote for each mortgage owned), and owners of the individual Units have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission, seek to abandon or terminate the Condominium Project;

(2) change the pro rata interest or obligations of any individual condominium Unit for the purpose of (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each condominium Unit in the Common Area or a Condominium Building;

(3) partition or subdivide any condominium Unit;

(4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public purposes consistent with the intended use of the Common Area by the condominium Project shall not be deemed a transfer within the meaning of this clause);

(5) use hazard insurance proceeds from losses to any portion of the Property (whether to Units or to Common Area) for other than the repair, replacement or reconstruction of the portion of the Property damaged;

(6) make any material amendment to the Declaration or to the Bylaws. "Material amendment" shall mean any amendment governing the following subjects: (a) the percentage interest of the Unit Owners in the Common Area of the Project or in the particular Condominium Building in which a Unit is located; (b) the fundamental purpose for which the Project was created; (c) voting; (d) assessments, assessment liens and subordination thereof; (e) property maintenance obligations; (f) casualty and liability insurance; (g) reconstruction in the event of damage or destruction; (h) rights to use the Common Area; (i) annexation; (j) any provision which by its terms is specifically for the benefit of first mortgagees or specifically confers rights on first mortgagees.

(e) Institutional Lenders and Declarant (if also a lender) shall have the right to examine the books and records of the Association.

(f) No provision of the Condominium Documents gives a Condominium Unit Owner, or any other party, priority over any rights of first mortgagees of Condominium Units pursuant to their mortgages in the case of a distribution to Condominium Unit Owners of insurance proceeds or condemnation awards for losses to or taking of condemnation Units and/or Common Area.

(g) Each holder of a first mortgage lien on a Unit who comes into possession of the Unit by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale, will take the Unit free of any claims for unpaid assessments and charges against the Unit, except for claims for pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all project Units including the mortgaged Unit, and except for assessment liens recorded prior to the mortgage.

(h) Any agreement for professional management of the Condominium Project, or any other contract providing for services of the developer, sponsor, or builder, may not exceed one (1) year. Any such agreement must provide for termination by either party for cause on thirty (30) days written notice, or without cause and without payment of a termination fee on ninety (90) days or less written notice.

(i) Partition or subdivision of any Unit as provided in Article II, Paragraph 3 is subject to rights of Institutional Lenders.

6. Owner's Right and Obligation to Maintain and Repair: Except for those portions of the Project which the Association is required to maintain and repair, each Unit Owner shall, at his sole cost and expense, maintain and repair his Unit, keeping the same in good condition. Each Unit Owner shall keep those portions of the restricted Common Area to which he has exclusive easement rights clean and neat. Each Owner shall have the exclusive right to paint, plaster, panel tile, wax, paper, or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his Unit. In the event an Owner fails to maintain the portion of the Common Area over which the Owner has exclusive rights in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify Owner of the work required and request it be done within sixty (60) days from the giving of such notice. In the event Owner fails to carry out such maintenance

within said period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner and, following notice and hearing, if necessary, lien his Unit for the amount thereof.

7. Association Insurance: The Association shall obtain and continue in effect a master policy of insurance covering all of the real property and improvements of the Project, including the Units, and protecting the interests of the Association and its members, including, without limitation, fire and extended coverage (special form) and insuring the full replacement value of all improvements in the project including the Units and public liability insurance insuring the Association and each Owner for his liability for the Common Area with "severability of interest provision" and "waiver of subrogation provision," and a fidelity bond covering officers, directors and employees in an amount to be determined by the Board.

The minimum limits on the public liability insurance policy shall be \$1,000,000 single limit and shall include personal injury, bodily injury, property damage and liability for non-owned automobiles. In addition, the Association shall obtain and continue in effect additional umbrella coverage of \$1,000,000, or as an alternative may carry a \$2,000,000 single limit policy. Workers' compensation insurance shall at all times be carried to the extent required to comply with any applicable law. Officers and directors liability insurance shall be carried by the Association to cover persons serving in such capacities.

Insurance premiums for the master policy shall be a common expense to be included in the Common Assessments levied by the Association.

Each buyet of a Unit shall pay the portion of the premium(s) attributable to his Unit for the policy or policies purchased by Declarant for the Association.

In the event of substantial damage to or destruction of any Unit or any part of the Common Area, the Institutional Lender and Declarant (if also a lender), with respect to such Unit, will be entitled to timely written notice of such damage or destruction and no provision of the Declaration or the Bylaws will entitle the Owner of the Unit or other party to priority over such Institutional Lender and Declarant (if also a lender) with respect to the distribution to such Unit of any insurance proceeds. All property and liability insurance carried by the Association or the Owners shall contain a cross liability endorsement and waiver of subrogation as to the Association, officers and directors, and any members, their guests, agents and employees.

8. Right and Duty of Owners to Insure. Each Owner shall provide fire and extended coverage insurance on his personal property and fixtures within his Unit. Each Owner shall carry public liability insurance to cover his individual liability for damage to person or property occurring within his Unit or elsewhere upon the Properties, in any manner arising out of use of such Owner's Unit. Such insurance shall be in an amount of not less than One Million Dollars (\$1,000,000), or such other minimum amount as the Board may determine, covering all claims for personal injury and property damage arising out of a single occurrence, or in such lesser amount as may be permitted by the Association. All such policies as may be carried by Owners shall contain waivers of subrogation of claims against Declarant, the Association, the Board of Directors of the Association, the Officers of the Association, and all other Owners. Each Owner shall review annually the limits of his insurance coverage and increase such limits as appropriate. Each Owner shall carry the Association as a named insured on all policies of the insurance carried by such Owner, and shall furnish the Association with a

current certificate of such insurance at all times. Such policies shall not adversely affect or diminish any liability under any insurance obtained by the Association, and duplicate copies of such other policies shall be deposited with the Board of Directors. If any loss intended to be covered by insurance carried by the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent of such reduction, for application by the Board of Directors to the same purposes as the reduced proceeds are to be applied.

9. Notice of Expiration Requirements. All of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall not be cancelled or terminated, nor expire by their terms, without thirty (30) days' prior written notice to the Board of Directors, Declarant, the Owners, and their respective first Mortgagees (provided that such Mortgagees have filed written requests with the carrier for such notice), and every other Person in interest who shall have requested such notice of the insurer.

10. Trustee for Policies. The Association, acting through its Board of Directors, is hereby appointed and shall be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Section 1 of this Article shall be paid to the Board of Directors as trustees. The Board of Directors shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in this Declaration. The Board of Directors is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers, with participation, to the extent they desire. Any two (2) directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds.

11. Actions as Trustee. Except as otherwise specifically provided in this Declaration, the Board of Directors, acting on behalf of the Association and all Owners, shall have the exclusive right to bind such parties in respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification of all such insurance. Duplicate originals or certificates of all policies of fire and casualty insurance carried by the Association and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Mortgagees who have requested the same in writing.

12. Annual Insurance Review. The Board of Directors shall review the insurance carried by the Association at least annually, for the purpose of determining the amount of the insurance referred to in Paragraph 7 above. The Board of Directors may, at its option, obtain a current appraisal of the full replacement value of the Common Areas, without deduction for depreciation, by a qualified independent insurance appraiser, prior to each such annual review.

13. Required Waiver. All policies of physical damage insurance shall provide, if reasonably possible, for waiver of the following rights, to the extent that the respective insurers would have the rights without such waivers: (a) subrogation of claims against the tenants of the Owners; (b) any defense based on co-insurance; (c) any right of set-off, counterclaim, apportionment, proration, or contribution by reason of other insurance not carried by the Association; (d) any invalidity,

other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner, or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors, and employees of any insured; (e) any right of the insurer to repair, rebuild, or replace, and, in the event the building is not repaired, rebuilt, or replaced following loss, any replacement value of the improvements insured or the fair market value thereof; (f) notice of assignment by any Owner of its interest in the insurance by virtue of a conveyance of any Condominium; and (g) the right to require any assignment of any mortgage to the insurer. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the manager, Declarant, and the agents and employees of each of the foregoing with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

14. Restoration of Common Areas. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Common Areas and any other improvements insured by the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article XI, Paragraph 7 hereof shall be used for such purposes, unless otherwise provided herein. The Board of Directors shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Common Areas and all other improvements shall be reconstructed or rebuilt substantially in accordance with the original construction plans, if they are available, with such changes as are recommended by the architectural control committee. In the event the amount available from the proceeds of such insurance policies exceeds the cost of restoration and repair, the excess shall be deposited to the general funds of the Association. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than the estimated cost of restoration and repair, a Capital Improvement Assessment and/or one or more Condominium Building Improvement Assessments, as the case may be, shall be levied by the Board of Directors upon the Owners and their property in order to provide the necessary funds for such reconstruction over and above the amount of any insurance proceeds available for such purpose. Notwithstanding the foregoing, in the event of total destruction of all of the Improvements in the Properties, and a decision of the Owners owing two-thirds (2/3) of the Parcels not to rebuild, the proceeds of the insurance carried by the Association shall be divided proportionately among the Condominium Owners, such proportion to be based upon the original sales price of each Condominium at the time it was initially sold by Declarant until such Condominiums are reassessed by the Orange County tax assessor, and then, in accordance with such reassessed valuation, provided that the balance then due on any valid mortgage of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Condominium is so encumbered.

15. Restoration Obligation of Owners. In the event of the damage or destruction of any Unit then it shall be the duty of such Owner, as soon as practical, to repair and replace the Unit. Any reconstruction, replacement, or repair required by this Section shall be in accordance with the original plans and specifications of the Properties, or plans and specifications approved by both the Board or the architectural control committee and the Mortgagee of the first Mortgage of record which encumbers the Unit.

16. Condemnation: In the event of an award for the taking of any Unit in the Project by eminent domain, the Owner of such Unit shall be entitled to receive the award for such taking and after acceptance thereof he and his mortgagee shall be divested of all interest in the Project as such Owner. The remaining portion of the Project shall be resurveyed, if necessary, and the Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Project. In the event of a taking by eminent domain of any part of the Common Area, the Association shall participate in the negotiations, and, where Units are not valued separately by the condemning authority or by the court, shall propose the method of division of the proceeds of condemnation. In the event of inverse condemnation, any award received shall be allocated fairly and proportionately among the Owners of Units involved. The Association should give careful consideration to the allocation of percentage interests in the Common Area in determining how to divide proceeds of condemnation. In the event a Unit owner disagrees with the proposed allocation, he may have the matter submitted to arbitration under the rules of the American Arbitration Association. In the event of eminent domain proceedings against the Project or any portion thereof, Institutional Lenders and the Declarant (if also a lender) shall be given timely written notice thereof. If any Unit or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or its otherwise sought to be acquired by a condemning authority, the Institutional Lender and Declarant (if also a lender), with respect to any such condominium, will be entitled to timely written notice of such proceedings or proposed acquisition and no provision of any document establishing the Project will entitle the owner of a condominium or other party to priority over such Institutional Lender and the Declarant (if also a lender) with respect to the distribution to such Condominium Owner of the proceeds of any award or settlement.

17. Limitation of Restrictions on Declarant: Declarant is undertaking the work of converting ten (10) existing buildings into ten (10) office and industrial Condominium Buildings and incidental improvements upon the subject property. The completion of that work and the sale, rental, and other disposal of said Condominium Units is essential to the establishment and welfare of said property as an office/industrial project. In order that said work may be completed and said property be established as a fully occupied office/industrial project as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its contractor or subcontractors from doing on the Property or any Unit whatever is reasonably necessary or advisable in connection with the completion of said work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part or parts of the Property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said property as an office/industrial project and disposing of the same in parcels by sale, lease or otherwise; or

(c) Prevent Declarant from conducting on any part of the Property its business of completing said work and of establishing a plan of Condominium ownership and of disposing of said Property in Condominium Units by sale, lease or otherwise; or

(d) Prevent Declarant from maintaining such sign or signs or any other advertising and marketing media on any of the Property as may be necessary for the sale, lease or disposition thereof.

The foregoing limitations of the application of the restrictions to Declarant shall terminate upon the sale of Declarant's entire interest in the Project. So long as Declarant, its successors and assigns, owns one or more of the Units established and described herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration.

Declarant shall make every effort to avoid disturbing the use and enjoyment of the Units and the Common Area by Owners while completing any work necessary to said Units or Common Area.

18. Owners' Compliance: Each Owner, tenant or occupant of a Unit shall comply with the provisions of this Declaration, and to the extent they are not in conflict with the Declaration, the Articles, the Bylaws, decisions and resolutions shall be grounds for an action to recover sums due, for damages, or for injunctive relief.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Articles or the Bylaws shall be deemed to be binding on all Owners of Condominiums, and their successors and assigns.

19. Notices: Any notice permitted or required by the Declaration, Articles or Bylaws shall be in writing and may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each person at the current address given by such person to the Secretary of the Board or addressed to the Unit of such person if no address has been given to the Secretary. Personal delivery of such notice to one or more Co-owners of a Unit, or to any Partner of a partnership owning a Unit, or to any officer or agent for service of process of a corporation owning a Unit, shall be deemed to be delivery to all Co-Owners, the partnership, or the corporation, as the case may be.

20. Special Provisions Relating to Enforcement of Declarant's Obligation to Complete Common Area Improvements: Where the Project includes Common Area improvements which have not been completed prior to the close of escrow on the sale of the first Unit, and where the Association is obliged under a bond or other arrangement to secure performance of the commitment of Declarant to complete said improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that improvement in the planned construction statement appended to the bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question if a notice of completion has not been filed within thirty (30) days after the expiration of the extension. A special meeting of members of the Association for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the bond or on the failure of the Board to consider and vote on the question shall be held not less than fifteen (15) days nor more than (30) days after receipt by the Board of a petition for such a meeting signed by members representing ten (10) percent of the total voting power of the Association. At such special meeting a vote of a majority of members of the Association other than the Declarant shall be required to take action to enforce the obligations under the bond and a vote of a majority of the voting power of the Association, excluding Declarant, shall be deemed to be the decision of the Association, and the Board shall

thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

21. Nonliability and Indemnification. No right or power conferred on the Board of Directors or the architectural control committee by virtue of this Declaration, or by the Articles of Incorporation or Bylaws of the Association, shall be construed as a duty, obligation, or liability charged upon the Board of Directors, the committee, or upon any director or member thereof, and except for injuries arising out of their malicious acts, no member of the Board of Directors or the committee shall be liable to any person for his decisions, or failure to act in making decisions, as a member of the Board of Directors or the committee. The Association shall pay all expenses incurred by, and satisfy any judgment or fine rendered or levied against, any person who is or has been a director, officer, employee, or committee member of the Association, in any action brought by a third party or by the Association against such person (whether or not the Association is joined as a party defendant), to impose a liability or penalty on such person for action undertaken while a director, officer, employee, or the Association determines in good faith that such director, officer, employee, or committee member was acting in good faith within what he reasonably believed to be the scope of his employment or authority, and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Payments include amounts paid and expenses incurred in settling any such action or threatened action. This section does not apply to any action instituted or maintained in the right of the Association by a Member. This provision shall be construed to provide for such payments and indemnification to the fullest extent permitted by the provisions of the applicable laws. Notwithstanding the foregoing, the members of the Board of Directors shall receive no compensation for their services performed pursuant to this Declaration or the Bylaws of the Association.

22. No Discrimination: No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, or mortgaging, or occupancy of his Unit to any person of a specified race, color, religion, ancestry, or national origin.

ARTICLE XII

WITHDRAWAL FROM ENABLING DECLARATION

1. In General. Notwithstanding the provisions of paragraph 3 of Article II of this Declaration and notwithstanding any other provision of this Declaration, Declarant shall have the right to withdraw Units 3A, 3B, 4A, 4B, 5A, 5B, 6A and 6B (collectively called the "Withdrawable Units"), or any one or more of said Units, from time to time, from the effectiveness of this Declaration by execution and acknowledgment of a Certificate of Withdrawal, Revocation of Condominium Plan and Grant Deed (a "Certificate"), or of more than one such Certificate, as provided in paragraph 2 below and subject to the conditions contained in paragraph 3 below. Upon the recordation of a Certificate, the provisions of this Declaration shall cease to apply to the portion of the Property described in the Certificate except as specifically provided otherwise in said Certificate.

2. Certificate of Withdrawal, Revocation of Condominium Plan and Grant Deed. A Certificate shall be a document executed and acknowledged solely by Declarant on its own behalf and by Declarant on behalf of all other Owners of Units in the Project. A Certificate shall describe a parcel or parcels of land which shall include one or more of the Withdrawable Units and also a portion of the Common Area surrounding the designated Withdrawable Unit or Units including a portion of the Property comprising parking and ingress and egress adjacent to and reasonably

Determined by Declarant to be appurtenant to the designated Withdrawable Unit or Units. The legal description of the Withdrawable Units and appurtenant Common Area which may be the subject of a Certificate may be as shown on Exhibit "E" attached hereto and made a part hereof. The boundaries of individual Withdrawable Units may vary from those which are shown on Exhibit E. However, the exterior boundaries of all Withdrawable Units taken as a whole may not vary from those shown on Exhibit "E". All Owners, by accepting a conveyance of a Unit, grant to Declarant an irrevocable power of attorney to execute one or more Certificates in accordance herewith. Execution, acknowledgment and recordation of a Certificate by Declarant on its own behalf and pursuant to the foregoing power of attorney shall be deemed (i) to convey to Declarant not only the withdrawable Unit but also the portion of the Common Area described therein and (ii) to revoke the Condominium Plan, within the meaning of California Civil Code Section 1351, as to the withdrawable Unit and the portion of the Common Area described therein. The certificate may also reserve or grant easements for ingress and egress, which easements shall be in favor of one or more Withdrawable Units but will be reciprocal with Units so designated on the Certificate. The lien of any Mortgagee shall be automatically extinguished and reconveyed and shall be deemed to have reverted to Declarant as to the land described in a Certificate effective as of the recordation of a Certificate. Effective upon the recordation of a Certificate, Exhibit A to this Declaration shall be deemed to have been amended to reflect the withdrawal of Withdrawal Units so that the percentage of each Unit remaining subject to this Declaration will be in the proportion that each Unit's square footage bears to the square footage of all Units remaining subject to this Declaration.

3. Conditions to Withdrawal. Declarants right to withdraw the Withdrawable Units from this Declaration, to convey portions of the Common Area to itself as provided above and to terminate the Condominium Plan as provided above shall be subject to the following conditions all of which shall be included within the Certificate and shall be deemed to be covenants running with the land as to the land described in the Certificate.

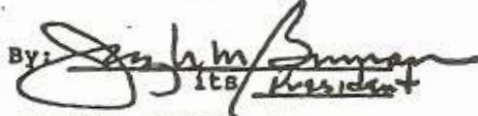
(a) The land described in the Certificate shall remain subject to the provisions of Article VIII and paragraphs 1, 2, 3, 4, 5, 6, 19, 21 and 22 of Article XI. Wherever the term Condominium Building or Unit is used in such provisions, it shall be deemed to refer to the buildings located on the land described in a Certificate. Whenever the term Common Area or Restricted Common Area is used in such provisions, it shall be deemed to refer to the parking lots, driveways and building exteriors of the land described in a Certificate. Notwithstanding the provisions of paragraph 6 of Article XI, all owners of land described in a Certificate shall maintain the exteriors of their buildings (including color schemes and treatment), their parking lots and driveways and their landscaped areas in a manner which is consistent with and compatible with the corresponding portions of the common area remaining subject to this Declaration. Any construction or reconstruction of buildings on Withdrawable Units shall be consistent, architecturally, with other buildings in the project.

(b) All owners of land described in a Certificate shall be liable to pay for their proportionate shares of the costs of maintenance, repair and replacement of the private street known as "South Main Street" intersecting the Project and shown on Exhibit E and for the repair and replacement of utilities in said street and for the maintenance of landscaping immediately adjacent to said street. The proportionate shares of the liabilities of such owners shall be the sum of the percentages shown on Exhibit A hereto of the Withdrawable Units included within the land described in a Certificate. The liability provided for in this subparagraph shall be a charge on and a continuing lien on the land described in a Certificate which lien shall become effective upon recordation of a Notice of Lien. Such lien may be enforced in accordance with the provisions of paragraph 12 of Article IV hereof. All owners of land described in a Certificate shall have the full right of ingress, egress and parking (in spaces designated by the Association) over and upon South Main Street, the private street shown on the Map attached as Exhibit E, which right shall be deemed to be a perpetual easement.

CALIFORNIA PARTNERS, a general partnership

By: Calpart Associates, Ltd., a limited partnership

By: Wilma-Pacific STB, Inc.

By:  its President

By: SHAW, TALBOT, BUDGE & BIBIN, a general partnership

By:  , Partner

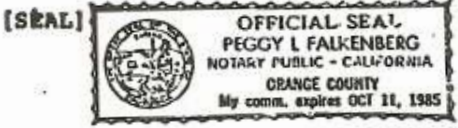
By: WILLIAM A. Budge , Partner

STATE OF CALIFORNIA)
)SS:
COUNTY OF ORANGE)

On May 25, 1983, before me, the undersigned, a Notary Public in and for said State, personally appeared JOSEPH M. BOWMAN, personally known to me to be the President of Wilma-Pacific STBB, Inc., the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be the general partner of Calpart Associates, Ltd., the limited partnership that executed the within instrument, said partnership being known to me to be one of the partners of California Partners, the partnership that executed the within instrument, and acknowledged to me that Wilma-Pacific STBB, Inc. executed the same as such partner, that Calpart Associates, Ltd executed the same as such partner and that California Partners executed the same.

WITNESS my hand and official seal.

Peggy L. Falkenberg
Notary Public in and for said State



STATE OF CALIFORNIA)
)SS:
COUNTY OF ORANGE)

On this MAY 31, 1983, before me, the undersigned, a Notary Public in and for said State, personally appeared MICHAEL J. BIBIN and WILLIAM A. BUDGE, known to me to be two of the partners of Shaw, Talbot, Budge & Bibin, the partnership that executed the within instrument, said partnership being known to me to be one of the partners of California Partners, the partnership that executed the within instrument, and acknowledged to me that Shaw, Talbot, Budge & Bibin executed the same as such partner and that California Partners executed the same.

WITNESS my hand and official seal.

Peggy L. Falkenberg
Notary Public in and for said State

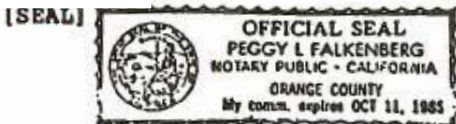


EXHIBIT A

LOS OLIVOS CONDOMINIUM ASSOCIATION
COMMON ASSESSMENT UNIT PERCENTAGE INTEREST
1983

PAGE 1

ADDRESS	SIZE	% OF TOTAL SQ FT
<u>111 WEST DYER ROAD</u>		
AA	3514	1.39
A	2800	1.11
B	3495	1.38
C	3495	1.38
D&E	7008	2.77
F	3101	1.22
G	3540	1.40
<u>201 WEST DYER ROAD</u>		
A	5292	2.09
B	7008	2.77
C	6314	2.49
<u>221-223 W DYER ROAD</u>		
A	6444	2.54
B	6820	2.69
<u>301 WEST DYER ROAD</u>		
A	3504	1.38
B	3504	1.38
C	3504	1.38
D	3504	1.38
E	6074	2.40
<u>401 WEST DYER ROAD</u>		
A	20064	7.92
B	18218	7.19

EXHIBIT A

LOS OLIVOS CONDOMINIUM ASSOCIATION
COMMON ASSESSMENT UNIT PERCENTAGE INTEREST
1983

PAGE 2

ADDRESS	SIZE	% OF TOTAL SQ FT
<u>2700 SOUTH MAIN ST</u>		
A	2790	1.10
B	1752	0.69
C	2628	1.04
D&E	6178	2.44
<u>2710 SOUTH MAIN ST</u>		
A&B	31387	12.39
<u>2720 SOUTH MAIN ST</u>		
A&B	42935	16.95
<u>2730 SOUTH MAIN ST</u>		
A&B	26350	10.41
<u>2800 SOUTH MAIN ST</u>		
A	1752	0.69
B	1752	0.69
C	1752	0.69
D	1752	0.69
E	2576	1.02
F	2628	1.04
G	1752	0.69
H	1752	0.69
I	1752	0.69
J	1752	0.69
K	2789	1.10
<u>TOTAL ASSESSMENTS</u>		
	253232	99.99

EXHIBIT B
LOS OLIVOS CONDOMINIUM ASSOCIATION
1983 COMMON ASSESSMENT BUDGET

PAGE 1 OF 3

<u>DESCRIPTION</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>ADMINISTRATION</u>		
INSURANCE-WORKMAN'S COMP	35.42	425.00
INSURANCE-REPLACEMENT VALUE	1435.83	17230.00
INSURANCE-LIABILITY	25.00	300.00
INSURANCE-CRIME & FIDELITY BOND	17.83	214.00
INSURANCE-DIR. & OFFICERS LIAB.	75.00	900.00
THE TAXABLE INCOME IS THE RESERVES.		
TAXES-FEDERAL 16% OF 1ST \$25,000.	0.00	0.00
TAXES-STATE 9.6% OF INCOME/\$200/MIN	16.67	200.00
ACCOUNTING	41.67	500.00
LEGAL	0.00	0.00
MANAGEMENT FEE	400.00	4800.00
<u>MAINTENANCE EXPENSE</u>		
LANDSCAPE	2850.00	34200.00
SWEEPING	425.00	5100.00
SECURITY LIGHTING	25.00	300.00
UTILITIES - WATER	425.00	5100.00
UTILITIES - ELECTRIC	235.00	2820.00
ASPHALT MAINTENANCE	100.00	1200.00
MISCELLANEOUS	100.00	1200.00
TOTAL BUDGET	6207.42	74489.00

NOTES

1. ALTHOUGH THE FEE INTEREST TO ALL OF THE REAL PROPERTY WITHIN THIS PROJECT IS COMMON AREA, THE REAL PROPERTY TAXES WITH RESPECT THERETO ARE TYPICALLY ASSESSED ON A PRO RATA BASIS TO EACH OF THE RESPECTIVE UNIT OWNERS. CONSEQUENTLY, THIS BUDGET DOES NOT INCLUDE AN AMOUNT FOR REAL PROPERTY TAXES. HOWEVER, ARTICLE IV, SECTION 13 OF THE CC&RS PROVIDES THAT IN THE EVENT THAT REAL PROPERTY TAXES ARE NOT ASSESSED AGAINST THE UNITS, SAID TAXES SHALL BE PAID BY THE ASSOCIATION AND AUTHORIZES A SPECIAL ASSESSMENT TO BE LEVIED AGAINST THE UNITS IN AN AMOUNT EQUAL TO SAID TAXES.

2. THIS BUDGET IS FOR COMMON ASSESSMENTS ONLY AND THUS DOES NOT INCLUDE CONDOMINIUM BUILDING IMPROVEMENT ASSESSMENTS AS DEFINED IN ARTICLE IV, PARAGRAPH 7 OF THE DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP (CC&RS).

EXHIBIT B

EXHIBIT B

LOS OLIVOS CONDOMINIUM ASSOCIATION
COMMON ASSESSMENT UNIT PERCENTAGE INTEREST
1983

PAGE 2 OF 3

ADDRESS	SIZE	% OF TOTAL SQ FT	ANNUAL AMOUNT OF ASSESSMT
<u>111 WEST DYER ROAD</u>			
AA	3514	1.39	1033.65
A	2800	1.11	823.63
B	3495	1.38	1028.07
C	3495	1.38	1028.07
D&E	7008	2.77	2061.43
F	3101	1.22	912.17
G	3540	1.40	1041.30
<u>201 WEST DYER ROAD</u>			
A	5292	2.09	1556.66
B	7008	2.77	2061.43
C	6314	2.49	1857.28
<u>221-223 W DYER ROAD</u>			
A	6444	2.54	1895.52
B	6820	2.69	2006.12
<u>301 WEST DYER ROAD</u>			
A	3504	1.38	1030.71
B	3504	1.38	1030.71
C	3504	1.38	1030.71
D	3504	1.38	1030.71
E	6074	2.40	1786.69
<u>401 WEST DYER ROAD</u>			
A	20064	7.92	5901.89
B	18218	7.19	5358.88

EXHIBIT B

LOS OLIVOS CONDOMINIUM ASSOCIATION
COMMON ASSESSMENT UNIT PERCENTAGE INTEREST
1983

PAGE 3 OF 3

ADDRESS	SIZE	% OF TOTAL SQ FT	ANNUAL AMOUNT OF ASSESSMT
<u>2700 SOUTH MAIN ST</u>			
A	2790	1.10	820.69
B	1752	0.69	515.36
C	2628	1.04	773.03
D&E	6178	2.44	1817.28
<u>2710 SOUTH MAIN ST</u>			
A&B	31387	12.39	9232.59
<u>2720 SOUTH MAIN ST</u>			
A&B	42935	16.95	12629.47
<u>2730 SOUTH MAIN ST</u>			
A&B	26350	10.41	7750.94
<u>2800 SOUTH MAIN ST</u>			
A	1752	0.69	515.36
B	1752	0.69	515.36
C	1752	0.69	515.36
D	1752	0.69	515.36
E	2576	1.02	757.74
F	2628	1.04	773.03
G	1752	0.69	515.36
H	1752	0.69	515.36
I	1752	0.69	515.36
J	1752	0.69	515.36
K	2789	1.10	820.39
TOTAL ASSESSMENTS	253232	99.99	74489.00

EXHIBIT C

LOS OLIVOS CONDOMINIUM ASSOCIATION
1983 CONDOMINIUM BUILDING UNIT PERCENTAGE INTEREST

PAGE 1 OF 2

ADDRESS	SIZE	% OF 80 FT PER BLDG
<u>111 WEST DYER ROAD</u>		
AA	3514	13.04
A	2800	10.39
B	3495	12.97
C	3495	12.97
D&E	7008	26.00
F	3101	11.51
G	3540	13.13
	<u>26953</u>	<u>100.00</u>
<u>201 WEST DYER ROAD</u>		
A	5292	28.43
B	7008	37.65
C	6314	33.92
	<u>18614</u>	<u>100.00</u>
<u>221-223 W DYER ROAD</u>		
A	6444	48.58
B	6820	51.42
	<u>13264</u>	<u>100.00</u>
<u>301 WEST DYER ROAD</u>		
A	3504	17.44
B	3504	17.44
C	3504	17.44
D	3504	17.44
E	6074	30.23
	<u>20090</u>	<u>100.00</u>
<u>401 WEST DYER ROAD</u>		
A	20064	52.41
B	18218	47.59
	<u>38282</u>	<u>100.00</u>

EXHIBIT C

LOS OLIVOS CONDOMINIUM ASSOCIATION
 CONDOMINIUM BUILDING UNIT PERCENTAGE INTEREST
 1983

PAGE 2 OF 2

ADDRESS	SIZE	% OF SQ FT PER BLDG
<u>2700 SOUTH MAIN ST</u>		
A	2790	20.90
B	1752	13.13
C	2628	19.69
D&E	6178	46.28
	<u>13348</u>	<u>100.00</u>
<u>2710 SOUTH MAIN ST</u>		
A&B	31387	100.00
<u>2720 SOUTH MAIN ST</u>		
A&B	42935	100.00
<u>2730 SOUTH MAIN ST</u>		
A&B	26350	100.00
<u>2800 SOUTH MAIN ST</u>		
A	1752	7.96
B	1752	7.96
C	1752	7.96
D	1752	7.96
E	2576	11.70
F	2628	11.94
G	1752	7.96
H	1752	7.96
I	1752	7.96
J	1752	7.96
K	2789	12.67
	<u>22009</u>	<u>100.00</u>
TOTAL SQ FT ALL BLDGS	<u>253232</u>	

LOS OLIVOS BUSINESS PARK
SIGN CRITERIA

These criteria establish the uniform policies for all buyer/tenant sign identification within Los Olivos Business Park. These criteria have been established for the purpose of maintaining the overall appearance of the project. Conformance will be strictly enforced. Any sign installed that does not conform to the sign criteria will be brought into conformity at the expense of the buyer/tenant.

GENERAL REQUIRMENTS

1. Drawing of the size and shape of the approved sign is shown on attached sheets. The sign, lettering and installation shall be paid for by the buyer/tenant.
2. The Architectural Control Committee shall approve all copy prior to the fabrication of the sign.
3. The Architectural Control Committee shall direct the placement of all buyer/tenant signs and the method of attachment to the building.
4. Quantity of building identification signs per building will be as follows:

1' x 8' Sandblasted Redwood
Buyer/Tenant Identification Signs

<u>Building #</u>	<u>Address</u>	<u>Quantity</u>
1	2800 S. Main Street*	11 max.
2	2700 S. Main Street*	5 max.
7	301 W. Dyer Road*	5 max.
9	201 W. Dyer Road*	3 max.
10	111 W. Dyer Road*	8 max.

Individual Styrene Letter
Buyer/Tenant Identification Signs

3	2710 S. Main Street**	2 max.
4	2120 S. Main Street**	2 max.
5	2730 S. Main Street**	2 max.
6	401 W. Dyer Road**	2 max.
8	221 W. Dyer Road**	3 max.

- * One (1) sign per buyer/tenant.
** Where one buyer occupies entire building, only one (1) sign exposure will be allowed, with the exception of 221 W. Dyer Road.

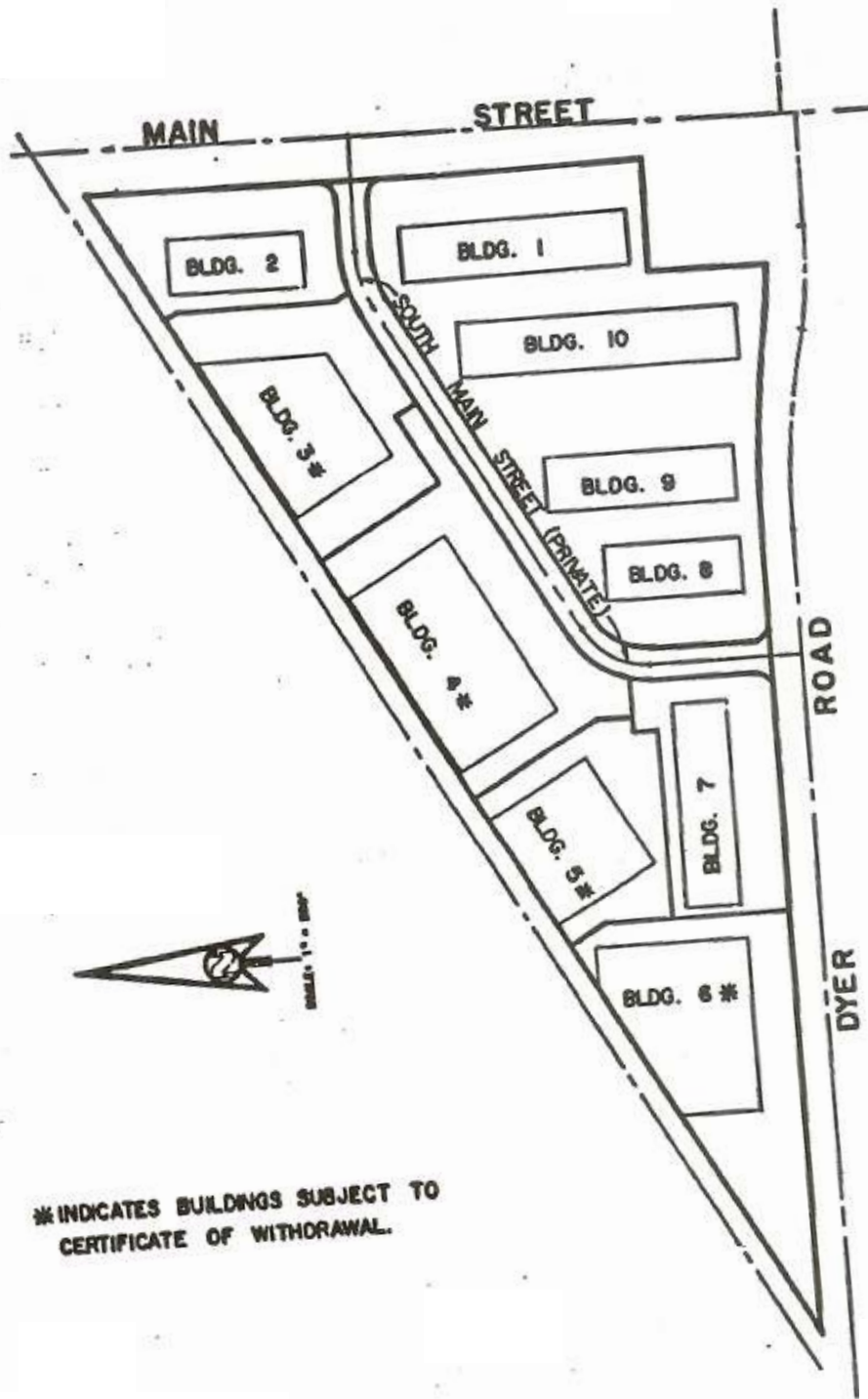
5. Buyer/tenant shall be responsible for the fulfillment of all requirements for these criteria.
6. All signs will be fabricated and installed by an approved sign maker and will be obtained by submitting properly completed sign order forms.

GENERAL SPECIFICATIONS

1. Buyer/tenant building identification for Buildings 1, 2, 7, 9 and 10:
 - a. Type: Sandblasted redwood signs.
 - b. Size: 11" x 8', 2x stock.
 - c. Color: Background: Olympic Oxford Brown
Copy: Three (3) Options: Peach - PMS #156C
Beige - PMS #468C
Yellow- PMS #141C
 - d. Typeface: Typefaces to vary according to buyer/tenant's graphics.
 - e. Copy: Buyer/tenant copy shall be limited to company name, one (1) line only.
 - f. Location: Signs to be centered above buyer/tenant entry door on wood overhand.
2. Buyer/tenant building identification for Buildings 3, 4, 5, 6 and 8:
 - a. Type: Individual styrene letters.
 - b. Size: To vary within a 3' x 20' area (60 square feet maximum), 2" deep.
 - c. Color: Colors to vary and to be approved the the Architectural Control Committee.
 - d. Typeface: Typefaces to vary according to buyer/tenant's graphics/logos (optional).
 - e. Building 3 will be allowed one (1) styrene sign. If two (2) buyers/tenants occupy Building 3 at the same time, Suite A will be allowed styrene and Suite B will be allowed an 11" x 8' sandblasted redwood sign.
3. No electrical or audible signs will be allowed.
4. Upon the removal of any sign, any damage to the building will be repaired.
5. Except as provided herein, no advertising placards, banners, pennants, hanes, insignia, trademarks, or other descriptive material shall be affixed or maintained upon any automated machine, glass panes of the building, landscaped areas, streets or parking areas.

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* INDICATES BUILDINGS SUBJECT TO
CERTIFICATE OF WITHDRAWAL.