Policy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

502P



SUBMITTAL DATE

March 19, 2015

SUBJECT: Approval of the Final Condominium Parcel Map for Parcel Map 36601, a Schedule "E" Subdivision in the Thousand Palms Area. 4th District; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Final Map; and

FROM: TLMA - Transportation Department

2. Authorize the Chairman of the Board to sign the Final Map.

BACKGROUND:

Summary

Tentative Parcel Map No. 36601 was approved by the Board of Supervisors on Oct. 28, 2014, as Agenda Item 16-1. Tract 36601 is a one-acre condominium subdivision that is creating one commercial lot in the Thousand Palms area. This Final Condominium Parcel Map complies in all respects with the provisions of Division 3 of Title 15 of the Government Code and applicable local ordinances. All necessary conditions of approval have been satisfied, and departmental clearances have been obtained to allow for the recordation of the final map.

Patricia Romo

Assistant Director of Transportation

Juan C. Perez

Director of Transportation and Land Management

HS:If

Submittals: Vicinity Map

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes:

Jeffries, Washington, Benoit and Ashley

Nays:

None

Absent:

Tavaglione

Date:

April 7, 2015

XC:

Transp.

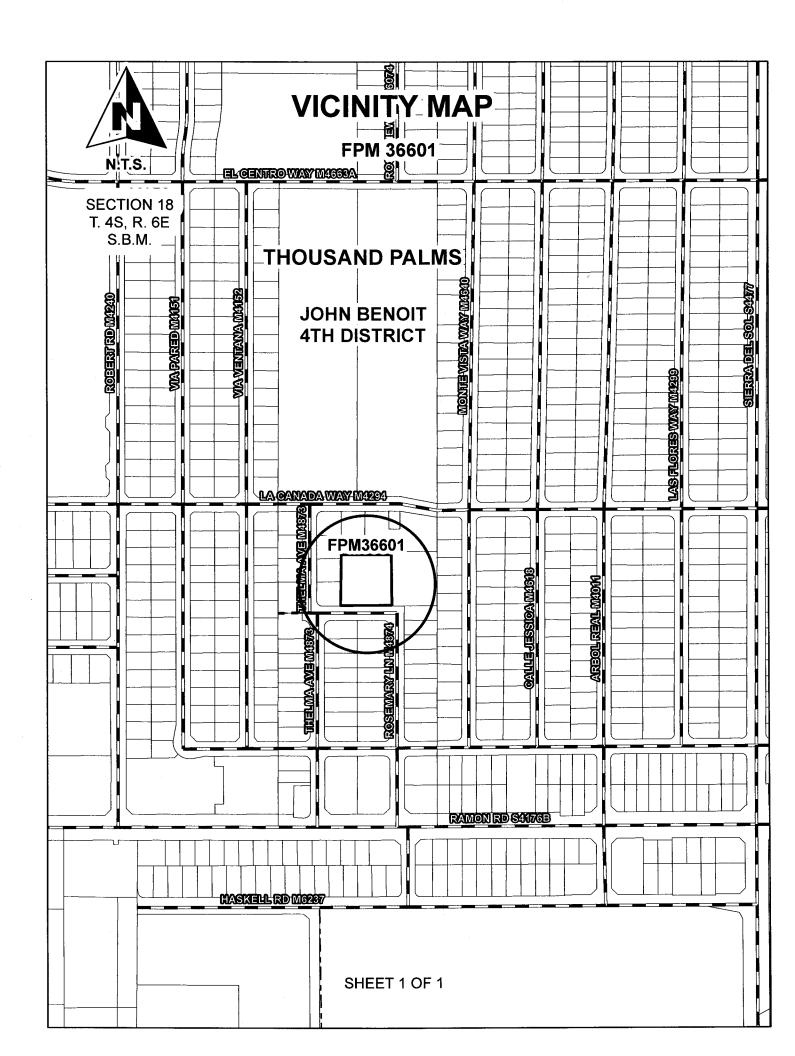
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Kecia Harper-Ihem

Prev. Agn. Ref.: 10/28/14, Item 16-1

District: 4

Agenda Number:





MEMORANDUM

RIVERSIDE COUNTY COUNSEL

PM-Station

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGE

DATE:

January 30, 2015

TO:

Wendell Bugtai

Urban Regional Planner III

FROM:

Tiffany N. North

Deputy County Counsel

RE:

Operation SafeHouse

72-710 Lynn Street, Thousand Palms, CA 92276

We have reviewed the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements (CC&R's) for Operation SafeHouse. As forwarded herewith, the documents are **APPROVED** as to form.

Accordingly, the requirement for a Declaration of CC&R's for property at 72-710 Lynn Street, Thousand Palms, CA 92276 is **SATISFIED**.

Enclosures

cc: Kathy McAdara, Executive Director

:sk

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4/7/15

RECORDED AT THE REQUEST OF AND WHEN RECORDED, RETURN TO:

Tara Castro Narayanan Ella K. Gower MILLER STARR REGALIA 1331 N. California Blvd., Fifth Floor Walnut Creek, CA 94596

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SAFE HOUSE OF THE DESERT

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SAFE HOUSE OF THE DESERT

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SAFE HOUSE OF THE DESERT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is executed by OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation (the "Declarant") with reference to the following facts:

Declarant is catablishing a commercial condominium development consisting of

Α.	three condominiums located on certain real property in Riverside County, California, more particularly described on the map entitled "" filed in the records of Riverside County, California, on, 201, in Book of Maps at pages and consists of Condominium Units
	shown on the condominium plan recorded
	on, 20, as Document No
	in the records of Riverside County, California.
B.	Declarant desires to impose certain restrictions on the condominiums in the Development that will benefit and bind each condominium as covenants running with the land and equitable servitudes, to describe certain easements that will be appurtenant to the condominiums and/or the association, and to establish a

DECLARANT DECLARES AS FOLLOWS:



ARTICLE 1 - Definitions

condominium project within the meaning of Civil Code section 6542.

Unless the context indicates otherwise, the following terms shall have the following definitions:

- 1.1 Articles. The Articles of Incorporation of the Association and any amendments thereto.
- 1.2 <u>Association</u>. Safe House of the Desert Association, a California nonprofit mutual benefit corporation.
- 1.3 <u>Association Property</u>. The airspace, land and Improvements situated within Parcel _____ shown on the Map, except the airspace, land and Improvements situated within the Condominium Common Area in **Section 1.10** and within the Units in **Section 1.26**.
 - 1.4 Board. The Board of Directors of the Association.
- 1.5 <u>Building</u>. The building structure and all other Improvements and fixtures permanently affixed to the property located within each Unit shown on the Condominium Plan, including but not limited to, the roof, exterior and interior walls, structural supports, floors, stairs, windows, doors, utility shafts, lines and equipment and foundation.
 - 1.6 <u>Bylaws</u>. The Bylaws of the Association and any amendments thereto.
- 1.7 <u>Commercial and Industrial Act.</u> The Commercial and Industrial Common Interest Development Act as set forth in Part 5.3 (commencing with Civil Code section 6500) to Division 4 of the Civil Code and any subsequent modifications thereto.
 - 1.8 <u>Common Area</u>. The Association Property and the Condominium Common Area.

- 1.9 <u>Condominium</u>. An estate in real property as defined in Civil Code section 6542 consisting of two elements: (i) a separate interest in space called a "Unit" as described in **Section 1.26**; and (ii) an undivided interest in common in all or a portion of the Condominium Common Area as described in **Section 1.10**.
- 1.10 <u>Condominium Common Area</u>. The three-dimensional area identified on the Condominium Plan as the "Condominium Common Area."
- 1.11 <u>Condominium Plan</u>. The condominium plan for the Development that was prepared in accordance with the requirements of Civil Code sections 6624 and 6626 and that will be recorded in the records of Riverside County, California.
- 1.12 <u>Declarant</u>. Operation Safe House, Inc., a California nonprofit public benefit corporation, and any successor or assign that assumes in writing the rights and duties of the "Declarant" hereunder.
- 1.13 <u>Declaration</u>. This Declaration of Covenants, Conditions and Restrictions and any amendments or corrections thereto.
- 1.14 <u>Development</u>. The commercial development that is constructed on the property shown on the Map and subject to this Declaration, including the Condominiums, the Common Area, and all other Improvements thereon.
- 1.15 <u>Governing Documents</u>. This Declaration, the Articles of Incorporation, the Bylaws of the Association, and the Rules.
- 1.16 <u>Improvements</u>. Any property in the Development constituting a fixture within the meaning of Civil Code section 660.
- 1.17 Map. The map entitled "______" filed for record in Riverside County, California, on _____, 201__, in Book _____ of Maps at pages _____.
 - 1.18 Member. A member of the Association.
- 1.19 <u>Mortgage</u>. A recorded Mortgage or deed of trust against one or more Condominiums in the Development.
- 1.20 <u>Mortgagee</u>. A mortgagee under a Mortgage or a beneficiary under a deed of trust recorded against one or more Condominiums in the Development.
- 1.21 Occupant(s). Any Person, from time to time, entitled to use and occupy any portion of a Condominium pursuant to an ownership right or any lease, license or other similar agreement.
 - 1.22 Owner. The record title owner(s) of the fee (perpetual) estate in a Condominium.
 - 1.23 <u>Permittee(s)</u>. The employees, contractors, agents, or invitees of an Owner or Occupant.
- 1.24 <u>Person</u>. Any natural person, partnership, trust, corporation, limited liability company, or other legal entity.
- 1.25 <u>Rules</u>. Rules or regulations adopted by the Association from time to time pursuant to the authority of **Section 5.6.2**.
- 1.26 <u>Unit</u>. The element of a Condominium that is owned separately, consisting of the land, airspace and Improvements situated within the three dimensional Unit envelopes shown on the Condominium Plan. There are three Unit envelopes shown on the Plan identified as Buildings 1, 2 and 3. Each Unit

envelope contains or will contain a Building described in **Section 1.5**. The Unit includes any airspace, land, walkways, landscaping, irrigation lines and other Improvements situated within the Unit dimensions as shown on the Condominium Plan. In addition, any permanent part of the Condominium Building as originally constructed, including eaves, overhangs, staircases, landings, columns or other structural supports are part of the Unit even if extending outside the Unit dimensions shown on the Condominium Plan.

1.27 <u>Unit Open Areas</u>. The portion of each Unit situated within the Unit envelope but outside the exterior walls of the Building as originally constructed and any replacements thereto. The Unit Open Areas do not include any land situated directly beneath the Building or any airspace directly above the Building. Portions of the Unit Open Area are subject to the Unit Open Area Easements described in **Section 2.3.3**.

ARTICLE 2 - Property Rights and Easements

- 2.1 <u>Type of Development</u>. This Development is a Condominium project within the meaning of Civil Code section 6542 and consists of three Condominiums.
- 2.2 Ownership Interests. Each Owner owns a fee (perpetual) estate in a Condominium consisting of a separate interest in a Unit as defined in **Section 1.26** and an undivided percentage interest in common in the Condominium Common Area described in **Section 1.10**. The individual percentage interest of each Condominium is described in **Exhibit A**. Each Owner shall be a member of the Association. The Association shall own the fee (perpetual) estate in the Association Property. The Association Property shall be conveyed to the Association on or before the Association commences its operations as described in **Section 5.1**. The Association shall manage and maintain the Common Area, including the Association Property, and shall perform such other duties as are described in this Declaration.

The Unit and the Common Area appurtenant thereto may not be separated. Any transfer of a Unit automatically shall transfer the Common Area appurtenant thereto regardless of whether the instrument of transfer describes the Common Area. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an interest in the Common Area shall be void unless the Unit appurtenant thereto is also transferred.

- 2.3 <u>Easements</u>. The Development, including each Condominium and the Association Property, are subject to the applicable easements described in this **Section 2.3** and the general easement rights described in **Section 2.4**.
- 2.3.1 <u>Encroachment Easement</u>. Declarant grants to the Owner of each Condominium and the Association an easement in favor of the Owner's Condominium or Association Property as the dominant tenement over any other Condominium or Association Property as the servient tenement for the purpose of accommodating any encroachment of Improvements that are part of the dominant tenement that encroach into the servient tenement resulting from the original construction of the Improvements, settlement or shifting of structures, or construction changes during the course of construction, and any encroachment authorized under **Section 2.6**. The extent of the encroachment easement shall be the location of the encroaching structure as originally constructed by Declarant. If a structure is partially or totally destroyed, the structure may be repaired or rebuilt in accordance with the original plans, including the replacement of any encroaching Improvement.
- 2.3.2 <u>Utility Easement</u>. As a part of the construction of the Condominiums, certain Units may have utilities that traverse the Unit that serve other Unit(s). Declarant grants to the Owner of each Condominium served by the utilities an easement in favor of the Owner's Condominium as the dominant tenement over the Condominium containing the utilities as the servient tenement for utility chases, shafts, vents, ducts, lines and other equipment that traverse the servient tenement and provide utility service to the dominant tenement, including any utilities that are a part of the Development's life safety system and the storm drainage system (the "Utility Facilities"). The location of the easement is the location of the Utility Facilities installed as a part of the original construction of the Unit or as subsequently installed with the

consent of the Owner of the servient tenement. The easement right granted hereunder includes access to the servient tenement as may be necessary to inspect, maintain, repair, replace and/or upgrade the Utility Facilities. The Occupants of the servient tenement shall not take any action that would in any manner interfere with the operation of the Utility Facilities.

- 2.3.3 <u>Unit Open Area Rights and Easements</u>. The Unit Open Areas are subject to the access and use rights and easements described in this **Section 2.3.3**.
- (a) <u>Utilities</u>. The right of agents of the Association or utility companies to retain, maintain, repair and/or replace or read any utility lines, equipment or meters installed in the Unit Open Area as a part of the original construction of the Building to provide fire protection, electrical, gas, potable water, recycled water, telephone, cable television, sewer, storm drainage (including v-ditches, area drains and underground drain pipes) or other utility service to the Association Property or any other Condominium in the Development;
- (b) <u>Walkways</u>. The right to access and use any common walkways or any portion thereof situated within any Unit Open Area, including the right of agents of the Association to maintain, repair and replace the common walkway; and
- (c) <u>Landscape Maintenance</u>. The right of agents of the Association to access the landscaped areas within the Unit Open Area in order to inspect, maintain and repair the landscaping and irrigation system that serves the landscaping within these areas, including the right to access and operate the timer and related equipment controlling the irrigation system.

No Owner shall commit or omit any act that could unreasonably interfere with the foregoing access and use rights or the operation of any utility lines or equipment situated within the Unit Open Area that serve any other Condominium. If any drainage lines are situated within any Unit Open Area, the Owner of the Unit shall maintain the drains free and clear of debris at all times. Any Person exercising the access rights that disturbs or damages any Improvement or landscaping within the Unit Open Area, shall restore the same to the same or better condition that existed immediately before the disturbance or damage.

2.3.4 Association Property Reciprocal Easements. Declarant grants to the Owner of each Condominium reciprocal easements in favor of the Owner's Condominium as the dominant tenement over the Association Property as the servient tenement for: (i) ingress and egress over the walkways and drive aisles within the Association Property; (ii) the right to park in the designated parking spaces within the servient tenement; (iii) the flow of water through the storm water facilities within the servient tenement; (iv) support from any land and Improvements within the Association Property providing structural support to the dominant tenement; (v) access to and use of (including the right to install, maintain, repair or replace) any utility lines, cables, wires, pipes, meters or other equipment installed within, on or over the Association Property that provides utility service to the dominant tenement, including fire protection, water, electricity, gas, telecommunications, storm drainage and sanitary sewer services and life safety system; and (vi) access to and use of the Association Property by Declarant and its contractors, subcontractors and other agents to construct, maintain and market the Condominiums.

Notwithstanding any provisions in this Declaration to the contrary, this grant of reciprocal easements shall not be terminated, "substantially" amended, or property deannexed therefrom absent the prior written consent of the Planning Department of the County of Riverside or the County's successors in interest. A proposed amendment shall be considered "substantial" if it affects the exterior usage or maintenance of the reciprocal easement established by this grant of easements.

2.3.5 <u>Maintenance and Repair Easement</u>. Declarant grants to the Association and each Owner an easement in favor of the Association Property and the Owner's Condominium as the dominant tenement over each other Condominium as the servient tenement for purposes of providing the agents of the Association such access as may be necessary to perform the Association's maintenance and repair duties as described in **Section 4.2**.

- 2.3.6 <u>Map Easements</u>. Declarant grants to the Association and the Owner of each Condominium in favor of the Association Property or Condominium as the dominant tenement the easements described on the Map that benefit the dominant tenement over the property shown on the Map that is subject to the easement as the servient tenement.
- General Easement Rights. Each easement described in Sections 2.3 shall be subject to, 2.4 and construed in accordance with, the following provisions, except as otherwise expressly provided for elsewhere in this Declaration: (i) the easement shall be appurtenant to the dominant and servient tenements and any transfer of a dominant or servient tenement automatically transfers the easement appurtenant thereto regardless of whether the easement is described in the instrument of transfer; (ii) the easement is in perpetuity unless otherwise terminated by operation of law; (iii) no easement may be modified or relocated except with the written consent of the Owners of the dominant and servient tenements; (iv) except as otherwise provided in Article 4, the Owner of the dominant tenement shall maintain the Improvements and landscaping within any easement that exclusively benefits the dominant tenement; (v) the Owner of the dominant tenement shall indemnify, defend and hold harmless the Owner of the servient tenement against any claims, liabilities, damages, judgments or expenses, including reasonable attorneys' fees (collectively, "Claim"), from any injury or death to any Person or damage to any property that occurs in connection with the use or maintenance of the easement as a result of any act or omission by the Owner Occupant or their Permittee except to the extent the Claim is a covered claim under insurance maintained by the Association (any deductibles or costs in excess of available coverage amounts shall be paid by the Owner); (vi) all easement uses shall comply with the covenants, rights, duties and restrictions set forth in this Declaration, with all applicable laws and ordinances and with any Rules adopted by the Board under the provisions of Section 5.6.2; (vii) each easement granted hereunder exists by virtue of this Declaration, without the necessity of confirmation by any other documents; (viii) the easements are nonexclusive unless expressly provided otherwise; (ix) no nonexclusive easement provided or reserved under this Declaration shall restrict the Owner of the servient tenement from granting other easements or interests therein as long as the other easement or interest does not unreasonably interfere with the easement rights of the dominant tenement; (x) easement access and use rights are subject to the rights reserved in Section 2.5 and the rights of Declarant as described in Section 12.10.
- 2.5 Reservation of Rights. Notwithstanding any property rights, including easements, described herein, each Condominium and the Association Property, as the case may be, are subject to each of the following:
- (a) the right of the Association's agents to enter any Condominium to cure any violation or breach of this Declaration or the Bylaws or the Rules, provided that at least 30 days' prior written notice of such violation or breach (except in the cases of emergency) has been given to the Owner and provided that within the 30-day period such Owner has not acted to cure such violation or breach;
- (b) the right of the Association's agents to enter any Condominium to perform its obligations and duties under this Declaration, including the obligations and the duties with respect to inspection, maintenance, repair or replacement of any Common Area Improvement; and
 - (c) the rights reserved in Sections 2.6, 2.8 and 12.10.
- Authority Over Association Property. The Board shall have the power and the right in the name of the Association and all of the Owners as their attorney-in-fact to grant, convey or otherwise transfer to any Owner or any other Person fee title, easements, leasehold estates, exclusive use easements or rights, licenses, lot-line adjustments, rights-of-way and/or dedications in, on, over or under the Association Property (except Exclusive Use Common Area) in order to: (i) construct, erect, operate, maintain or replace lines, cables, wires, conduits or other devices for electricity, cable television, internet services, fiber optics, telecommunication equipment, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public Improvements or facilities; (ii) accommodate any encroachment that in the sole discretion of the Board does not unreasonably interfere with the use and enjoyment of the Association Property; or (iii) accomplish any other purpose that in the sole discretion of the Board is in the interest of the Association and

its Members and does not unreasonably interfere with the use and enjoyment of the Association Property. Each Owner in accepting a deed to a Condominium expressly consents to such action and authorizes and appoints the Association as attorney-in-fact of such Owner to execute and deliver all documents and interests to accomplish the action, including, but not limited to, grant deeds, easements, subdivision maps, and lot-line adjustments. Notwithstanding anything herein to the contrary, in no event shall the Board take any action authorized hereunder that would permanently and unreasonably interfere with the use, occupancy and enjoyment of any Condominium without the prior written consent of that Owner. Furthermore, the grant of exclusive use of any portion of the Association Property to any Owner or the conveyance of fee title to any portion of the Association Property as authorized in this **Section 2.6** (other than conveyances made as a part of lot-line adjustments) shall require the consent of a majority of all the Condominium Owners and such consent of the Mortgagees as may be required by **Article 10**.

2.7 <u>Restrictions on Partition</u>. Except as authorized in **Section 2.6**, the Common Area shall remain undivided, and there shall be no judicial partition thereof except as may be authorized by Civil Code section 6656 or any successor statute thereto.

Any proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Owners' Condominiums as of the date immediately preceding the date of the event giving rise to the right of the Owners to partition the Common Area.

- 2.8 Conveyance of Association Property. The Association Property shall be conveyed to the Association on or before the date the Declarant first conveys title to a Condominium that triggers the commencement of assessments under **Section 6.6**. The Association Property as the servient tenement is subject to the applicable easements described in **Section 2.3** and the right of a Condominium Owner (subject to Board approval which approval cannot be unreasonably denied, withheld or delayed) to access and use the Association Property to construct and maintain the Owner's Condominium and all related Improvements.
- 2.9 <u>No Public Dedication</u>. Nothing in this Declaration shall be deemed to be a gift or dedication of any portion of the Development to the general public or for the general public or for any public purposes whatsoever, it being the intention of the Owners that this Declaration shall be strictly limited to and for the purposes expressed in this Declaration. The right of the public or any Person to make any use whatsoever of the Development or any portion thereof (other than any use expressly allowed by a written or recorded map, agreement, deed or dedication) is by permission only, constitutes a license revocable at will, and is subject to control of the Owner. Notwithstanding any other provisions herein to the contrary, the Owners may take such steps as the Owners deem necessary or advisable to prevent a prescriptive easement or other permanent access rights from arising by reason of continued public use of any Common Area.
- 2.10 <u>Notice of Airport in Vicinity</u>. This property may be located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibrations or odors). Individual sensitivities to these annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

ARTICLE 3 - Restrictions

3.1 <u>Commercial Use.</u> The Condominiums may be used for such commercial and industrial uses as may be authorized by the zoning ordinances and laws of the County of Riverside. No commercial uses may be conducted in any of these Units until the Condominium Owner complies with all permit, licensing and other commercial requirements and conditions imposed by the County of Riverside.

- 3.2 <u>Renting</u>. Condominiums may be rented under the following terms and conditions:
 - (a) The rental agreement must be in writing.
- (b) The rental agreement shall be subject in all respects to provisions of the Declaration, the Bylaws, and all Rules adopted by the Board. Each Owner shall provide a copy of the Declaration, Bylaws and all Rules to each tenant of his or her Unit. By becoming a tenant, each tenant agrees to be bound by the Declaration, Bylaws and Rules and recognizes and accepts the right and power of the Association to evict a tenant for any violation by the tenant of the Declaration, Bylaws and Rules.
- (c) Any failure of a tenant to comply with the Declaration, Bylaws and Rules shall be a default under the rental agreement regardless of whether the rental agreement so provides. In the event of any such default, the Owner immediately shall take all actions to cure the default including, if necessary, eviction of his or her tenant. The Association shall give the tenant and the Owner notice in writing of the nature of the violation of the Declaration and/or Rules and 20 days from the mailing of the notice in which to cure the violation before the Association may file for eviction.
- (d) An Owner who rents the entire Condominium shall promptly notify the secretary of the Association (or the property management company) in writing of the names of all tenants occupying such Condominium and shall provide the secretary of the Association (or the property management company) with the addresses, telephone numbers, and email addresses where such Owner and tenants can be reached.
- 3.3 <u>Nuisance</u>. No activity shall be conducted within a Unit or the Common Area that constitutes a nuisance or unreasonably interferes with the use or quiet enjoyment of the Occupants of any other Condominium, taking into account the commercial nature of the Development.

By way of example only, the following activities may constitute nuisances:

- (a) use which emits dusts, sweepings, dirt or cinders, discharges liquids, solid waste or other matter in any water reclamation area or other waterway in a manner that may adversely affect the health, safety, comfort of any occupant of the Condominium, or the intended use of any Condominium within the Development;
- (b) the escape or discharge of any fumes, odors, gases, vapors, steam, acids or other substances which is detrimental to the health, safety or welfare of any person, interferes with the comfort of persons within the Development, or is harmful to any property or vegetation within the Development;
- (c) the radiation or discharge of intense glare or heat, atomic, electromagnetic, microwave, ultrasonic, laser or other radiation; or
- (d) any vibration, noise, sound or disturbance which interferes with the quiet use and enjoyment of any other Condominium within the Development because of its intermittence, beep, frequency, strength, shrillness or volume.
- 3.4 <u>Vehicle and Parking Restrictions</u>. Parking within the Association Property shall be in strict compliance with the vehicle and parking Rules as may be adopted by the Board, subject to the ingress, egress, and parking rights described in **Section 2.3.4**.
- 3.5 <u>Signs</u>. Subject to the provisions of **Section 12.10**, any signage installed anywhere within the Development shall be in strict compliance with all applicable local signage ordinances and with any signage Rules or guidelines adopted by the Board.

- 3.6 <u>Alterations, Modifications or Additions</u>. There shall be no exterior alterations, modifications or additions made to any Building without the prior approval of the Board.
- 3.7 <u>Compliance with Law.</u> No Owner shall permit anything to be done or kept in his or her Condominium that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal agency. Nothing shall be done or kept in any Condominium that might increase the rate of or cause the cancellation of any insurance maintained by the Association.
- 3.8 <u>Animal Restrictions</u>. The Board may adopt Rules regulating an Owner's or Occupant's right to maintain pets within the Development, including Rules regulating access to and use of the Common Area.
- 3.9 <u>Conditions of Approval</u>. The conditions of approval issued by the County of Riverside for the Map apply to the Development, including the Units therein. All existing conditions for related Public Use Permit No. 876 shall still apply to all parcels crated by PM 36601. No modifications to Public Use Permit No. 876 conditions shall take place unless a revised public use permit is approved in accordance with Zoning Ordinance No. 348.

ARTICLE 4 - Maintenance and Repair Obligations

4.1 Owner's Maintenance and Repair Obligations. Each Owner shall maintain Owner's Unit and all Improvements therein (including the Building) in accordance with the Maintenance Standards described in **Section 4.3**, provided that any walkway, landscaping, or irrigation system located within the Unit Open Areas shall be maintained by the Association.

If any Owner fails to maintain his or her Condominium or trash collection area as required herein, the Association, after notice and hearing as described in the Bylaws, may, but is not obligated to, enter the Condominium or trash collection area and perform the necessary maintenance and repair. The Association may levy a reimbursement assessment against the Condominium in the manner described in **Section 6.5**.

Each Condominium Owner shall maintain and repair any utility lines and equipment situated within the Association Property that exclusively serves the Owner's Unit, including any electric, gas, water, sanitary sewer or telecommunication equipment. No owner may excavate or disturb the Association Property in performing any maintenance, repair or replacement work (the "Work") without prior notice to the Board or its designated agent, which notice shall not be less than 72 hours except in the case of an emergency. The notice shall identify the Work, the party performing the Work, the duration of the Work, any disruptions in access or use of the Association Property, and such other information as the Board or its agent may require. The Owner shall use all commercially reasonable methods to complete the Work as soon as possible and in a manner that minimizes any interferences with access to or use of the Association Property. The Work shall be performed only by contractors duly licensed by the State of California and in strict compliance with all applicable laws and ordinances. The Board in its discretion may require the Owner to provide liability insurance and collateral such as bonds prior to the commencement of the Work to protect the Association and other Owners and occupants from any liability, liens or other claims that may arise as a result of the Work. The Owner shall indemnify, defend and hold the other Owners, Association, the Board and the officers and agents of the Association harmless from any claim, demand, loss, liability, cause of action, judgment and cost, including reasonable attorneys' fees resulting from an death or injury to any Person or damage to any property caused in whole or in part from the Work.

4.2 <u>Association's Maintenance, Repair and Landscaping Obligations</u>. The Association shall maintain in good condition and repair at all times the Association Property, including, but not limited to, private driveways, walkways, trash areas, parking spaces, landscaping and irrigation systems, including any walkways, landscaping and irrigation system located within the Unit Open Areas. Maintenance shall be in accordance with the Maintenance Standards described in **Section 4.3**.

In addition, the Association shall maintain the fire monitoring system that serves the three Buildings. Each Owner shall promptly notify the Association or its manager of any problems with the system situated within the Owner's Building and each Owner shall be responsible for replacing, when needed, any batteries in smoke detectors serving the Owner's Building.

Unless otherwise maintained or repaired by governmental entity or public or private utility company, the Association shall maintain in good condition and repair all utilities and sanitary sewer and storm drainage facilities situated within the Common Area that serves two or more Condominiums, including, but not limited to, meters, distribution lines, catch basins, transformers, storage tanks, wires, ducts, flues, pumps, boilers, pipes, and lighting fixtures but excluding any utility equipment and fixtures located within a Unit or partially within the Common Area and within the Unit, such as electrical outlets.

4.3 <u>Maintenance Standards</u>. Each Condominium Building and the Association Property Improvements and landscaping shall be maintained in compliance with all applicable laws and ordinances and in a neat, attractive and sanitary condition and in a condition that is comparable to or better than similar commercial developments within Riverside County, California. It is intended that the Improvements be maintained in a like-new condition similar to the conditions on the completion of the original construction or installation, reasonable wear and tear excepted. Maintenance shall include periodic inspections by a Person competent to conduct the inspection to confirm compliance with the required standards. Any maintaining, repair or replacement recommendations resulting from the inspection, shall be performed as soon as is reasonably practical after the inspection.

All landscaping shall be maintained in a healthy and weed-free environment. Maintenance shall include regular fertilization, mowing, irrigation, pruning and other prudent landscaping practices. All dying or dead vegetation immediately shall be removed and replaced. The landscaping irrigation shall be operated to prevent damage resulting from misdirected and/or excessive watering. All lawns shall be kept neatly mown and trees neatly trimmed and pruned at all times.

- Trash Removal. Each Condominium Owner, at that Owner's cost, shall be responsible for the removal of all the trash and refuse from that Owner's Condominium to the central trash collection area within the Association Property. The Association shall be responsible for maintaining the trash collection areas in a neat, clean and sanitary condition at all times and for engaging a trash removal service to periodically remove trash from these areas pursuant to a schedule that prevents the accumulation of trash in excess of the trash retaining capacity of the trash collection areas. All trash or refuse shall be kept only in sanitary containers which containers shall be kept in the areas approved by the Board. Each Owner and tenant shall take all appropriate, proper and required precautions to protect Persons and property from any injuries or damages from the trash or other refuse generated from the Owner's Condominium and shall comply with all laws and ordinances regarding the disposal of any hazardous materials. The Board may adopt rules regulating the trash collection area. In addition, if the Board determines, in the Board's sole discretion, that a Condominium is generating trash in excess of the trash generated by other Condominiums, it may either: (i) reallocate trash collection costs so that the Condominium generating the excess trash pays for the excess trash collection or (ii) require the Owner of the Condominium to engage and pay for its own trash collection service, in which case the Owner may no longer use the trash collection areas available to the other Owners except as may be authorized by the Board in writing.
- 4.5 <u>Cooperation and Access</u>. Each Owner and occupant shall fully cooperate with the agents of the Association in the performance of the Association's maintenance and repair obligations described in **Section 4.2** above. Such cooperation shall include, but is not limited to, immediate notification to the Board or its managing agent of any maintenance or repair problems for which the Association is responsible and access to the Owner or occupant's Condominium as may be necessary to inspect and, if appropriate, to perform any necessary maintenance or repairs.
- 4.6 <u>Hazardous Waste Requirements</u>. No Owner or occupant of any Condominium shall use, or permit the use of, nor store, generate, treat, manufacture or dispose of any hazardous materials on, from or under the Condominium except in strict compliance with all federal, State and local zoning laws, including Riverside County's laws and ordinances and any Rules that may be adopted by the Board from time to time

regulating hazardous materials. The Board's authority to regulate hazardous materials includes the right to prohibit the use, storage or disposal of hazardous materials within the Association Property.

Under no circumstances shall any hazardous material be deposited into any storm drain or sanitary sewer line. The Association shall have the right, but not the duty, to periodically inspect any drainage line accessible only from a Condominium to determine whether any hazardous materials are being deposited into any line.

Owner shall indemnify, defend, protect, hold harmless and defend the Association and the other Owners from any demands, claims, losses, liabilities, causes of action, judgments or costs (including reasonable attorneys' fees) arising from or related to: (i) any violation or alleged violation by Owner or Owner's Occupants or Permittees of any of the requirements, ordinances, statues, regulations or other federal, State and local laws regulating the use, storage or disposal of hazardous materials; or (ii) any damage caused by the use, storage or disposal of hazardous materials and/or any costs to clean up or remediate any conditions from the use, storage or disposal of hazardous materials.

A.7 Reimbursement and Indemnification. If any Owner, Occupant, or Permittee damages any Common Area Improvements, the Owner, on demand from the Association, immediately shall reimburse the Association for any costs, including attorneys' fees, resulting from such damage. The Owner's reimbursement obligation shall be reduced by the actual amount of insurance proceeds received by the Association, if any, to repair or replace the damaged Improvement. Any deductible amounts shall be paid by the Owner. Furthermore, the Owner shall defend, indemnify and hold the Association harmless from any claim, demand, liability or cost, including attorneys' fees arising from such damage. If an Owner fails to reimburse the Association within 30 days of the demand for reimbursement, the Association may levy a reimbursement assessment against the Owner's Condominium and may enforce the assessment, including the establishment and enforcement of a lien, as described in **Sections 6.5 and 6.9**.

ARTICLE 5 - The Association

- 5.1 <u>Formation of the Association</u>. The Association is a nonprofit mutual benefit corporation formed under the laws of the State of California. The Association shall commence operations no later than the date that assessments commence as described in **Section 6.6**. Pending the commencement of the Association's operations, Declarant shall perform the duties and shall have the rights of the Association as described herein.
- 5.2 <u>Governing Body</u>. The governing body of the Association shall be the Board. It shall be the responsibility of the Board to ensure that the Association exercises its rights and performs its duties as described within this Declaration, the Articles, the Bylaws, and any amendments thereto.

The Board shall adopt Rules in accordance with procedures required by Civil Code sections 6630 and 6632

- 5.3 <u>Membership</u>. Each Owner shall automatically be a Member of the Association. If there is more than one fee title Owner of a Condominium, each Owner shall be a Member. The holder of a security interest in a Condominium shall not be a Member of the Association except and until that holder obtains both the legal and equitable interest in the Condominium. Membership shall be appurtenant to the Condominium and may not be separated therefrom. Any transfer of an Owner's interest in a Condominium (other than a security interest), by operation of law or otherwise, automatically transfers the membership to the Owner's successor in interest. No Owner may resign or revoke his or her membership for any reason.
- 5.4 <u>Voting Rights</u>. Each Condominium shall be entitled to exercise the number of votes described in **Exhibit A**. Voting rights shall vest at the time that assessments are levied against the Owner's Condominium as described in **Section 6.6**. Except as otherwise provided in this Declaration, the Articles or the Bylaws, all matters requiring the approval of the Owners shall be approved if: (i) approved at a duly-called

regular or special meeting at which a quorum was present, either in Person or by proxy, by Owners holding the majority of the total voting power of all Owners present; (ii) approved by written ballot pursuant to the requirements of Corporations Code section 7513; or (iii) approved by unanimous written consent of all the Owners of Condominiums.

- 5.5 <u>Joint Ownership Votes.</u> The vote that is attributed to each Condominium may not be cast on a fractional basis. If the Condominium has more than one Owner and the Owners are unable to agree as to how the vote shall be cast, the vote shall be forfeited on the matter in question. Any vote cast by an Owner for any Condominium is presumed conclusively to be the vote cast by all the Owners of that Condominium. If more than one Owner casts a vote attributed to a Condominium on any matter on which only one vote could be cast for that Condominium, the votes cast by such Owners shall be counted as one vote if the votes are the same; and if the votes are different, the vote cast by such Owners shall not be counted and shall be forfeited.
- 5.6 Powers of the Association. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under the general nonprofit mutual benefit corporation laws of California, subject only to such limitations on the exercise of these powers as are set forth in the Articles, Bylaws and this Declaration. The Association shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the Bylaws and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, each of the following:
- 5.6.1 <u>Levying Assessments</u>: The Board shall establish, fix and levy assessments against the Condominiums and collect and enforce payment of such assessments in accordance with the provisions of **Article 6** of this Declaration.
- 5.6.2 Adopting Rules: The Board may adopt, amend and repeal Rules as it considers appropriate. Rules shall apply generally to the management and operation of the Development and/or the conduct of the business and affairs of the Association and may regulate the use and enjoyment of the Association Property, the use of any commonly-metered utilities that are paid by the Association and such other matters as are authorized in this Declaration. The adoption, amendment or repeal of Rules shall satisfy the applicable requirements set forth in Article 1 (commencing with Civil Code section 6750) of Chapter 6 of the Commercial and Industrial Act. If any provision of this Declaration, the Articles or the Bylaws is inconsistent with or materially alters any Rules, this Declaration, the Articles and the Bylaws shall control to the extent of any such inconsistencies. Members shall have the same access to the Rules as they have to the accounting books and records of the Association.

Any Rules adopted by the Board shall apply to all Owners or Occupants in a uniform and nondiscriminatory manner. The Board may adopt a Rule as the result of an act or omission of any Owner or Occupant or their family members or guests or a Rule that does not directly affect all Owners or Occupants in the same manner as long as the Rule applies to all Owners or Occupants.

- 5.6.3 <u>Borrowing Money</u>: The Board may borrow money to meet any anticipated or unanticipated cost of the Association and may mortgage, encumber or pledge Association assets (including, but not limited to, assessments) as security for such borrowing.
- 5.6.4 Imposing Disciplinary Action: In addition to any other enforcement rights described in this Declaration and the Bylaws or as may be authorized by law and subject to the due process requirements imposed by this Declaration, the Bylaws or by law, the Board may take any of the following actions against any Person whose act or failure to act violates or threatens to violate any provisions of this Declaration, the Bylaws or Rules: (a) impose monetary penalties, including late charges and interest; (b) suspend voting rights in the Association; and (c) commence any legal or equitable action for damages, injunctive relief or both. Subject to the provisions of **Section 12.8**, the determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Board. Any legal action may be brought in the name of the Association on its own behalf and on behalf of any Owner who consents and, except as otherwise provided herein, the prevailing party in such action shall be entitled to recover costs and reasonable attorneys' fees.

The Board, in its sole discretion, may resolve or settle any dispute, including any legal action in which the Association is a party, under such terms and conditions as it considers appropriate.

- (a) If the Board adopts a policy imposing monetary penalties, including any fee on any Member for a violation of the governing documents or the Rules, including any monetary penalty relating to the activity of a Member, or Member's Permittee or the Member's Occupant or their Permittee, the Board shall adopt and distribute to each Member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed. The Board may change the schedule from time to time and shall distribute a notice of such changes to the Members in the same manner as the schedule of penalties.
- (b) The imposition of any disciplinary action, including, but not limited to, the imposition of monetary penalties or the suspension of use and/or voting privileges except as otherwise noted herein, shall be subject to the following procedures and requirements:
- (i) <u>Notice of Hearing</u>: Prior to the time the Board meets to consider or impose discipline upon a Member, the Board shall notify the Member, by either personal delivery or first-class mail, at least 15 days prior to the meeting. The notice shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which the Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting.
- (ii) <u>Hearing</u>: If requested by the Member, the Board shall conduct the disciplinary proceeding in executive session. The Member, the Member's legal counsel, and the Association's legal counsel shall be entitled to attend the executive session meeting. The Board may interview witnesses and other interested parties in executive session.
- (iii) <u>Notice of Action Taken</u>: If the Board elects to impose discipline on the Member, the Board shall notify the Member of the disciplinary action within ten days following the election to impose the disciplinary action.
- (iv) No Forfeiture: Under no circumstances may the Association cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of the Owner's Unit on account of the failure of the Owner to comply with the provisions of this Declaration, Articles, Bylaws or Rules, except by judgment of a court or decision of an arbitrator or on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments duly levied by the Association.
- (v) <u>Assessment Charges</u>: The provisions of this **Section 5.6.4** do not apply to charges imposed against a Member for reasonable late payment penalties or charges to reimburse the Association for loss of interest and for costs reasonably incurred (including attorneys' fees) in collecting delinquent assessments.
- 5.6.5 <u>Delegating Duties</u>: Except as may be limited by the Bylaws, the Board may delegate any of the Association's powers and duties to its employees, committees or agents, including a professional management agent.
- 5.6.6 <u>Implementing Special Fees</u>: The Board may implement special fees to reimburse the Association for special costs incurred as a result of actions taken by Owners. By way of example, the Association may establish a moving fee to reimburse the Association for excess trash collection costs resulting from the move. Fees not paid in a timely manner may be collected through a reimbursement assessment levied against the Owner's Condominium.
- 5.7 <u>Duties of the Association</u>. In addition to the duties described in the Articles, Bylaws, or elsewhere in this Declaration, the Association shall have the duty to manage the Common Area; perform the maintenance as described in **Section 4.2**; prepare and distribute financial statements, reports and the other documents and notices described in **Section 5.10**; levy and collect assessments as described in **Article 6**; and procure, maintain and review the insurance as described in **Article 7**. The Association shall perform

such other acts as may be reasonably necessary to exercise its powers to perform its duties under any of the provisions of this Declaration, the Articles, Bylaws, Rules or Board resolutions.

5.8 <u>Taxes and Assessments</u>. The Association shall pay all real and personal property taxes and assessments and all other taxes levied against the Association, the Common Area or the personal property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

Until such time as real property taxes against the Development are segregated so that real property taxes are assessed against each Condominium (in addition to any supplemental tax assessments levied against any Condominium), the non-segregated tax amount shall be allocated among all the Condominiums in the same manner that regular assessments are allocated as described in **Section 6.8**, provided that if any portion of the regular assessments are prorated among the Condominiums, the non-segregated tax amount shall be allocated in the same manner. The Association shall take all appropriate steps to collect each Condominium's allocable share so that the non-segregated taxes may be paid in a timely and proper manner. The Association may levy a special assessment against the Condominiums to collect the non-segregated tax amount. Any Owner who breaches the Owner's duty to pay the Owner's allocable share in a timely and proper manner shall be liable for any penalties, interests, fees or other such costs incurred as a result of the breach.

- 5.9 <u>Utility Service</u>. The Association shall acquire, provide and pay for water, trash collection, electrical and other necessary utility services for the Common Area and any commonly metered utility service to the Units.
- 5.10 Reporting Requirements. The Association shall prepare and distribute such financial statements and reports as may be required by the Board or by law.

ARTICLE 6 - Assessments

- Obligations to Pay Assessments. The Owner of each Condominium is obligated to pay any assessments levied against that Owner's Condominium on or before the due date of the assessment. If there is more than one Owner of the Condominium, the obligation is joint and several. Each Owner on acceptance of a deed to a Condominium automatically personally assumes the obligation to pay any assessments against the Owner's Condominium (including, but not limited to, any portion of the annual regular assessment not yet due and payable) and agrees to allow the Association to enforce any assessment lien established hereunder by nonjudicial proceedings under the power of sale or by any other means authorized by law. The Owner shall be liable for the full assessment levied against that Owner's Condominium regardless of the Owner's possession or use of the Condominium, the Common Area or any services rendered by the Association. The Owner has no right or power to commit or omit any act, such as waiving the right to use the Common Area in an attempt to eliminate or reduce the assessments against that Owner's Condominium. An assessment shall be both a personal obligation of the Owners of the Condominium against which the assessment is levied and, on the recordation of a notice of delinquent assessment, a lien against the Condominium. Any Owner who transfers a Condominium shall remain personally liable for any unpaid assessments that accrued on or before the date of the transfer. No Owner shall be liable for any defaults of the Owner's predecessor in interest in the payment of any assessment that has accrued prior to the Owner taking title to the Condominium unless that Owner expressly assumes the obligation to cure the delinquent assessments. Notwithstanding the foregoing, any Owner who takes title to a Condominium on which a lien for a delinquent assessment has been established will take title subject to the lien and the Association's enforcement remedies as a result thereof unless the Owner takes title under a foreclosure or trustee sale resulting from a foreclosure or exercise of a power of sale under a Mortgage, deed of trust, or other lien recorded before the recordation of the notice of delinquent assessment and except as provided in Section 9.3.
- 6.2 <u>Annual Regular Assessment</u>. Prior to the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the annual regular assessment for the forthcoming fiscal

year. At such meeting, the Board shall review the preliminary pro forma operating budget prepared for the forthcoming fiscal year, any written comments received from Members and Mortgagees, and such other related information that has been made available to the Board. After making any adjustments that the Board considers appropriate, the Board will establish an annual regular assessment for the forthcoming fiscal year. Each annual regular assessment may include a portion for reserves as described in **Section 6.3**.

If the Board for any reason fails to take the appropriate steps to establish the annual regular assessment for the next fiscal year, the annual regular assessment for the preceding fiscal year shall continue in effect subject to the Board's right at any time during the next fiscal year to adjust the assessment pursuant to the procedures described herein.

6.3 Reserves, Reserve Accounts and Reserves Study. Each annual regular assessment may include, at the discretion of the Board, a portion for reserves in such amount as the Board in its discretion considers appropriate to meet the cost of the future repair, replacement or additions to the capital Improvements that the Association is obligated to maintain and repair.

Reserve funds, if collected, shall be deposited in a separate account; and the signatures of at least two persons, who shall either be members of the Board or one officer who is not a member of the Board and a member of the Board, shall be required to withdraw monies from the reserve account. Reserve funds may not be expended for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, capital Improvements which the Association is obligated to maintain except as otherwise authorized by the Board.

- 6.4 <u>Special Assessments.</u> The Board may levy a special assessment if the Board in its discretion determines that the Association's available funds are or will become inadequate to meet the estimated expenses of the Association, including, but not limited to, expenses resulting from inadequate reserves, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital Improvements, inadequate insurance proceeds, or other unanticipated expenses. The Board may levy the entire special assessment immediately or levy it in installments over a period the Board considers appropriate.
- Reimbursement Assessments. The Board shall have the authority to levy reimbursement assessments against one or more Condominium Owners to reimburse the Association for any costs incurred or to be incurred by the Association as the result of any act or omission of any Owner or Occupant or their Permittees or pets. The levy shall not include any portion that is paid or will be paid by any insurer under a policy maintained by the Association. Payment of the deductible amount shall be the responsibility of the Owner and is subject to a reimbursement assessment. If the reimbursement assessment is levied and paid before all or any portion of the costs have been incurred by the Association and the amount paid exceeds the costs incurred, the Association promptly shall refund the excess to the Owner. If the costs exceed the amount, the Owner shall reimburse the Association within 30 days thereafter. If payment is not made when due, the payment shall be considered a delinquent assessment and the Association may enforce the delinquent assessment as described in **Section 6.9**.

In addition to reimbursing the Association for costs necessary to repair any Common Area or other property that is maintained by the Association, the Association may seek reimbursement for any costs incurred by the Association, including attorneys' fees, to bring the Owner or Occupant or the Owner's Condominium into compliance with this Declaration, the Articles, Bylaws or Rules.

- 6.6 <u>Commencement of Regular Assessments</u>. Annual regular assessments shall commence for all Condominiums on such date as shall be selected by Declarant and no later than the date the Association commences operations as described in **Section 5.1**.
- 6.7 <u>Due Dates of Assessments</u>. Unless otherwise directed by the Board, the annual regular assessment shall be collected monthly and shall be due and payable on the first day of each month. As described in **Section 6.4**, special assessments shall be due on such date or dates as selected by the Board.

Reimbursement assessments shall be due and payable ten days after the Owner receives the notice of the reimbursement assessment. The notice shall be deemed received on the date described in **Section 12.13**.

Any annual regular assessment installment or special assessment not paid within 15 days after the due date shall be delinquent, shall bear interest at the rate of 12% per annum from 30 days after the due date until paid and shall incur a late penalty in an amount to be set by Board from time to time not to exceed the maximum amount permitted by law.

6.8 <u>Allocation of Regular and Special Assessments</u>. Except for reimbursement assessments, regular and special assessments levied by the Board shall be allocated among the Condominiums as described in **Exhibit A**.

Notwithstanding anything herein to the contrary, if the use of any Condominium, the equipment or facilities maintained in any Condominium or any related reason results in an increase in the Association costs, including, but not limited to, increases in maintenance and repair costs, trash removal costs, commonly-metered utility costs or insurance costs, the Board may allocate the amount of the increase to the Condominium or Condominiums responsible for the increase.

- 6.9 <u>Enforcement of Delinquent Assessments</u>. The Association may elect to pursue one or more of the following remedies in the event of a delinquent assessment:
- 6.9.1 <u>Personal Obligation</u>. The Association may bring a legal action directly against the Owner for breach of the Owner's personal obligation to pay the assessment and in such action shall be entitled to recover the delinquent assessment or assessments, accompanying late charges, interest, costs and reasonable attorneys' fees. Commencement of a legal action shall not constitute a waiver of any lien rights as described in **Section 6.9.2**.
- 6.9.2 <u>Assessment Lien</u>. The Association may record a notice of delinquent assessment against the Owner's Condominium and enforce the lien pursuant to the applicable requirements and procedures set forth in the applicable provisions of Chapter 7 of the Commercial and Industrial Act or any successor statutes thereto.
- Owner, the Board shall provide the Owner with a written statement containing the following information: (i) whether to the knowledge of the Association, the Owner or Occupant of the Owner's Condominium is in violation of any of the provisions of this Declaration, the Articles, Bylaws or Rules; (ii) the amount of regular and special assessments, including installment payments, paid by the Owner during the fiscal year in which the request is received; and (iii) the amount of any assessments levied against the Owner's Condominium that are unpaid as of the date of the statement, including any late charges, interest or costs of collection, and that, as of the date of the statement, are or may be made a lien against the Owner's Condominium as provided by this Declaration. The Association may charge a fee to provide this information provided the fee shall not exceed the Association's reasonable cost to prepare and reproduce the requested items.

ARTICLE 7 - Insurance

- 7.1 <u>Association Liability Insurance</u>. The Association shall obtain and maintain the following liability policies:
- 7.1.1 Commercial General Liability Policy: A commercial general liability insurance policy insuring the Association, its manager, Declarant, the Association's directors and officers, and the Owners and tenants of the Condominiums against bodily injury or property damage from an accident or occurrence within the Association Property or Common Area. Subject to the terms and conditions of the policy, the policy also shall cover any bodily injury or property damage from any accident or occurrence within any Condominium related to any maintenance or repair work required to be performed on any Condominium by the Association

pursuant to this Declaration, including, but not limited to, work performed in any Association Property or Common Area. The policy shall include, if obtainable, cross liability or severability of interest endorsement coverage. The limits of such insurance shall not be less than \$3,000,000 covering all claims for personal injury and property damage arising out of a single occurrence. The \$3,000,000 coverage may be a combination of primary and excess policies. Such insurance shall include coverage against liability for nonowned and hired automobiles and other liability or risk customarily covered with respect to projects similar in construction, location and use and shall require at least 30 days' written notice to the Association before the policy can be cancelled or substantially modified unless the policy is being replaced with a policy of equivalent coverage. The policy shall be primary and noncontributing with any other liability policy covering the same liability.

- 7.1.2 <u>Directors and Officers Liability Policy:</u> A directors and officers liability policy containing such terms and conditions as the Board shall select after consultation with a qualified insurance consultant.
- 7.2 <u>Association Property Insurance</u>. The Association, in the sole discretion of the Board, may obtain and maintain a property insurance policy on the Common Area Improvements and Association personal property in such amounts and containing such terms and conditions as the Board from time to time may select.
- 7.3 <u>Cancellation</u>. All of the policies of insurance maintained by the Association shall contain a provision that such policy or policies shall not be cancelled or terminated, or expired by their terms, or not renewed without 60 days' prior written notice to the Board, the Owners and their respective first Mortgagees (provided that such Owners or 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.
- 7.4 <u>Board's Authority to Revise Insurance Coverage</u>. The Board shall have the power and right to deviate from the insurance requirements contained in this **Article 7** in any manner that the Board, in its discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this **Article 7**, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least 30 days prior to the effective date of the reduction.

The Board is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association, including, but not limited to, the right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Each Owner, by acceptance of a deed to a Condominium, irrevocably appoints the Association or the Insurance Trustee, described in **Section 7.6**, as that Owner's attorney-in-fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

- 7.5 Periodic Insurance Review. The Board periodically (and not less than once every three years) shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Board considers to be in the best interests of the Association. If applicable, the review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Association's property insurance policy unless the Board is satisfied that the current dollar limit of the property insurance policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.
- 7.6 <u>Insurance Trustee</u>. All property insurance proceeds payable to the Association under any property insurance policy procured by the Association as described in **Section 7.2**, subject to the rights of Mortgagees under **Article 9**, may be paid to a trustee as designated by the Board to be held and expended for the benefit of the Owners and Mortgagees as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the county in which the Development is

located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association will have the duty to contract for such work as provided for in this Declaration.

7.7 Individual Property Insurance Policies. Each Owner shall obtain and maintain, at the Owner's expense, a property insurance policy which provides in the minimum coverage against losses caused by fire and all other hazards normally covered under a "special form" policy or its equivalent in an amount not less than 100% of the replacement cost of the insurable Improvements within the Owner's Unit, including the Condominium Building. The policy shall contain the following endorsements or their equivalents: agreed amount, inflation guard, ordinance or law, and replacement cost. The policy shall provide liability coverage in such amounts and for such acts or omissions as are normally and customarily included in homeowners property insurance policies of the types required herein. The Board from time to time may require each Owner to provide a certificate from the Owner's insurer certifying that the required insurance has been procured and is in full force and effect. This Declaration does not impose any duty on the Association or any director, officer or agent thereof to confirm whether any Owner is in compliance with the insurance requirements set forth in this Section 7.7.

Each Owner is strongly advised to seek the advice of a qualified insurance consultant regarding: (i) the amount of personal liability insurance coverage the Owner should maintain and (ii) the availability of loss assessment insurance coverage.

- 7.8 Other Insurance. In addition to the policies described in **Sections 7.1 and 7.2**, the Association may obtain and maintain the following insurance:
 - (a) Workers Compensation Insurance to the extent required by law;
- (b) fidelity bonds or insurance covering officers, directors and employees who have access to any Association funds; and
- (c) such other insurance as the Board in its discretion considers necessary or advisable.

ARTICLE 8 - Damage, Destruction or Condemnation

8.1 <u>Destruction</u>. If an Improvement within any Unit, including the Building, is damaged or destroyed by fire or other casualty, the Owner of such Unit shall repair or reconstruct the Improvement so that upon completion the Improvement is substantially identical in appearance to the Improvement as it existed immediately before the date of damage or destruction subject to such modifications as may be approved by the Board or as required by law unless the Board agrees in writing that the Improvement need not be repaired or rebuilt. If the Improvement is to be repaired or rebuilt, the Owner immediately shall take the appropriate steps to process the necessary insurance claims and shall use the proceeds only for the purpose of repairing or rebuilding the Improvement. If the Improvement is not to be repaired or rebuilt, the Owner, at his or her cost, shall take any necessary steps to remove the damage Improvement, secure the area, screen any unsightly views and maintain the area in a neat, clean and sanitary condition pending reconstruction.

If any Association Property Improvement is damaged or destroyed by fire or other casualty, the Association shall repair or reconstruct the Improvement.

8.2 <u>Completion of Repair or Reconstruction</u>. The repair or reconstruction of any Improvement shall commence no later than 90 days after the date of such damage or destruction and shall be completed no later than 180 days subject to extensions because of delays that are beyond the control of the Association.

ARTICLE 9 - Rights of Mortgagees

- 9.1 Lender Definitions. Unless the context indicates otherwise, the following terms as used in this **Article 9** shall have the definitions contained in this **Section 9.1**. A Mortgagee is a Mortgagee that is: (i) a federally or state chartered or licensed bank or savings and loan association; (ii) a mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans; (iii) an insurance company; (iv) a federal or State agency or instrumentality including, without limitation, Housing and Urban Development, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; or (v) Federal Home Loan Bank of San Francisco. An "eligible Mortgage holder" shall mean a first Mortgagee who has requested the Association to notify the first Mortgagee of any proposed action that requires the consent of a specified percentage of eligible Mortgage holders.
- 9.2 <u>Encumbrance</u>. Any Owner may encumber his or her Condominium with a Mortgage or Mortgages.
- Rights of Mortgagees. Any Mortgagee who obtains title to a Condominium pursuant to the remedies provided in the first Mortgage, including judicial foreclosure or nonjudicial foreclosure under a power of sale (but excluding voluntary conveyance to the first Mortgagee), shall take the Condominium free of any obligation to pay any assessments that were delinquent as of the date the Mortgagee acquired title to the Condominium, including any interest, penalties or late charges in connection therewith. The Mortgagee as Owner of the Condominium shall be obligated to pay any assessments that were not delinquent as of the date the Mortgagee took title to the Condominium and all future assessments levied against the Condominium as long as the Mortgagee remains in title, including any special assessments levied by the Association to raise operating or reserve funds needed because of uncollected delinquent assessments, as long as the special assessment is allocated among all the Condominiums as provided in **Section 6.8**.
- Subordination; Release. Any assessment lien established under the provisions of this Declaration is expressly made subject to and subordinate to the rights of any Mortgagee under a Mortgage that encumbers all or any portion of the Development or any Condominium made in good faith and for value and recorded before the recordation of a notice of delinquent assessment. No assessment lien shall in any way defeat, invalidate or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates in writing its interest to such lien. If any Condominium is encumbered by a Mortgage made in good faith and for value, the foreclosure of any assessment lien cannot operate to effect or impair the lien of any Mortgage recorded prior to the recordation of the notice of delinquent assessment. Notwithstanding any other provisions of this Declaration, upon the foreclosure by any institutional Mortgagee of any prior-recorded Mortgage and the recordation of the deed transferring title to the purchaser at the foreclosure sale, any lien for delinquent assessment shall be automatically released and the purchaser at the foreclosure sale (as well as any subsequent owner of the Condominium) shall take title free of the assessment lien and shall have no obligation to pay any assessments that were delinquent at the time such purchaser acquired title or that were due and payable on or before the date the purchaser acquired title to the Condominium. By taking title, the purchaser shall be obligated to pay only assessments or other charges that were not delinquent at the time the purchaser acquired title or that were levied by the Association on or after the date the purchaser acquired title to the Condominium. Any subsequently-levied assessments or other charges may include previouslyunpaid assessments, provided all Owners, including the purchaser and its successors and assigns, are required to pay their proportionate share of such unpaid assessments.
- 9.5 <u>Breaches.</u> No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith or for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee sale or otherwise.

ARTICLE 10 - Amendments

10.1 <u>Amendment Before Close of First Sale</u>. Before the close of the first sale of a Condominium in the Development to a purchaser other than Declarant or a Person or entity controlled by Declarant, this

Declaration, subject to the approval requirements in **Section 2.3.4**, if applicable, may be amended in any respect or rescinded by Declarant by recording an instrument amending or rescinding the Declaration. The amending or rescinding instrument shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the county in which the Development is located. For purposes herein, a Person is considered controlled by Declarant if the Declarant holds 50% or more of the capital and profit interests if a partnership or limited liability company, 50% or more of the voting shares if a corporation, and 50% or more of the beneficial interests if a trust.

10.2 Amendment After Close of First Sale. After the close of the first sale of a Condominium in the Development to a purchaser other than Declarant or a Person or entity controlled by Declarant, this Declaration, subject to the approval requirements in **Section 2.3.4**, if applicable, may be amended or revoked in any respect with the vote or written consent of the holders of not less than 51% of the total voting power of the Association and with the prior written consent of Declarant until the first to occur of the following: (i) the date Declarant no longer owns any Condominiums in the Development or (ii) the fifth anniversary of the recordation of this Declaration in the records of Riverside County, California.

The amendment is effective when it has been approved by the appropriate percentage of Owners as required herein, the approval has been certified in a writing executed and acknowledged by the officer designated in the Declaration or by the Association for that purpose or, if no one has been designated, the President of the Association, and the amendment and certification have been recorded in the records of Riverside County, California.

- 10.3 <u>Special Amendment Requirements</u>. Notwithstanding anything herein to the contrary, no amendment affecting the dimensions of any Unit or the interests in the Common Area shall be effective without the consent of all Owners whose Units or Common Area interests are affected by the amendment, except as authorized in **Section 2.6**. The provisions of **Sections 5.4**, **6.8** and this **Section 10.3** may not be amended without the unanimous consent of the total voting power of the Association. The provisions of **Article 9** may not be amended or rescinded without the unanimous consent of all institutional Mortgagees that at the time have a Mortgage on any Condominium.
- 10.4 <u>Corrections</u>. Notwithstanding anything herein to the contrary, Declarant reserves the right as the attorney-in-fact for each Condominium Owner to record an amendment or appropriate instrument of correction to correct any errors in this Declaration or any exhibits thereto, and the consent of neither the Association nor any Condominium Owner shall be required.

ARTICLE 11 - Member Disputes

- 11.1 <u>Dispute Meeting.</u> Subject to the provisions in **Section 11.4**, if any dispute arises between the Association and the Owners or among the Owners regarding any of the rights, duties, benefits or burdens under this Declaration, on request of any Owner, the Owners shall meet and negotiate in good faith to resolve the dispute. The parties shall meet no later than ten calendar days following delivery of a written request to meet signed by the requesting Owner and delivered to the other Owner (the "Resolution Notice"). If an Owner refuses or fails to meet for any reason or if the dispute cannot be resolved as a result of the meeting, the dispute shall be resolved in accordance with the procedures described in **Section 11.2 and/or 11.3** in that order.
- 11.2 <u>Mediation</u>. If the parties cannot resolve the claim pursuant to the procedures described in **Section 11.1** within 20 calendar days following the date of the Resolution Notice or if any party to the dispute fails to meet as required in **Section 11.1**, on request of any party to the dispute, the matter shall be submitted to mediation using the mediation services provided by the American Arbitration Association or any successor thereto or any mediation provider acceptable to the parties. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or prevent a prompt commencement of the mediation process.

Within ten days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference, and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten days following the submission of the memoranda and shall be concluded within 15 days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in Riverside County, California, or such other place as is mutually acceptable by the parties.

The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

The mediation shall be subject to the provisions of Evidence Code sections 1115 through 1128, or any successor statutes thereto, except as the parties may agree otherwise in writing or orally in accordance with the requirements of Evidence Code section 1118.

Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of the parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by the mediator while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process.

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the expenses of any witnesses, or the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

- 11.3 <u>Binding Arbitration</u>. If the parties cannot resolve the claim pursuant to the procedures described in **Section 11.2** or if any party to the dispute fails to participate in the mediation process, any party may commence binding arbitration under the commercial rules of the American Arbitration Association or any other arbitration provider that may be mutually acceptable to the parties. The following rules and procedures shall apply in all cases unless the parties agree otherwise in writing:
 - (a) the proceedings shall be heard in Riverside County, California;
- (b) the arbitrator need not be an attorney or retired judge; but, if not, the arbitrator must have at least five years' experience in real estate matters;
- (c) any fee to initiate the arbitration shall be paid by the Owner initiating the procedure, provided that the arbitration costs and fees, including any initiation fee, ultimately shall be borne as determined by the arbitrator.
- (d) the arbitrator shall be appointed within 60 days of the administrator's receipt of a written request to arbitrate the dispute. In selecting the arbitrator, the provisions of section 1297.121 of the Code of Civil Procedure shall apply. The arbitrator may be challenged for any of the grounds listed therein or in section 1297.124 of the Code of Civil Procedure.
 - (e) the arbitrator may require one or more pre-hearing conferences;
- (f) the parties shall be entitled to discovery to the extent allowed by section 1283.05 of the Code of Civil Procedure;

- (g) the arbitrator shall be authorized to provide all recognized remedies available in law or equity;
- (h) the arbitrator in his or her discretion may award costs and/or attorneys' fees to the party that the arbitrator determines was the prevailing party, taking into account any party's failure to participate in the procedures described in **Sections 11.1 and/or 11.2**; and
- (i) the arbitrator's decision shall be final and binding on the parties unless corrected or validated under the grounds authorized in Code of Civil Procedure section 1286.2 or 1286.6.

The arbitrator's decision may be enforced in any court of competent jurisdiction.

11.4 <u>Assessment Disputes.</u> Notwithstanding anything herein to the contrary, the delinquent Owner may not invoke the alternate dispute resolution procedures in this **Article 11** to resolve any dispute with the Association regarding delinquent assessments prior to payment in full of the disputed amount and any interest and penalties thereon. Each Condominium Owner, by accepting title to his or her Condominium, understands and acknowledges that the timely and proper payment of assessments is necessary for the proper maintenance and management of the Condominiums. Any Owner that disputes any assessments levied against the Owner's Condominium for any reason must pay the disputed amount and then may invoke the alternate dispute resolution procedures in this **Article 11** to resolve the dispute. The arbitrator may award a reimbursement of assessments but only for any amounts paid after the Association has received written notice of the disputed assessment and the reasons therefor.

ARTICLE 12 - Miscellaneous Provisions

- 12.1 <u>Headings</u>. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.
- 12.2 <u>Severability</u>. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions or any portion thereof shall not invalidate any other provision or any portion of the provisions not found invalid or unenforceable.
- 12.3 <u>Cumulative Remedies</u>. Each remedy provided for in this Declaration shall be cumulative and nonexclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver of the remedy.
- 12.4 <u>Discrimination</u>. No Owner shall execute or cause to be recorded any instrument that imposes a restriction on the sale, leasing or occupancy of the Owner's Condominium on the basis of race, color, religion, sex, gender, gender identity, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in Government Code section 12955(p), or ancestry.
- 12.5 <u>Notification of Sale</u>. No later than five days after the closing of the sale of any Condominium, the new Owner shall notify the Association of such sale. Such notification shall be in writing and shall set forth the name and address of the new Owner and the date of sale.
- 12.6 <u>Reservation or Grant of Easements</u>. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in any deed to any Condominium.
- 12.7 <u>Incorporation of Exhibits</u>. All exhibits referred to herein and attached to this Declaration are incorporated herein by reference as fully set forth herein.
- 12.8 <u>Enforcement Rights and Remedies</u>. The covenants, restrictions, rights and duties contained in this Declaration constitute covenants running with the land and equitable servitudes that benefit and bind

each Condominium in the Development, each Owner, and each successive Owner thereto, and may be enforced by the Association, the Declarant or any Owner in any legal or equitable action pursuant to the procedures described herein. Declarant may enforce any covenants, restrictions, and rights set forth in this Declaration that expressly benefit Declarant without regard to whether Declarant owns any Condominiums in the Development.

Each Owner acknowledges and agrees that if any Person breaches any of the restrictions contained herein, money damages may not be adequate compensation. As a result, each Owner agrees that in the event of a breach, the non-breaching party, in addition to any other remedy available at law or equity, shall be entitled to equitable relief, including, but not limited to, an order compelling the breaching party to perform an act which the party is required to perform under this Declaration or which is necessary to bring the breaching party or the breaching party's Condominium into compliance with restrictions contained herein or prohibiting the breaching party from performing any act that violates the restrictions.

Notwithstanding anything herein to the contrary, the Association shall have the exclusive right to levy assessments and to take appropriate action to enforce delinquent assessments, including imposition of an assessment-lien and the foreclosure of the lien. Furthermore, the Association shall have the primary responsibility for enforcing the restrictions contained in **Article 3**. If any Owner or occupant desires the Association to take any enforcement action, the Owner or occupant shall notify the Association in writing of the alleged violation. On receipt, the Board shall review the matter and shall determine what action, if any, to take. Neither the Board nor the Association or any director, officer or agent thereof shall be liable if the Board in the exercise of its judgment elects not to take any action. To the extent applicable, the Board shall comply with the due process requirements described in this Declaration. If within 90 days after receipt of the notice the Board has failed to take any corrective action and the alleged violation has not been cured and is continuing, any Owner may bring an action on the Owner's behalf for appropriate legal and/or equitable relief. In such action, the Owner shall bear his or her own costs and attorneys' fees, provided that the prevailing party in such action shall be entitled to recovery of such costs and fees.

- 12.9 <u>Term.</u> The term of this Declaration shall be for a period of 60 years from the date on which this Declaration is recorded in the records of Riverside County, California. After that time, this Declaration and each of its restrictions and covenants and other provisions automatically shall be extended for successive ten-year periods unless this Declaration is rescinded by the written consent of Owners holding a majority of the total voting power of the Association. The rescission shall be effective on recordation of a notice of rescission in the records of Riverside County. Notwithstanding anything herein to the contrary, the termination of this Declaration shall not terminate the Association Property reciprocal easements described in **Section 2.3.4**.
- 12.10 <u>Reserved Rights of Declarant</u>. Declarant is recording this Declaration as part of the construction of a commercial condominium development. No covenant or restriction contained herein shall be applied in any manner that would unreasonably interfere with Declarant's rights to complete the construction of the Improvements and to sell the Improvements. The rights retained by Declarant during the construction and sales period include, but are not limited to, the right to:
- (a) maintain construction equipment, personnel and materials within the Development;
- (b) use such portions within the Development as may be necessary or advisable to complete the construction or sales;
- (c) maintain construction and/or sales offices within the Development and appropriate parking to accommodate the foregoing,
- (d) maintain sale signs or other appropriate advertisements within the Development; and

- (e) allow prospective purchasers access to the Development to inspect any Common Area Improvements.
- 12.11 Assignment by Declarant. Declarant may assign all or any portion of its rights and delegate all or any portion of its duties to any other Person; and from and after the date of such assignment and/or delegation, the Declarant shall have no further rights and/or duties hereunder with respect to the rights assigned and duties delegated. Any successor or assign of rights and duties of the Declarant may execute an instrument assuming the rights and duties of the Declarant assigned and delegated hereunder and thereafter shall be entitled to exercise all the rights of Declarant so assigned and shall be obligated to perform all the Declarant's duties so delegated, provided such successor or assign shall not be liable in any manner for any act or omission committed or omitted by the Declarant before the date the successor or assign succeeded to the rights of the Declarant hereunder.
- 12.12 <u>Attorneys' Fees</u>. Except as otherwise provided herein, in the event of any litigation or alternative dispute resolution procedure regarding the rights or duties under the Governing Documents of the Declarant, the Association or any Member subject to this Declaration, the prevailing party in such proceeding, in the discretion of the judge or decision-maker, shall be entitled to recover costs, including reasonable attorneys' fees.
- 12.13 <u>Notices</u>. Any notice permitted or required by this Declaration, the Articles, Bylaws or Rules shall be considered received on the date the notice is personally delivered to the recipient or 48 hours after the notice is deposited in the United States mail, first-class, registered or certified, postage fee prepaid and addressed to the recipient at the address that the recipient has provided the Association for receipt of notice or, if no such address was provided, at the recipient's Condominium address in the Development.
- 12.14 <u>No Enforcement Waiver</u>. Failure to enforce a restriction in the past in and of itself shall not constitute a defense to any action brought against any Owner for violation of any restriction contained herein. Each Owner, by acceptance of a deed to a Condominium in the Development, acknowledges that the enforcement of these restrictions may vary as a result of different Owners or Boards, changing conditions, or other reasons and agrees that the failure of any Owner or Board to enforce any particular restriction, even if such failure is for an extended period of time, shall not in any manner restrict or estop the right of any Owner, or Board to enforce these restrictions at any future time.
- 12.15 <u>Statutory Reference</u>. Any reference to a governmental statute in this Declaration includes any amendments to the statute. If the statute is replaced by an equivalent statute, the equivalent statute shall be the applicable statute.
- 12.16 Rights of the County of Riverside. Notwithstanding any provisions in this Declaration to the contrary, the following provisions in this **Section 12.16** shall apply. The Association shall manage and continuously maintain the Common Area, including all Improvements and landscaping thereon, more particularly described in **Section 4.2** and **Exhibit B** attached hereto and shall not sell or transfer the Common Area or any part thereof, absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest.

The Association shall have the right to assess the Owner of each individual parcel for the reasonable cost of maintaining such Common Area and shall have the right to lien property of any such Owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This Declaration shall not be terminated, 'substantially' amended or property deannexed therefrom absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered 'substantial' if it affects the extent, usage or maintenance of the such Common Area or any reciprocal easement established pursuant to this Declaration.

In the event of any conflict between this Declaration and the Articles, the Bylaws or the Association's Rules, if any, this Declaration shall control.

Declarant has executed this Declaration as of \(\scalebox

OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation

By:

Its:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)	
COUNTY OF CONTRA COSTA Riverside	
On <u>January 15, 2015</u> , before me, <u>Juny</u> appeared <u>Hally M'Adara</u> , who pe the person(s) whose name(s) is/are subscribed to the he/she/they executed the same in bis/her/their authorized on the instrument the person(s), or the entity upon be instrument.	, a Notary Public, personally proved to me on the basis of satisfactory evidence to e within instrument, and acknowledged to me that d capacity(iee), and that by bis/her/their signature(s)
I certify under PENALTY OF PERJURY under the laws of is true and correct.	f the State of California that the foregoing paragraph
WITNESS my hand and official seal.	STACY VIGO COMM. #1947973
May Chigo	NOTARY PUBLIC - CALIFORNIA RIVERSIDE COUNTY My Comm. Expires Aug. 13, 2015

EXHIBIT A - Allocation of Common Area Interest, Assessments and Voting Rights

Unit	Percentage Share in Common Area and Percentage of Assessments	Number of Association Votes
1	54%	54
2	20%	20
3	26%	2 6
	100%	

EXHIBIT B - Common Area Landscaping

Parcel No. 1

The landscaping and related Improvements on Lot	
subdivision map entitled "	" filed for record in the office of
the recorder of Riverside County, California, on	, 20 in Book
of Maps at pages, a	and more particularly defined as the
"Association Property" in the Declaration of Covenan	its, Conditions and Restrictions for Safe
House of the Desert recorded on	, as Document No.
, in the records of Riverside Co	unty, California (the "Declaration")
EXCEPTING AND RESERVING THEREFROM TH	E FOLLOWING:
(i) The Condominium Common Area a	nd Condominium Units described in the
Declaration and the Condominium Plan recorded on _	
No, in the records of Riverside	County, California; and
	•
(ii) The easements encumbering Parce Condominiums and Association Property as set fort	
on domination and recordation reporty as our fore	at the decitor 2.5 of the Beolardion.

Parcel No. 2

The easements that benefit Parcel No. 1 above as described in Section 2.3 of the Declaration.

RECORDED AT THE REQUEST OF AND WHEN RECORDED, RETURN TO:

Tara Castro Narayanan Ella K. Gower MILLER STARR REGALIA 1331 N. California Blvd., Fifth Floor Walnut Creek, CA 94596

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

SAFE HOUSE OF THE DESERT

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

OPSH\51229\940807.4 January 13, 2015

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SAFE HOUSE OF THE DESERT

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EXHIBIT B - Common Area Landscaping (§12.16)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SAFE HOUSE OF THE DESERT

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is executed by OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation (the "Declarant") with reference to the following facts:

Declarant is establishing a commercial condominium development consisting of

	more particularly described on the map entitled "" filed in the records of Riverside County, California, on, 201, in Book of Maps at pages and consists of Condominium Units shown on the condominium plan recorded on, 20, as Document No in the records of Riverside County, California.
B.	Declarant desires to impose certain restrictions on the condominiums in the Development that will benefit and bind each condominium as covenants running with the land and equitable servitudes, to describe certain easements that will be appurtenant to the condominiums and/or the association, and to establish a condominium project within the meaning of Civil Code section 6542.
DECLARANT	DECLARES AS FOLLOWS:
	ARTICLE 1 - Definitions
Unless	the context indicates otherwise, the following terms shall have the following definitions:
1.1	Articles. The Articles of Incorporation of the Association and any amendments thereto.
1.2 corporation.	Association. Safe House of the Desert Association, a California nonprofit mutual benefit
1.3 shown on the N Area in Sectio	Association Property. The airspace, land and Improvements situated within Parcel
1.4	Board. The Board of Directors of the Association.

1.6 <u>Bylaws</u>. The Bylaws of the Association and any amendments thereto.

1.7 <u>Commercial and Industrial Act</u>. The Commercial and Industrial Common Interest Development Act as set forth in Part 5.3 (commencing with Civil Code section 6500) to Division 4 of the Civil Code and any subsequent modifications thereto.

to the property located within each Unit shown on the Condominium Plan, including but not limited to, the roof, exterior and interior walls, structural supports, floors, stairs, windows, doors, utility shafts, lines and equipment

Building. The building structure and all other Improvements and fixtures permanently affixed

1.8 Common Area. The Association Property and the Condominium Common Area.

and foundation.

- 1.9 <u>Condominium</u>. An estate in real property as defined in Civil Code section 6542 consisting of two elements: (i) a separate interest in space called a "Unit" as described in **Section 1.26**; and (ii) an undivided interest in common in all or a portion of the Condominium Common Area as described in **Section 1.10**.
- 1.10 <u>Condominium Common Area</u>. The three-dimensional area identified on the Condominium Plan as the "Condominium Common Area."
- 1.11 <u>Condominium Plan</u>. The condominium plan for the Development that was prepared in accordance with the requirements of Civil Code sections 6624 and 6626 and that will be recorded in the records of Riverside County, California.
- 1.12 <u>Declarant</u>. Operation Safe House, Inc., a California nonprofit public benefit corporation, and any successor or assign that assumes in writing the rights and duties of the "Declarant" hereunder.
- 1.13 <u>Declaration</u>. This Declaration of Covenants, Conditions and Restrictions and any amendments or corrections thereto.
- 1.14 <u>Development</u>. The commercial development that is constructed on the property shown on the Map and subject to this Declaration, including the Condominiums, the Common Area, and all other Improvements thereon.
- 1.15 <u>Governing Documents</u>. This Declaration, the Articles of Incorporation, the Bylaws of the Association, and the Rules.
- 1.16 <u>Improvements</u>. Any property in the Development constituting a fixture within the meaning of Civil Code section 660.
- 1.17 Map. The map entitled "______" filed for record in Riverside County, California, on _____, 201__, in Book _____ of Maps at pages _____.
 - 1.18 Member. A member of the Association.
- 1.19 <u>Mortgage</u>. A recorded Mortgage or deed of trust against one or more Condominiums in the Development.
- 1.20 <u>Mortgagee</u>. A mortgagee under a Mortgage or a beneficiary under a deed of trust recorded against one or more Condominiums in the Development.
- 1.21 Occupant(s). Any Person, from time to time, entitled to use and occupy any portion of a Condominium pursuant to an ownership right or any lease, license or other similar agreement.
 - 1.22 Owner. The record title owner(s) of the fee (perpetual) estate in a Condominium.
 - 1.23 Permittee(s). The employees, contractors, agents, or invitees of an Owner or Occupant.
- 1.24 <u>Person.</u> Any natural person, partnership, trust, corporation, limited liability company, or other legal entity.
- 1.25 Rules or regulations adopted by the Association from time to time pursuant to the authority of **Section 5.6.2**.
- 1.26 <u>Unit</u>. The element of a Condominium that is owned separately, consisting of the land, airspace and Improvements situated within the three dimensional Unit envelopes shown on the Condominium Plan. There are three Unit envelopes shown on the Plan identified as Buildings 1, 2 and 3. Each Unit

envelope contains or will contain a Building described in **Section 1.5**. The Unit includes any airspace, land, walkways, landscaping, irrigation lines and other Improvements situated within the Unit dimensions as shown on the Condominium Plan. In addition, any permanent part of the Condominium Building as originally constructed, including eaves, overhangs, staircases, landings, columns or other structural supports are part of the Unit even if extending outside the Unit dimensions shown on the Condominium Plan.

1.27 <u>Unit Open Areas</u>. The portion of each Unit situated within the Unit envelope but outside the exterior walls of the Building as originally constructed and any replacements thereto. The Unit Open Areas do not include any land situated directly beneath the Building or any airspace directly above the Building. Portions of the Unit Open Area are subject to the Unit Open Area Easements described in **Section 2.3.3**.

ARTICLE 2 - Property Rights and Easements

- 2.1 <u>Type of Development</u>. This Development is a Condominium project within the meaning of Civil Code section 6542 and consists of three Condominiums.
- Ownership Interests. Each Owner owns a fee (perpetual) estate in a Condominium consisting of a separate interest in a Unit as defined in **Section 1.26** and an undivided percentage interest in common in the Condominium Common Area described in **Section 1.10**. The individual percentage interest of each Condominium is described in **Exhibit A**. Each Owner shall be a member of the Association. The Association shall own the fee (perpetual) estate in the Association Property. The Association Property shall be conveyed to the Association on or before the Association commences its operations as described in **Section 5.1**. The Association shall manage and maintain the Common Area, including the Association Property, and shall perform such other duties as are described in this Declaration.

The Unit and the Common Area appurtenant thereto may not be separated. Any transfer of a Unit automatically shall transfer the Common Area appurtenant thereto regardless of whether the instrument of transfer describes the Common Area. Any conveyance, encumbrance, judicial sale, or other transfer (voluntary or involuntary) of an interest in the Common Area shall be void unless the Unit appurtenant thereto is also transferred.

- 2.3 <u>Easements</u>. The Development, including each Condominium and the Association Property, are subject to the applicable easements described in this **Section 2.3** and the general easement rights described in **Section 2.4**.
- 2.3.1 Encroachment Easement. Declarant grants to the Owner of each Condominium and the Association an easement in favor of the Owner's Condominium or Association Property as the dominant tenement over any other Condominium or Association Property as the servient tenement for the purpose of accommodating any encroachment of Improvements that are part of the dominant tenement that encroach into the servient tenement resulting from the original construction of the Improvements, settlement or shifting of structures, or construction changes during the course of construction, and any encroachment authorized under **Section 2.6**. The extent of the encroachment easement shall be the location of the encroaching structure as originally constructed by Declarant. If a structure is partially or totally destroyed, the structure may be repaired or rebuilt in accordance with the original plans, including the replacement of any encroaching Improvement.
- 2.3.2 <u>Utility Easement</u>. As a part of the construction of the Condominiums, certain Units may have utilities that traverse the Unit that serve other Unit(s). Declarant grants to the Owner of each Condominium served by the utilities an easement in favor of the Owner's Condominium as the dominant tenement over the Condominium containing the utilities as the servient tenement for utility chases, shafts, vents, ducts, lines and other equipment that traverse the servient tenement and provide utility service to the dominant tenement, including any utilities that are a part of the Development's life safety system and the storm drainage system (the "Utility Facilities"). The location of the easement is the location of the Utility Facilities installed as a part of the original construction of the Unit or as subsequently installed with the

consent of the Owner of the servient tenement. The easement right granted hereunder includes access to the servient tenement as may be necessary to inspect, maintain, repair, replace and/or upgrade the Utility Facilities. The Occupants of the servient tenement shall not take any action that would in any manner interfere with the operation of the Utility Facilities.

- 2.3.3 <u>Unit Open Area Rights and Easements</u>. The Unit Open Areas are subject to the access and use rights and easements described in this **Section 2.3.3**.
- (a) <u>Utilities</u>. The right of agents of the Association or utility companies to retain, maintain, repair and/or replace or read any utility lines, equipment or meters installed in the Unit Open Area as a part of the original construction of the Building to provide fire protection, electrical, gas, potable water, recycled water, telephone, cable television, sewer, storm drainage (including v-ditches, area drains and underground drain pipes) or other utility service to the Association Property or any other Condominium in the Development;
- (b) <u>Walkways</u>. The right to access and use any common walkways or any portion thereof situated within any Unit Open Area, including the right of agents of the Association to maintain, repair and replace the common walkway; and
- (c) <u>Landscape Maintenance</u>. The right of agents of the Association to access the landscaped areas within the Unit Open Area in order to inspect, maintain and repair the landscaping and irrigation system that serves the landscaping within these areas, including the right to access and operate the timer and related equipment controlling the irrigation system.

No Owner shall commit or omit any act that could unreasonably interfere with the foregoing access and use rights or the operation of any utility lines or equipment situated within the Unit Open Area that serve any other Condominium. If any drainage lines are situated within any Unit Open Area, the Owner of the Unit shall maintain the drains free and clear of debris at all times. Any Person exercising the access rights that disturbs or damages any Improvement or landscaping within the Unit Open Area, shall restore the same to the same or better condition that existed immediately before the disturbance or damage.

2.3.4 Association Property Reciprocal Easements. Declarant grants to the Owner of each Condominium reciprocal easements in favor of the Owner's Condominium as the dominant tenement over the Association Property as the servient tenement for: (i) ingress and egress over the walkways and drive aisles within the Association Property; (ii) the right to park in the designated parking spaces within the servient tenement; (iii) the flow of water through the storm water facilities within the servient tenement; (iv) support from any land and Improvements within the Association Property providing structural support to the dominant tenement; (v) access to and use of (including the right to install, maintain, repair or replace) any utility lines, cables, wires, pipes, meters or other equipment installed within, on or over the Association Property that provides utility service to the dominant tenement, including fire protection, water, electricity, gas, telecommunications, storm drainage and sanitary sewer services and life safety system; and (vi) access to and use of the Association Property by Declarant and its contractors, subcontractors and other agents to construct, maintain and market the Condominiums.

Notwithstanding any provisions in this Declaration to the contrary, this grant of reciprocal easements shall not be terminated, "substantially" amended, or property deannexed therefrom absent the prior written consent of the Planning Department of the County of Riverside or the County's successors in interest. A proposed amendment shall be considered "substantial" if it affects the exterior usage or maintenance of the reciprocal easement established by this grant of easements.

2.3.5 <u>Maintenance and Repair Easement.</u> Declarant grants to the Association and each Owner an easement in favor of the Association Property and the Owner's Condominium as the dominant tenement over each other Condominium as the servient tenement for purposes of providing the agents of the Association such access as may be necessary to perform the Association's maintenance and repair duties as described in **Section 4.2**.

- 2.3.6 <u>Map Easements</u>. Declarant grants to the Association and the Owner of each Condominium in favor of the Association Property or Condominium as the dominant tenement the easements described on the Map that benefit the dominant tenement over the property shown on the Map that is subject to the easement as the servient tenement.
- General Easement Rights. Each easement described in Sections 2.3 shall be subject to, 2.4 and construed in accordance with, the following provisions, except as otherwise expressly provided for elsewhere in this Declaration: (i) the easement shall be appurtenant to the dominant and servient tenements and any transfer of a dominant or servient tenement automatically transfers the easement appurtenant thereto regardless of whether the easement is described in the instrument of transfer; (ii) the easement is in perpetuity unless otherwise terminated by operation of law; (iii) no easement may be modified or relocated except with the written consent of the Owners of the dominant and servient tenements; (iv) except as otherwise provided in Article 4, the Owner of the dominant tenement shall maintain the Improvements and landscaping within any easement that exclusively benefits the dominant tenement; (v) the Owner of the dominant tenement shall indemnify, defend and hold harmless the Owner of the servient tenement against any claims, liabilities, damages, judgments or expenses, including reasonable attorneys' fees (collectively, "Claim"), from any injury or death to any Person or damage to any property that occurs in connection with the use or maintenance of the easement as a result of any act or omission by the Owner Occupant or their Permittee except to the extent the Claim is a covered claim under insurance maintained by the Association (any deductibles or costs in excess of available coverage amounts shall be paid by the Owner); (vi) all easement uses shall comply with the covenants, rights, duties and restrictions set forth in this Declaration, with all applicable laws and ordinances and with any Rules adopted by the Board under the provisions of Section 5.6.2; (vii) each easement granted hereunder exists by virtue of this Declaration, without the necessity of confirmation by any other documents; (viii) the easements are nonexclusive unless expressly provided otherwise; (ix) no nonexclusive easement provided or reserved under this Declaration shall restrict the Owner of the servient tenement from granting other easements or interests therein as long as the other easement or interest does not unreasonably interfere with the easement rights of the dominant tenement; (x) easement access and use rights are subject to the rights reserved in Section 2.5 and the rights of Declarant as described in Section 12.10.
- 2.5 <u>Reservation of Rights</u>. Notwithstanding any property rights, including easements, described herein, each Condominium and the Association Property, as the case may be, are subject to each of the following:
- (a) the right of the Association's agents to enter any Condominium to cure any violation or breach of this Declaration or the Bylaws or the Rules, provided that at least 30 days' prior written notice of such violation or breach (except in the cases of emergency) has been given to the Owner and provided that within the 30-day period such Owner has not acted to cure such violation or breach;
- (b) the right of the Association's agents to enter any Condominium to perform its obligations and duties under this Declaration, including the obligations and the duties with respect to inspection, maintenance, repair or replacement of any Common Area Improvement; and
 - (c) the rights reserved in Sections 2.6, 2.8 and 12.10.
- Authority Over Association Property. The Board shall have the power and the right in the name of the Association and all of the Owners as their attorney-in-fact to grant, convey or otherwise transfer to any Owner or any other Person fee title, easements, leasehold estates, exclusive use easements or rights, licenses, lot-line adjustments, rights-of-way and/or dedications in, on, over or under the Association Property (except Exclusive Use Common Area) in order to: (i) construct, erect, operate, maintain or replace lines, cables, wires, conduits or other devices for electricity, cable television, internet services, fiber optics, telecommunication equipment, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes and any similar public or quasi-public Improvements or facilities; (ii) accommodate any encroachment that in the sole discretion of the Board does not unreasonably interfere with the use and enjoyment of the Association Property; or (iii) accomplish any other purpose that in the sole discretion of the Board is in the interest of the Association and

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its Members and does not unreasonably interfere with the use and enjoyment of the Association Property. Each Owner in accepting a deed to a Condominium expressly consents to such action and authorizes and appoints the Association as attorney-in-fact of such Owner to execute and deliver all documents and interests to accomplish the action, including, but not limited to, grant deeds, easements, subdivision maps, and lot-line adjustments. Notwithstanding anything herein to the contrary, in no event shall the Board take any action authorized hereunder that would permanently and unreasonably interfere with the use, occupancy and enjoyment of any Condominium without the prior written consent of that Owner. Furthermore, the grant of exclusive use of any portion of the Association Property to any Owner or the conveyance of fee title to any portion of the Association Property as authorized in this **Section 2.6** (other than conveyances made as a part of lot-line adjustments) shall require the consent of a majority of all the Condominium Owners and such consent of the Mortgagees as may be required by **Article 10**.

2.7 <u>Restrictions on Partition</u>. Except as authorized in **Section 2.6**, the Common Area shall remain undivided, and there shall be no judicial partition thereof except as may be authorized by Civil Code section 6656 or any successor statute thereto.

Any proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Owners' Condominiums as of the date immediately preceding the date of the event giving rise to the right of the Owners to partition the Common Area.

- 2.8 <u>Conveyance of Association Property</u>. The Association Property shall be conveyed to the Association on or before the date the Declarant first conveys title to a Condominium that triggers the commencement of assessments under **Section 6.6**. The Association Property as the servient tenement is subject to the applicable easements described in **Section 2.3** and the right of a Condominium Owner (subject to Board approval which approval cannot be unreasonably denied, withheld or delayed) to access and use the Association Property to construct and maintain the Owner's Condominium and all related Improvements.
- 2.9 <u>No Public Dedication</u>. Nothing in this Declaration shall be deemed to be a gift or dedication of any portion of the Development to the general public or for the general public or for any public purposes whatsoever, it being the intention of the Owners that this Declaration shall be strictly limited to and for the purposes expressed in this Declaration. The right of the public or any Person to make any use whatsoever of the Development or any portion thereof (other than any use expressly allowed by a written or recorded map, agreement, deed or dedication) is by permission only, constitutes a license revocable at will, and is subject to control of the Owner. Notwithstanding any other provisions herein to the contrary, the Owners may take such steps as the Owners deem necessary or advisable to prevent a prescriptive easement or other permanent access rights from arising by reason of continued public use of any Common Area.
- 2.10 <u>Notice of Airport in Vicinity</u>. This property may be located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibrations or odors). Individual sensitivities to these annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you.

ARTICLE 3 - Restrictions

3.1 <u>Commercial Use.</u> The Condominiums may be used for such commercial and industrial uses as may be authorized by the zoning ordinances and laws of the County of Riverside. No commercial uses may be conducted in any of these Units until the Condominium Owner complies with all permit, licensing and other commercial requirements and conditions imposed by the County of Riverside.

- 3.2 <u>Renting</u>. Condominiums may be rented under the following terms and conditions:
 - (a) The rental agreement must be in writing.
- (b) The rental agreement shall be subject in all respects to provisions of the Declaration, the Bylaws, and all Rules adopted by the Board. Each Owner shall provide a copy of the Declaration, Bylaws and all Rules to each tenant of his or her Unit. By becoming a tenant, each tenant agrees to be bound by the Declaration, Bylaws and Rules and recognizes and accepts the right and power of the Association to evict a tenant for any violation by the tenant of the Declaration, Bylaws and Rules.
- (c) Any failure of a tenant to comply with the Declaration, Bylaws and Rules shall be a default under the rental agreement regardless of whether the rental agreement so provides. In the event of any such default, the Owner immediately shall take all actions to cure the default including, if necessary, eviction of his or her tenant. The Association shall give the tenant and the Owner notice in writing of the nature of the violation of the Declaration and/or Rules and 20 days from the mailing of the notice in which to cure the violation before the Association may file for eviction.
- (d) An Owner who rents the entire Condominium shall promptly notify the secretary of the Association (or the property management company) in writing of the names of all tenants occupying such Condominium and shall provide the secretary of the Association (or the property management company) with the addresses, telephone numbers, and email addresses where such Owner and tenants can be reached.
- 3.3 <u>Nuisance</u>. No activity shall be conducted within a Unit or the Common Area that constitutes a nuisance or unreasonably interferes with the use or quiet enjoyment of the Occupants of any other Condominium, taking into account the commercial nature of the Development.

By way of example only, the following activities may constitute nuisances:

- (a) use which emits dusts, sweepings, dirt or cinders, discharges liquids, solid waste or other matter in any water reclamation area or other waterway in a manner that may adversely affect the health, safety, comfort of any occupant of the Condominium, or the intended use of any Condominium within the Development;
- (b) the escape or discharge of any fumes, odors, gases, vapors, steam, acids or other substances which is detrimental to the health, safety or welfare of any person, interferes with the comfort of persons within the Development, or is harmful to any property or vegetation within the Development;
- (c) the radiation or discharge of intense glare or heat, atomic, electromagnetic, microwave, ultrasonic, laser or other radiation; or
- (d) any vibration, noise, sound or disturbance which interferes with the quiet use and enjoyment of any other Condominium within the Development because of its intermittence, beep, frequency, strength, shrillness or volume.
- 3.4 <u>Vehicle and Parking Restrictions</u>. Parking within the Association Property shall be in strict compliance with the vehicle and parking Rules as may be adopted by the Board, subject to the ingress, egress, and parking rights described in **Section 2.3.4**.
- 3.5 <u>Signs</u>. Subject to the provisions of **Section 12.10**, any signage installed anywhere within the Development shall be in strict compliance with all applicable local signage ordinances and with any signage Rules or guidelines adopted by the Board.

- 3.6 <u>Alterations, Modifications or Additions</u>. There shall be no exterior alterations, modifications or additions made to any Building without the prior approval of the Board.
- 3.7 <u>Compliance with Law.</u> No Owner shall permit anything to be done or kept in his or her Condominium that violates any law, ordinance, statute, rule or regulation of any local, county, state or federal agency. Nothing shall be done or kept in any Condominium that might increase the rate of or cause the cancellation of any insurance maintained by the Association.
- 3.8 <u>Animal Restrictions</u>. The Board may adopt Rules regulating an Owner's or Occupant's right to maintain pets within the Development, including Rules regulating access to and use of the Common Area.
- 3.9 <u>Conditions of Approval</u>. The conditions of approval issued by the County of Riverside for the Map apply to the Development, including the Units therein. All existing conditions for related Public Use Permit No. 876 shall still apply to all parcels crated by PM 36601. No modifications to Public Use Permit No. 876 conditions shall take place unless a revised public use permit is approved in accordance with Zoning Ordinance No. 348.

ARTICLE 4 - Maintenance and Repair Obligations

4.1 <u>Owner's Maintenance and Repair Obligations</u>. Each Owner shall maintain Owner's Unit and all Improvements therein (including the Building) in accordance with the Maintenance Standards described in **Section 4.3**, provided that any walkway, landscaping, or irrigation system located within the Unit Open Areas shall be maintained by the Association.

If any Owner fails to maintain his or her Condominium or trash collection area as required herein, the Association, after notice and hearing as described in the Bylaws, may, but is not obligated to, enter the Condominium or trash collection area and perform the necessary maintenance and repair. The Association may levy a reimbursement assessment against the Condominium in the manner described in **Section 6.5**.

Each Condominium Owner shall maintain and repair any utility lines and equipment situated within the Association Property that exclusively serves the Owner's Unit, including any electric, gas, water, sanitary sewer or telecommunication equipment. No owner may excavate or disturb the Association Property in performing any maintenance, repair or replacement work (the "Work") without prior notice to the Board or its designated agent, which notice shall not be less than 72 hours except in the case of an emergency. The notice shall identify the Work, the party performing the Work, the duration of the Work, any disruptions in access or use of the Association Property, and such other information as the Board or its agent may require. The Owner shall use all commercially reasonable methods to complete the Work as soon as possible and in a manner that minimizes any interferences with access to or use of the Association Property. The Work shall be performed only by contractors duly licensed by the State of California and in strict compliance with all applicable laws and ordinances. The Board in its discretion may require the Owner to provide liability insurance and collateral such as bonds prior to the commencement of the Work to protect the Association and other Owners and occupants from any liability, liens or other claims that may arise as a result of the Work. The Owner shall indemnify, defend and hold the other Owners, Association, the Board and the officers and agents of the Association harmless from any claim, demand, loss, liability, cause of action, judgment and cost, including reasonable attorneys' fees resulting from an death or injury to any Person or damage to any property caused in whole or in part from the Work.

4.2 <u>Association's Maintenance, Repair and Landscaping Obligations</u>. The Association shall maintain in good condition and repair at all times the Association Property, including, but not limited to, private driveways, walkways, trash areas, parking spaces, landscaping and irrigation systems, including any walkways, landscaping and irrigation system located within the Unit Open Areas. Maintenance shall be in accordance with the Maintenance Standards described in **Section 4.3**.

In addition, the Association shall maintain the fire monitoring system that serves the three Buildings. Each Owner shall promptly notify the Association or its manager of any problems with the system situated within the Owner's Building and each Owner shall be responsible for replacing, when needed, any batteries in smoke detectors serving the Owner's Building.

Unless otherwise maintained or repaired by governmental entity or public or private utility company, the Association shall maintain in good condition and repair all utilities and sanitary sewer and storm drainage facilities situated within the Common Area that serves two or more Condominiums, including, but not limited to, meters, distribution lines, catch basins, transformers, storage tanks, wires, ducts, flues, pumps, boilers, pipes, and lighting fixtures but excluding any utility equipment and fixtures located within a Unit or partially within the Common Area and within the Unit, such as electrical outlets.

4.3 <u>Maintenance Standards</u>. Each Condominium Building and the Association Property Improvements and landscaping shall be maintained in compliance with all applicable laws and ordinances and in a neat, attractive and sanitary condition and in a condition that is comparable to or better than similar commercial developments within Riverside County, California. It is intended that the Improvements be maintained in a like-new condition similar to the conditions on the completion of the original construction or installation, reasonable wear and tear excepted. Maintenance shall include periodic inspections by a Person competent to conduct the inspection to confirm compliance with the required standards. Any maintaining, repair or replacement recommendations resulting from the inspection, shall be performed as soon as is reasonably practical after the inspection.

All landscaping shall be maintained in a healthy and weed-free environment. Maintenance shall include regular fertilization, mowing, irrigation, pruning and other prudent landscaping practices. All dying or dead vegetation immediately shall be removed and replaced. The landscaping irrigation shall be operated to prevent damage resulting from misdirected and/or excessive watering. All lawns shall be kept neatly mown and trees neatly trimmed and pruned at all times.

- 4.4 Trash Removal. Each Condominium Owner, at that Owner's cost, shall be responsible for the removal of all the trash and refuse from that Owner's Condominium to the central trash collection area within the Association Property. The Association shall be responsible for maintaining the trash collection areas in a neat, clean and sanitary condition at all times and for engaging a trash removal service to periodically remove trash from these areas pursuant to a schedule that prevents the accumulation of trash in excess of the trash retaining capacity of the trash collection areas. All trash or refuse shall be kept only in sanitary containers which containers shall be kept in the areas approved by the Board. Each Owner and tenant shall take all appropriate, proper and required precautions to protect Persons and property from any injuries or damages from the trash or other refuse generated from the Owner's Condominium and shall comply with all laws and ordinances regarding the disposal of any hazardous materials. The Board may adopt rules regulating the trash collection area. In addition, if the Board determines, in the Board's sole discretion, that a Condominium is generating trash in excess of the trash generated by other Condominiums, it may either: (i) reallocate trash collection costs so that the Condominium generating the excess trash pays for the excess trash collection or (ii) require the Owner of the Condominium to engage and pay for its own trash collection service, in which case the Owner may no longer use the trash collection areas available to the other Owners except as may be authorized by the Board in writing.
- 4.5 <u>Cooperation and Access</u>. Each Owner and occupant shall fully cooperate with the agents of the Association in the performance of the Association's maintenance and repair obligations described in **Section 4.2** above. Such cooperation shall include, but is not limited to, immediate notification to the Board or its managing agent of any maintenance or repair problems for which the Association is responsible and access to the Owner or occupant's Condominium as may be necessary to inspect and, if appropriate, to perform any necessary maintenance or repairs.
- 4.6 <u>Hazardous Waste Requirements</u>. No Owner or occupant of any Condominium shall use, or permit the use of, nor store, generate, treat, manufacture or dispose of any hazardous materials on, from or under the Condominium except in strict compliance with all federal, State and local zoning laws, including Riverside County's laws and ordinances and any Rules that may be adopted by the Board from time to time

regulating hazardous materials. The Board's authority to regulate hazardous materials includes the right to prohibit the use, storage or disposal of hazardous materials within the Association Property.

Under no circumstances shall any hazardous material be deposited into any storm drain or sanitary sewer line. The Association shall have the right, but not the duty, to periodically inspect any drainage line accessible only from a Condominium to determine whether any hazardous materials are being deposited into any line.

Owner shall indemnify, defend, protect, hold harmless and defend the Association and the other Owners from any demands, claims, losses, liabilities, causes of action, judgments or costs (including reasonable attorneys' fees) arising from or related to: (i) any violation or alleged violation by Owner or Owner's Occupants or Permittees of any of the requirements, ordinances, statues, regulations or other federal, State and local laws regulating the use, storage or disposal of hazardous materials; or (ii) any damage caused by the use, storage or disposal of hazardous materials and/or any costs to clean up or remediate any conditions from the use, storage or disposal of hazardous materials.

Association for any costs, including attorneys' fees, resulting from such damage. The Owner's reimbursement obligation shall be reduced by the actual amount of insurance proceeds received by the Association, if any, to repair or replace the damaged Improvement. Any deductible amounts shall be paid by the Owner. Furthermore, the Owner shall defend, indemnify and hold the Association harmless from any claim, demand, liability or cost, including attorneys' fees arising from such damage. If an Owner fails to reimburse the Association within 30 days of the demand for reimbursement, the Association may levy a reimbursement assessment against the Owner's Condominium and may enforce the assessment, including the establishment and enforcement of a lien, as described in Sections 6.5 and 6.9.

ARTICLE 5 - The Association

- 5.1 <u>Formation of the Association</u>. The Association is a nonprofit mutual benefit corporation formed under the laws of the State of California. The Association shall commence operations no later than the date that assessments commence as described in **Section 6.6**. Pending the commencement of the Association's operations, Declarant shall perform the duties and shall have the rights of the Association as described herein.
- 5.2 <u>Governing Body</u>. The governing body of the Association shall be the Board. It shall be the responsibility of the Board to ensure that the Association exercises its rights and performs its duties as described within this Declaration, the Articles, the Bylaws, and any amendments thereto.

The Board shall adopt Rules in accordance with procedures required by Civil Code sections 6630 and 6632.

- 5.3 <u>Membership.</u> Each Owner shall automatically be a Member of the Association. If there is more than one fee title Owner of a Condominium, each Owner shall be a Member. The holder of a security interest in a Condominium shall not be a Member of the Association except and until that holder obtains both the legal and equitable interest in the Condominium. Membership shall be appurtenant to the Condominium and may not be separated therefrom. Any transfer of an Owner's interest in a Condominium (other than a security interest), by operation of law or otherwise, automatically transfers the membership to the Owner's successor in interest. No Owner may resign or revoke his or her membership for any reason.
- 5.4 <u>Voting Rights</u>. Each Condominium shall be entitled to exercise the number of votes described in **Exhibit A**. Voting rights shall vest at the time that assessments are levied against the Owner's Condominium as described in **Section 6.6**. Except as otherwise provided in this Declaration, the Articles or the Bylaws, all matters requiring the approval of the Owners shall be approved if: (i) approved at a duly-called

regular or special meeting at which a quorum was present, either in Person or by proxy, by Owners holding the majority of the total voting power of all Owners present; (ii) approved by written ballot pursuant to the requirements of Corporations Code section 7513; or (iii) approved by unanimous written consent of all the Owners of Condominiums.

- 5.5 <u>Joint Ownership Votes</u>. The vote that is attributed to each Condominium may not be cast on a fractional basis. If the Condominium has more than one Owner and the Owners are unable to agree as to how the vote shall be cast, the vote shall be forfeited on the matter in question. Any vote cast by an Owner for any Condominium is presumed conclusively to be the vote cast by all the Owners of that Condominium. If more than one Owner casts a vote attributed to a Condominium on any matter on which only one vote could be cast for that Condominium, the votes cast by such Owners shall be counted as one vote if the votes are the same; and if the votes are different, the vote cast by such Owners shall not be counted and shall be forfeited.
- Powers of the Association. The Association shall have all the powers of a nonprofit mutual benefit corporation organized under the general nonprofit mutual benefit corporation laws of California, subject only to such limitations on the exercise of these powers as are set forth in the Articles, Bylaws and this Declaration. The Association shall have the power to do any lawful thing that may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the Bylaws and to do and perform any act that may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including, without limitation, each of the following:
- 5.6.1 <u>Levying Assessments</u>: The Board shall establish, fix and levy assessments against the Condominiums and collect and enforce payment of such assessments in accordance with the provisions of **Article 6** of this Declaration.
- 5.6.2 Adopting Rules: The Board may adopt, amend and repeal Rules as it considers appropriate. Rules shall apply generally to the management and operation of the Development and/or the conduct of the business and affairs of the Association and may regulate the use and enjoyment of the Association Property, the use of any commonly-metered utilities that are paid by the Association and such other matters as are authorized in this Declaration. The adoption, amendment or repeal of Rules shall satisfy the applicable requirements set forth in Article 1 (commencing with Civil Code section 6750) of Chapter 6 of the Commercial and Industrial Act. If any provision of this Declaration, the Articles or the Bylaws is inconsistent with or materially alters any Rules, this Declaration, the Articles and the Bylaws shall control to the extent of any such inconsistencies. Members shall have the same access to the Rules as they have to the accounting books and records of the Association.

Any Rules adopted by the Board shall apply to all Owners or Occupants in a uniform and nondiscriminatory manner. The Board may adopt a Rule as the result of an act or omission of any Owner or Occupant or their family members or guests or a Rule that does not directly affect all Owners or Occupants in the same manner as long as the Rule applies to all Owners or Occupants.

- 5.6.3 <u>Borrowing Money</u>: The Board may borrow money to meet any anticipated or unanticipated cost of the Association and may mortgage, encumber or pledge Association assets (including, but not limited to, assessments) as security for such borrowing.
- 5.6.4 Imposing Disciplinary Action: In addition to any other enforcement rights described in this Declaration and the Bylaws or as may be authorized by law and subject to the due process requirements imposed by this Declaration, the Bylaws or by law, the Board may take any of the following actions against any Person whose act or failure to act violates or threatens to violate any provisions of this Declaration, the Bylaws or Rules: (a) impose monetary penalties, including late charges and interest; (b) suspend voting rights in the Association; and (c) commence any legal or equitable action for damages, injunctive relief or both. Subject to the provisions of **Section 12.8**, the determination of whether to impose any of the foregoing sanctions shall be within the sole discretion of the Board. Any legal action may be brought in the name of the Association on its own behalf and on behalf of any Owner who consents and, except as otherwise provided herein, the prevailing party in such action shall be entitled to recover costs and reasonable attorneys' fees.

The Board, in its sole discretion, may resolve or settle any dispute, including any legal action in which the Association is a party, under such terms and conditions as it considers appropriate.

- (a) If the Board adopts a policy imposing monetary penalties, including any fee on any Member for a violation of the governing documents or the Rules, including any monetary penalty relating to the activity of a Member, or Member's Permittee or the Member's Occupant or their Permittee, the Board shall adopt and distribute to each Member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed. The Board may change the schedule from time to time and shall distribute a notice of such changes to the Members in the same manner as the schedule of penalties.
- (b) The imposition of any disciplinary action, including, but not limited to, the imposition of monetary penalties or the suspension of use and/or voting privileges except as otherwise noted herein, shall be subject to the following procedures and requirements:
- (i) <u>Notice of Hearing</u>: Prior to the time the Board meets to consider or impose discipline upon a Member, the Board shall notify the Member, by either personal delivery or first-class mail, at least 15 days prior to the meeting. The notice shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which the Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting.
- (ii) <u>Hearing</u>: If requested by the Member, the Board shall conduct the disciplinary proceeding in executive session. The Member, the Member's legal counsel, and the Association's legal counsel shall be entitled to attend the executive session meeting. The Board may interview witnesses and other interested parties in executive session.
- (iii) <u>Notice of Action Taken</u>: If the Board elects to impose discipline on the Member, the Board shall notify the Member of the disciplinary action within ten days following the election to impose the disciplinary action.
- (iv) No Forfeiture: Under no circumstances may the Association cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of the Owner's Unit on account of the failure of the Owner to comply with the provisions of this Declaration, Articles, Bylaws or Rules, except by judgment of a court or decision of an arbitrator or on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments duly levied by the Association.
- (v) <u>Assessment Charges</u>: The provisions of this **Section 5.6.4** do not apply to charges imposed against a Member for reasonable late payment penalties or charges to reimburse the Association for loss of interest and for costs reasonably incurred (including attorneys' fees) in collecting delinquent assessments.
- 5.6.5 <u>Delegating Duties</u>: Except as may be limited by the Bylaws, the Board may delegate any of the Association's powers and duties to its employees, committees or agents, including a professional management agent.
- 5.6.6 <u>Implementing Special Fees</u>: The Board may implement special fees to reimburse the Association for special costs incurred as a result of actions taken by Owners. By way of example, the Association may establish a moving fee to reimburse the Association for excess trash collection costs resulting from the move. Fees not paid in a timely manner may be collected through a reimbursement assessment levied against the Owner's Condominium.
- 5.7 <u>Duties of the Association</u>. In addition to the duties described in the Articles, Bylaws, or elsewhere in this Declaration, the Association shall have the duty to manage the Common Area; perform the maintenance as described in **Section 4.2**; prepare and distribute financial statements, reports and the other documents and notices described in **Section 5.10**; levy and collect assessments as described in **Article 6**; and procure, maintain and review the insurance as described in **Article 7**. The Association shall perform

such other acts as may be reasonably necessary to exercise its powers to perform its duties under any of the provisions of this Declaration, the Articles, Bylaws, Rules or Board resolutions.

5.8 <u>Taxes and Assessments</u>. The Association shall pay all real and personal property taxes and assessments and all other taxes levied against the Association, the Common Area or the personal property owned by the Association. Such taxes and assessments may be contested or compromised by the Association, provided that they are paid or that a bond insuring payment is posted before the sale or the disposition of any property to satisfy the payment of such taxes.

Until such time as real property taxes against the Development are segregated so that real property taxes are assessed against each Condominium (in addition to any supplemental tax assessments levied against any Condominium), the non-segregated tax amount shall be allocated among all the Condominiums in the same manner that regular assessments are allocated as described in **Section 6.8**, provided that if any portion of the regular assessments are prorated among the Condominiums, the non-segregated tax amount shall be allocated in the same manner. The Association shall take all appropriate steps to collect each Condominium's allocable share so that the non-segregated taxes may be paid in a timely and proper manner. The Association may levy a special assessment against the Condominiums to collect the non-segregated tax amount. Any Owner who breaches the Owner's duty to pay the Owner's allocable share in a timely and proper manner shall be liable for any penalties, interests, fees or other such costs incurred as a result of the breach.

- 5.9 <u>Utility Service</u>. The Association shall acquire, provide and pay for water, trash collection, electrical and other necessary utility services for the Common Area and any commonly metered utility service to the Units.
- 5.10 <u>Reporting Requirements</u>. The Association shall prepare and distribute such financial statements and reports as may be required by the Board or by law.

ARTICLE 6 - Assessments

- Obligations to Pay Assessments. The Owner of each Condominium is obligated to pay any 6.1 assessments levied against that Owner's Condominium on or before the due date of the assessment. If there is more than one Owner of the Condominium, the obligation is joint and several. Each Owner on acceptance of a deed to a Condominium automatically personally assumes the obligation to pay any assessments against the Owner's Condominium (including, but not limited to, any portion of the annual regular assessment not yet due and payable) and agrees to allow the Association to enforce any assessment lien established hereunder by nonjudicial proceedings under the power of sale or by any other means authorized by law. The Owner shall be liable for the full assessment levied against that Owner's Condominium regardless of the Owner's possession or use of the Condominium, the Common Area or any services rendered by the Association. The Owner has no right or power to commit or omit any act, such as waiving the right to use the Common Area in an attempt to eliminate or reduce the assessments against that Owner's Condominium. An assessment shall be both a personal obligation of the Owners of the Condominium against which the assessment is levied and, on the recordation of a notice of delinquent assessment, a lien against the Condominium. Any Owner who transfers a Condominium shall remain personally liable for any unpaid assessments that accrued on or before the date of the transfer. No Owner shall be liable for any defaults of the Owner's predecessor in interest in the payment of any assessment that has accrued prior to the Owner taking title to the Condominium unless that Owner expressly assumes the obligation to cure the delinquent assessments. Notwithstanding the foregoing, any Owner who takes title to a Condominium on which a lien for a delinquent assessment has been established will take title subject to the lien and the Association's enforcement remedies as a result thereof unless the Owner takes title under a foreclosure or trustee sale resulting from a foreclosure or exercise of a power of sale under a Mortgage, deed of trust, or other lien recorded before the recordation of the notice of delinquent assessment and except as provided in Section 9.3.
- 6.2 <u>Annual Regular Assessment</u>. Prior to the beginning of each fiscal year of the Association, the Board shall meet for the purpose of establishing the annual regular assessment for the forthcoming fiscal

year. At such meeting, the Board shall review the preliminary pro forma operating budget prepared for the forthcoming fiscal year, any written comments received from Members and Mortgagees, and such other related information that has been made available to the Board. After making any adjustments that the Board considers appropriate, the Board will establish an annual regular assessment for the forthcoming fiscal year. Each annual regular assessment may include a portion for reserves as described in **Section 6.3**.

If the Board for any reason fails to take the appropriate steps to establish the annual regular assessment for the next fiscal year, the annual regular assessment for the preceding fiscal year shall continue in effect subject to the Board's right at any time during the next fiscal year to adjust the assessment pursuant to the procedures described herein.

6.3 Reserves, Reserve Accounts and Reserves Study. Each annual regular assessment may include, at the discretion of the Board, a portion for reserves in such amount as the Board in its discretion considers appropriate to meet the cost of the future repair, replacement or additions to the capital Improvements that the Association is obligated to maintain and repair.

Reserve funds, if collected, shall be deposited in a separate account; and the signatures of at least two persons, who shall either be members of the Board or one officer who is not a member of the Board and a member of the Board, shall be required to withdraw monies from the reserve account. Reserve funds may not be expended for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, capital Improvements which the Association is obligated to maintain except as otherwise authorized by the Board.

- 6.4 <u>Special Assessments</u>. The Board may levy a special assessment if the Board in its discretion determines that the Association's available funds are or will become inadequate to meet the estimated expenses of the Association, including, but not limited to, expenses resulting from inadequate reserves, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital Improvements, inadequate insurance proceeds, or other unanticipated expenses. The Board may levy the entire special assessment immediately or levy it in installments over a period the Board considers appropriate.
- Reimbursement Assessments. The Board shall have the authority to levy reimbursement assessments against one or more Condominium Owners to reimburse the Association for any costs incurred or to be incurred by the Association as the result of any act or omission of any Owner or Occupant or their Permittees or pets. The levy shall not include any portion that is paid or will be paid by any insurer under a policy maintained by the Association. Payment of the deductible amount shall be the responsibility of the Owner and is subject to a reimbursement assessment. If the reimbursement assessment is levied and paid before all or any portion of the costs have been incurred by the Association and the amount paid exceeds the costs incurred, the Association promptly shall refund the excess to the Owner. If the costs exceed the amount, the Owner shall reimburse the Association within 30 days thereafter. If payment is not made when due, the payment shall be considered a delinquent assessment and the Association may enforce the delinquent assessment as described in **Section 6.9**.

In addition to reimbursing the Association for costs necessary to repair any Common Area or other property that is maintained by the Association, the Association may seek reimbursement for any costs incurred by the Association, including attorneys' fees, to bring the Owner or Occupant or the Owner's Condominium into compliance with this Declaration, the Articles, Bylaws or Rules.

- 6.6 <u>Commencement of Regular Assessments</u>. Annual regular assessments shall commence for all Condominiums on such date as shall be selected by Declarant and no later than the date the Association commences operations as described in **Section 5.1**.
- 6.7 <u>Due Dates of Assessments.</u> Unless otherwise directed by the Board, the annual regular assessment shall be collected monthly and shall be due and payable on the first day of each month. As described in **Section 6.4**, special assessments shall be due on such date or dates as selected by the Board.

Reimbursement assessments shall be due and payable ten days after the Owner receives the notice of the reimbursement assessment. The notice shall be deemed received on the date described in **Section 12.13**.

Any annual regular assessment installment or special assessment not paid within 15 days after the due date shall be delinquent, shall bear interest at the rate of 12% per annum from 30 days after the due date until paid and shall incur a late penalty in an amount to be set by Board from time to time not to exceed the maximum amount permitted by law.

6.8 <u>Allocation of Regular and Special Assessments</u>. Except for reimbursement assessments, regular and special assessments levied by the Board shall be allocated among the Condominiums as described in **Exhibit A**.

Notwithstanding anything herein to the contrary, if the use of any Condominium, the equipment or facilities maintained in any Condominium or any related reason results in an increase in the Association costs, including, but not limited to, increases in maintenance and repair costs, trash removal costs, commonly-metered utility costs or insurance costs, the Board may allocate the amount of the increase to the Condominium or Condominiums responsible for the increase.

- 6.9 <u>Enforcement of Delinquent Assessments</u>. The Association may elect to pursue one or more of the following remedies in the event of a delinquent assessment:
- 6.9.1 <u>Personal Obligation</u>. The Association may bring a legal action directly against the Owner for breach of the Owner's personal obligation to pay the assessment and in such action shall be entitled to recover the delinquent assessment or assessments, accompanying late charges, interest, costs and reasonable attorneys' fees. Commencement of a legal action shall not constitute a waiver of any lien rights as described in **Section 6.9.2**.
- 6.9.2 <u>Assessment Lien</u>. The Association may record a notice of delinquent assessment against the Owner's Condominium and enforce the lien pursuant to the applicable requirements and procedures set forth in the applicable provisions of Chapter 7 of the Commercial and Industrial Act or any successor statutes thereto.
- Owner, the Board shall provide the Owner with a written statement containing the following information: (i) whether to the knowledge of the Association, the Owner or Occupant of the Owner's Condominium is in violation of any of the provisions of this Declaration, the Articles, Bylaws or Rules; (ii) the amount of regular and special assessments, including installment payments, paid by the Owner during the fiscal year in which the request is received; and (iii) the amount of any assessments levied against the Owner's Condominium that are unpaid as of the date of the statement, including any late charges, interest or costs of collection, and that, as of the date of the statement, are or may be made a lien against the Owner's Condominium as provided by this Declaration. The Association may charge a fee to provide this information provided the fee shall not exceed the Association's reasonable cost to prepare and reproduce the requested items.

ARTICLE 7 - Insurance

- 7.1 <u>Association Liability Insurance</u>. The Association shall obtain and maintain the following liability policies:
- 7.1.1 Commercial General Liability Policy: A commercial general liability insurance policy insuring the Association, its manager, Declarant, the Association's directors and officers, and the Owners and tenants of the Condominiums against bodily injury or property damage from an accident or occurrence within the Association Property or Common Area. Subject to the terms and conditions of the policy, the policy also shall cover any bodily injury or property damage from any accident or occurrence within any Condominium related to any maintenance or repair work required to be performed on any Condominium by the Association

pursuant to this Declaration, including, but not limited to, work performed in any Association Property or Common Area. The policy shall include, if obtainable, cross liability or severability of interest endorsement coverage. The limits of such insurance shall not be less than \$3,000,000 covering all claims for personal injury and property damage arising out of a single occurrence. The \$3,000,000 coverage may be a combination of primary and excess policies. Such insurance shall include coverage against liability for non-owned and hired automobiles and other liability or risk customarily covered with respect to projects similar in construction, location and use and shall require at least 30 days' written notice to the Association before the policy can be cancelled or substantially modified unless the policy is being replaced with a policy of equivalent coverage. The policy shall be primary and noncontributing with any other liability policy covering the same liability.

- 7.1.2 <u>Directors and Officers Liability Policy:</u> A directors and officers liability policy containing such terms and conditions as the Board shall select after consultation with a qualified insurance consultant.
- 7.2 <u>Association Property Insurance</u>. The Association, in the sole discretion of the Board, may obtain and maintain a property insurance policy on the Common Area Improvements and Association personal property in such amounts and containing such terms and conditions as the Board from time to time may select.
- 7.3 <u>Cancellation</u>. All of the policies of insurance maintained by the Association shall contain a provision that such policy or policies shall not be cancelled or terminated, or expired by their terms, or not renewed without 60 days' prior written notice to the Board, the Owners and their respective first Mortgagees (provided that such Owners or 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.
- 7.4 <u>Board's Authority to Revise Insurance Coverage</u>. The Board shall have the power and right to deviate from the insurance requirements contained in this **Article 7** in any manner that the Board, in its discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this **Article 7**, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least 30 days prior to the effective date of the reduction.

The Board is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association, including, but not limited to, the right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Each Owner, by acceptance of a deed to a Condominium, irrevocably appoints the Association or the Insurance Trustee, described in **Section 7.6**, as that Owner's attorney-in-fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions so taken as if the Owner had personally taken the action.

- 7.5 <u>Periodic Insurance Review</u>. The Board periodically (and not less than once every three years) shall review the Association's insurance policies and make such adjustments to the policies' terms and conditions as the Board considers to be in the best interests of the Association. If applicable, the review shall include an appraisal by a qualified appraiser of the current replacement costs of all covered property under the Association's property insurance policy unless the Board is satisfied that the current dollar limit of the property insurance policy, coupled with the amount of actual reserves on hand, is equal to or greater than the current replacement costs.
- 7.6 <u>Insurance Trustee</u>. All property insurance proceeds payable to the Association under any property insurance policy procured by the Association as described in **Section 7.2**, subject to the rights of Mortgagees under **Article 9**, may be paid to a trustee as designated by the Board to be held and expended for the benefit of the Owners and Mortgagees as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the county in which the Development is

located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association will have the duty to contract for such work as provided for in this Declaration.

7.7 Individual Property Insurance Policies. Each Owner shall obtain and maintain, at the Owner's expense, a property insurance policy which provides in the minimum coverage against losses caused by fire and all other hazards normally covered under a "special form" policy or its equivalent in an amount not less than 100% of the replacement cost of the insurable Improvements within the Owner's Unit, including the Condominium Building. The policy shall contain the following endorsements or their equivalents: agreed amount, inflation guard, ordinance or law, and replacement cost. The policy shall provide liability coverage in such amounts and for such acts or omissions as are normally and customarily included in homeowners property insurance policies of the types required herein. The Board from time to time may require each Owner to provide a certificate from the Owner's insurer certifying that the required insurance has been procured and is in full force and effect. This Declaration does not impose any duty on the Association or any director, officer or agent thereof to confirm whether any Owner is in compliance with the insurance requirements set forth in this Section 7.7.

Each Owner is strongly advised to seek the advice of a qualified insurance consultant regarding: (i) the amount of personal liability insurance coverage the Owner should maintain and (ii) the availability of loss assessment insurance coverage.

- 7.8 Other Insurance. In addition to the policies described in **Sections 7.1 and 7.2**, the Association may obtain and maintain the following insurance:
 - (a) Workers Compensation Insurance to the extent required by law;
- (b) fidelity bonds or insurance covering officers, directors and employees who have access to any Association funds; and
- (c) such other insurance as the Board in its discretion considers necessary or advisable.

ARTICLE 8 - Damage, Destruction or Condemnation

8.1 <u>Destruction</u>. If an Improvement within any Unit, including the Building, is damaged or destroyed by fire or other casualty, the Owner of such Unit shall repair or reconstruct the Improvement so that upon completion the Improvement is substantially identical in appearance to the Improvement as it existed immediately before the date of damage or destruction subject to such modifications as may be approved by the Board or as required by law unless the Board agrees in writing that the Improvement need not be repaired or rebuilt. If the Improvement is to be repaired or rebuilt, the Owner immediately shall take the appropriate steps to process the necessary insurance claims and shall use the proceeds only for the purpose of repairing or rebuilding the Improvement. If the Improvement is not to be repaired or rebuilt, the Owner, at his or her cost, shall take any necessary steps to remove the damage Improvement, secure the area, screen any unsightly views and maintain the area in a neat, clean and sanitary condition pending reconstruction.

If any Association Property Improvement is damaged or destroyed by fire or other casualty, the Association shall repair or reconstruct the Improvement.

8.2 <u>Completion of Repair or Reconstruction</u>. The repair or reconstruction of any Improvement shall commence no later than 90 days after the date of such damage or destruction and shall be completed no later than 180 days subject to extensions because of delays that are beyond the control of the Association.

ARTICLE 9 - Rights of Mortgagees

- 9.1 <u>Lender Definitions</u>. Unless the context indicates otherwise, the following terms as used in this **Article 9** shall have the definitions contained in this **Section 9.1**. A Mortgagee is a Mortgagee that is: (i) a federally or state chartered or licensed bank or savings and loan association; (ii) a mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans; (iii) an insurance company; (iv) a federal or State agency or instrumentality including, without limitation, Housing and Urban Development, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; or (v) Federal Home Loan Bank of San Francisco. An "eligible Mortgage holder" shall mean a first Mortgagee who has requested the Association to notify the first Mortgagee of any proposed action that requires the consent of a specified percentage of eligible Mortgage holders.
- 9.2 <u>Encumbrance</u>. Any Owner may encumber his or her Condominium with a Mortgage or Mortgages.
- Rights of Mortgagees. Any Mortgagee who obtains title to a Condominium pursuant to the remedies provided in the first Mortgage, including judicial foreclosure or nonjudicial foreclosure under a power of sale (but excluding voluntary conveyance to the first Mortgagee), shall take the Condominium free of any obligation to pay any assessments that were delinquent as of the date the Mortgagee acquired title to the Condominium, including any interest, penalties or late charges in connection therewith. The Mortgagee as Owner of the Condominium shall be obligated to pay any assessments that were not delinquent as of the date the Mortgagee took title to the Condominium and all future assessments levied against the Condominium as long as the Mortgagee remains in title, including any special assessments levied by the Association to raise operating or reserve funds needed because of uncollected delinquent assessments, as long as the special assessment is allocated among all the Condominiums as provided in **Section 6.8**.
- Subordination; Release. Any assessment lien established under the provisions of this Declaration is expressly made subject to and subordinate to the rights of any Mortgagee under a Mortgage that encumbers all or any portion of the Development or any Condominium made in good faith and for value and recorded before the recordation of a notice of delinquent assessment. No assessment lien shall in any way defeat, invalidate or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates in writing its interest to such lien. If any Condominium is encumbered by a Mortgage made in good faith and for value, the foreclosure of any assessment lien cannot operate to effect or impair the lien of any Mortgage recorded prior to the recordation of the notice of delinquent assessment. Notwithstanding any other provisions of this Declaration, upon the foreclosure by any institutional Mortgagee of any prior-recorded Mortgage and the recordation of the deed transferring title to the purchaser at the foreclosure sale, any lien for delinquent assessment shall be automatically released and the purchaser at the foreclosure sale (as well as any subsequent owner of the Condominium) shall take title free of the assessment lien and shall have no obligation to pay any assessments that were delinquent at the time such purchaser acquired title or that were due and payable on or before the date the purchaser acquired title to the Condominium. By taking title, the purchaser shall be obligated to pay only assessments or other charges that were not delinquent at the time the purchaser acquired title or that were levied by the Association on or after the date the purchaser acquired title to the Condominium. Any subsequently-levied assessments or other charges may include previouslyunpaid assessments, provided all Owners, including the purchaser and its successors and assigns, are required to pay their proportionate share of such unpaid assessments.
- 9.5 <u>Breaches.</u> No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith or for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee sale or otherwise.

ARTICLE 10 - Amendments

10.1 <u>Amendment Before Close of First Sale</u>. Before the close of the first sale of a Condominium in the Development to a purchaser other than Declarant or a Person or entity controlled by Declarant, this

Declaration, subject to the approval requirements in **Section 2.3.4**, if applicable, may be amended in any respect or rescinded by Declarant by recording an instrument amending or rescinding the Declaration. The amending or rescinding instrument shall make appropriate reference to this Declaration and its amendments and shall be acknowledged and recorded in the county in which the Development is located. For purposes herein, a Person is considered controlled by Declarant if the Declarant holds 50% or more of the capital and profit interests if a partnership or limited liability company, 50% or more of the voting shares if a corporation, and 50% or more of the beneficial interests if a trust.

Amendment After Close of First Sale. After the close of the first sale of a Condominium in the Development to a purchaser other than Declarant or a Person or entity controlled by Declarant, this Declaration, subject to the approval requirements in **Section 2.3.4**, if applicable, may be amended or revoked in any respect with the vote or written consent of the holders of not less than 51% of the total voting power of the Association and with the prior written consent of Declarant until the first to occur of the following: (i) the date Declarant no longer owns any Condominiums in the Development or (ii) the fifth anniversary of the recordation of this Declaration in the records of Riverside County, California.

The amendment is effective when it has been approved by the appropriate percentage of Owners as required herein, the approval has been certified in a writing executed and acknowledged by the officer designated in the Declaration or by the Association for that purpose or, if no one has been designated, the President of the Association, and the amendment and certification have been recorded in the records of Riverside County, California.

- 10.3 <u>Special Amendment Requirements</u>. Notwithstanding anything herein to the contrary, no amendment affecting the dimensions of any Unit or the interests in the Common Area shall be effective without the consent of all Owners whose Units or Common Area interests are affected by the amendment, except as authorized in **Section 2.6**. The provisions of **Sections 5.4**, **6.8** and this **Section 10.3** may not be amended without the unanimous consent of the total voting power of the Association. The provisions of **Article 9** may not be amended or rescinded without the unanimous consent of all institutional Mortgagees that at the time have a Mortgage on any Condominium.
- 10.4 <u>Corrections</u>. Notwithstanding anything herein to the contrary, Declarant reserves the right as the attorney-in-fact for each Condominium Owner to record an amendment or appropriate instrument of correction to correct any errors in this Declaration or any exhibits thereto, and the consent of neither the Association nor any Condominium Owner shall be required.

ARTICLE 11 - Member Disputes

- 11.1 <u>Dispute Meeting</u>. Subject to the provisions in **Section 11.4**, if any dispute arises between the Association and the Owners or among the Owners regarding any of the rights, duties, benefits or burdens under this Declaration, on request of any Owner, the Owners shall meet and negotiate in good faith to resolve the dispute. The parties shall meet no later than ten calendar days following delivery of a written request to meet signed by the requesting Owner and delivered to the other Owner (the "Resolution Notice"). If an Owner refuses or fails to meet for any reason or if the dispute cannot be resolved as a result of the meeting, the dispute shall be resolved in accordance with the procedures described in **Section 11.2 and/or 11.3** in that order.
- 11.2 <u>Mediation</u>. If the parties cannot resolve the claim pursuant to the procedures described in **Section 11.1** within 20 calendar days following the date of the Resolution Notice or if any party to the dispute fails to meet as required in **Section 11.1**, on request of any party to the dispute, the matter shall be submitted to mediation using the mediation services provided by the American Arbitration Association or any successor thereto or any mediation provider acceptable to the parties. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or prevent a prompt commencement of the mediation process.

Within ten days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference, and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten days following the submission of the memoranda and shall be concluded within 15 days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in Riverside County, California, or such other place as is mutually acceptable by the parties.

The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

The mediation shall be subject to the provisions of Evidence Code sections 1115 through 1128, or any successor statutes thereto, except as the parties may agree otherwise in writing or orally in accordance with the requirements of Evidence Code section 1118.

Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of the parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by the mediator while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process.

The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the expenses of any witnesses, or the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise.

- 11.3 <u>Binding Arbitration</u>. If the parties cannot resolve the claim pursuant to the procedures described in **Section 11.2** or if any party to the dispute fails to participate in the mediation process, any party may commence binding arbitration under the commercial rules of the American Arbitration Association or any other arbitration provider that may be mutually acceptable to the parties. The following rules and procedures shall apply in all cases unless the parties agree otherwise in writing:
 - (a) the proceedings shall be heard in Riverside County, California;
- (b) the arbitrator need not be an attorney or retired judge; but, if not, the arbitrator must have at least five years' experience in real estate matters;
- (c) any fee to initiate the arbitration shall be paid by the Owner initiating the procedure, provided that the arbitration costs and fees, including any initiation fee, ultimately shall be borne as determined by the arbitrator.
- (d) the arbitrator shall be appointed within 60 days of the administrator's receipt of a written request to arbitrate the dispute. In selecting the arbitrator, the provisions of section 1297.121 of the Code of Civil Procedure shall apply. The arbitrator may be challenged for any of the grounds listed therein or in section 1297.124 of the Code of Civil Procedure.
 - (e) the arbitrator may require one or more pre-hearing conferences;
- (f) the parties shall be entitled to discovery to the extent allowed by section 1283.05 of the Code of Civil Procedure;

- (g) the arbitrator shall be authorized to provide all recognized remedies available in law or equity;
- (h) the arbitrator in his or her discretion may award costs and/or attorneys' fees to the party that the arbitrator determines was the prevailing party, taking into account any party's failure to participate in the procedures described in **Sections 11.1 and/or 11.2**; and
- (i) the arbitrator's decision shall be final and binding on the parties unless corrected or validated under the grounds authorized in Code of Civil Procedure section 1286.2 or 1286.6.

The arbitrator's decision may be enforced in any court of competent jurisdiction.

11.4 <u>Assessment Disputes</u>. Notwithstanding anything herein to the contrary, the delinquent Owner may not invoke the alternate dispute resolution procedures in this **Article 11** to resolve any dispute with the Association regarding delinquent assessments prior to payment in full of the disputed amount and any interest and penalties thereon. Each Condominium Owner, by accepting title to his or her Condominium, understands and acknowledges that the timely and proper payment of assessments is necessary for the proper maintenance and management of the Condominiums. Any Owner that disputes any assessments levied against the Owner's Condominium for any reason must pay the disputed amount and then may invoke the alternate dispute resolution procedures in this **Article 11** to resolve the dispute. The arbitrator may award a reimbursement of assessments but only for any amounts paid after the Association has received written notice of the disputed assessment and the reasons therefor.

ARTICLE 12 - Miscellaneous Provisions

- 12.1 <u>Headings</u>. The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.
- 12.2 <u>Severability</u>. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions or any portion thereof shall not invalidate any other provision or any portion of the provisions not found invalid or unenforceable.
- 12.3 <u>Cumulative Remedies</u>. Each remedy provided for in this Declaration shall be cumulative and nonexclusive. Failure to exercise any remedy provided for in this Declaration shall not, under any circumstances, be construed as a waiver of the remedy.
- 12.4 <u>Discrimination.</u> No Owner shall execute or cause to be recorded any instrument that imposes a restriction on the sale, leasing or occupancy of the Owner's Condominium on the basis of race, color, religion, sex, gender, gender identity, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in Government Code section 12955(p), or ancestry.
- 12.5 <u>Notification of Sale</u>. No later than five days after the closing of the sale of any Condominium, the new Owner shall notify the Association of such sale. Such notification shall be in writing and shall set forth the name and address of the new Owner and the date of sale.
- 12.6 <u>Reservation or Grant of Easements</u>. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, by reference to this Declaration in any deed to any Condominium.
- 12.7 <u>Incorporation of Exhibits</u>. All exhibits referred to herein and attached to this Declaration are incorporated herein by reference as fully set forth herein.
- 12.8 <u>Enforcement Rights and Remedies</u>. The covenants, restrictions, rights and duties contained in this Declaration constitute covenants running with the land and equitable servitudes that benefit and bind

each Condominium in the Development, each Owner, and each successive Owner thereto, and may be enforced by the Association, the Declarant or any Owner in any legal or equitable action pursuant to the procedures described herein. Declarant may enforce any covenants, restrictions, and rights set forth in this Declaration that expressly benefit Declarant without regard to whether Declarant owns any Condominiums in the Development.

Each Owner acknowledges and agrees that if any Person breaches any of the restrictions contained herein, money damages may not be adequate compensation. As a result, each Owner agrees that in the event of a breach, the non-breaching party, in addition to any other remedy available at law or equity, shall be entitled to equitable relief, including, but not limited to, an order compelling the breaching party to perform an act which the party is required to perform under this Declaration or which is necessary to bring the breaching party or the breaching party's Condominium into compliance with restrictions contained herein or prohibiting the breaching party from performing any act that violates the restrictions.

Notwithstanding anything herein to the contrary, the Association shall have the exclusive right to levy assessments and to take appropriate action to enforce delinquent assessments, including imposition of an assessment lien and the foreclosure of the lien. Furthermore, the Association shall have the primary responsibility for enforcing the restrictions contained in **Article 3**. If any Owner or occupant desires the Association to take any enforcement action, the Owner or occupant shall notify the Association in writing of the alleged violation. On receipt, the Board shall review the matter and shall determine what action, if any, to take. Neither the Board nor the Association or any director, officer or agent thereof shall be liable if the Board in the exercise of its judgment elects not to take any action. To the extent applicable, the Board shall comply with the due process requirements described in this Declaration. If within 90 days after receipt of the notice the Board has failed to take any corrective action and the alleged violation has not been cured and is continuing, any Owner may bring an action on the Owner's behalf for appropriate legal and/or equitable relief. In such action, the Owner shall bear his or her own costs and attorneys' fees, provided that the prevailing party in such action shall be entitled to recovery of such costs and fees.

- 12.9 <u>Term.</u> The term of this Declaration shall be for a period of 60 years from the date on which this Declaration is recorded in the records of Riverside County, California. After that time, this Declaration and each of its restrictions and covenants and other provisions automatically shall be extended for successive ten-year periods unless this Declaration is rescinded by the written consent of Owners holding a majority of the total voting power of the Association. The rescission shall be effective on recordation of a notice of rescission in the records of Riverside County. Notwithstanding anything herein to the contrary, the termination of this Declaration shall not terminate the Association Property reciprocal easements described in **Section 2.3.4**.
- 12.10 Reserved Rights of Declarant. Declarant is recording this Declaration as part of the construction of a commercial condominium development. No covenant or restriction contained herein shall be applied in any manner that would unreasonably interfere with Declarant's rights to complete the construction of the Improvements and to sell the Improvements. The rights retained by Declarant during the construction and sales period include, but are not limited to, the right to:
- (a) maintain construction equipment, personnel and materials within the Development:
- (b) use such portions within the Development as may be necessary or advisable to complete the construction or sales;
- (c) maintain construction and/or sales offices within the Development and appropriate parking to accommodate the foregoing;
- (d) maintain sale signs or other appropriate advertisements within the Development; and

- (e) allow prospective purchasers access to the Development to inspect any Common Area Improvements.
- 12.11 <u>Assignment by Declarant</u>. Declarant may assign all or any portion of its rights and delegate all or any portion of its duties to any other Person; and from and after the date of such assignment and/or delegation, the Declarant shall have no further rights and/or duties hereunder with respect to the rights assigned and duties delegated. Any successor or assign of rights and duties of the Declarant may execute an instrument assuming the rights and duties of the Declarant assigned and delegated hereunder and thereafter shall be entitled to exercise all the rights of Declarant so assigned and shall be obligated to perform all the Declarant's duties so delegated, provided such successor or assign shall not be liable in any manner for any act or omission committed or omitted by the Declarant before the date the successor or assign succeeded to the rights of the Declarant hereunder.
- 12.12 <u>Attorneys' Fees.</u> Except as otherwise provided herein, in the event of any litigation or alternative dispute resolution procedure regarding the rights or duties under the Governing Documents of the Declarant, the Association or any Member subject to this Declaration, the prevailing party in such proceeding, in the discretion of the judge or decision-maker, shall be entitled to recover costs, including reasonable attorneys' fees.
- 12.13 <u>Notices</u>. Any notice permitted or required by this Declaration, the Articles, Bylaws or Rules shall be considered received on the date the notice is personally delivered to the recipient or 48 hours after the notice is deposited in the United States mail, first-class, registered or certified, postage fee prepaid and addressed to the recipient at the address that the recipient has provided the Association for receipt of notice or, if no such address was provided, at the recipient's Condominium address in the Development.
- 12.14 <u>No Enforcement Waiver</u>. Failure to enforce a restriction in the past in and of itself shall not constitute a defense to any action brought against any Owner for violation of any restriction contained herein. Each Owner, by acceptance of a deed to a Condominium in the Development, acknowledges that the enforcement of these restrictions may vary as a result of different Owners or Boards, changing conditions, or other reasons and agrees that the failure of any Owner or Board to enforce any particular restriction, even if such failure is for an extended period of time, shall not in any manner restrict or estop the right of any Owner, or Board to enforce these restrictions at any future time.
- 12.15 <u>Statutory Reference</u>. Any reference to a governmental statute in this Declaration includes any amendments to the statute. If the statute is replaced by an equivalent statute, the equivalent statute shall be the applicable statute.
- 12.16 Rights of the County of Riverside. Notwithstanding any provisions in this Declaration to the contrary, the following provisions in this **Section 12.16** shall apply. The Association shall manage and continuously maintain the Common Area, including all Improvements and landscaping thereon, more particularly described in **Section 4.2** and **Exhibit B** attached hereto and shall not sell or transfer the Common Area or any part thereof, absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest.

The Association shall have the right to assess the Owner of each individual parcel for the reasonable cost of maintaining such Common Area and shall have the right to lien property of any such Owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien.

This Declaration shall not be terminated, 'substantially' amended or property deannexed therefrom absent the prior written consent of the Planning Department of the County of Riverside or the County's successor-in-interest. A proposed amendment shall be considered 'substantial' if it affects the extent, usage or maintenance of the such Common Area or any reciprocal easement established pursuant to this Declaration.

In the event of any conflict between this Declaration and the Articles, the Bylaws or the Association's Rules, if any, this Declaration shall control.

Declarant has executed this Declaration as of \(\scalebox

OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation

By: Its:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF CONTRA COSTA Riverside
On <u>January 15, 2015</u> , before me, <u>Skuy Vigo</u> , a Notary Public, personally appeared <u>Kaky Mindare</u> , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(iee), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.
COMM. #1947973 NOTARY PUBLIC - CALIFORNIA RIVERSIDE COUNTY My Comm. Expires Aug. 13, 2015

EXHIBIT A - Allocation of Common Area Interest, Assessments and Voting Rights

Unit	Percentage Share in Common Area and Percentage of Assessments	Number of Association Votes
1	54%	54
2	20%	20
3	26%	26
	100%	

EXHIBIT B - Common Area Landscaping

Parcel No. 1

subdivision map entitled "	as described on that certain " filed for record in the office of
the recorder of Riverside County, California, on	, 20 in Book
of Maps at pages, and	more particularly defined as the
"Association Property" in the Declaration of Covenants, C	conditions and Restrictions for Safe
House of the Desert recorded on	, as Document No.
, in the records of Riverside County,	California (the "Declaration").
EXCEPTING AND RESERVING THEREFROM THE FO	DLLOWING:
(i) The Condominium Common Area and C	ondominium Units described in the
Declaration and the Condominium Plan recorded on	, as Document
(i) The Condominium Common Area and C Declaration and the Condominium Plan recorded on, in the records of Riverside Cou	, as Document

Parcel No. 2

The easements that benefit Parcel No. 1 above as described in Section 2.3 of the Declaration.

RECORDED AT THE REQUEST OF AND WHEN RECORDED RETURN TO:
operation Safe House
9685 Hayes Street
Riverside, Ca 92503
MAIL TAX STATEMENTS TO:
Not ApplicableSee Below
<u> </u>

THE UNDERSIGNED GRANTOR DECLARES:

Documentary transfer tax is \$ NONE--NO CONSIDERATION.

The parcel is a common area lot in a condominium development owned by the owners association and should not be separately assessed pursuant to the provisions of Revenue and Taxation Code section 2188.3.

GRANT DEED

FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS ACKNOWLEDGED:

OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation ("Grantor") grants to SAFE HOUSE OF THE DESERT ASSOCIATION, a California nonprofit mutual benefit corporation ("Grantee") the following described real property in Riverside County, State of California:

See Exhibit A attached hereto and incorporated herein.

GRANTEE, by acceptance and recordation of this deed, expressly accepts, covenants and agrees that the property granted hereunder, and Grantee and all successive owners thereto, shall be bound by the covenants, conditions, restrictions, easements, rights, duties, benefits and burdens set forth in the Declaration described in Exhibit A.

SUBJECT TO general and special real property taxes for the current fiscal year.

GRANTOR:

OPERATION SAFE HOUSE, INC.,

a California nonprofit public benefit corporation

By:

its:

EXECUTIVE DIRECTOR

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF		
On January 15, 2015 before me personally appeared Kathy McAdara	ne, Stay Vigo	a Notary Public,
who proved to me on the basis of satisfactory evito the within instrument and acknowledged to authorized capacity(iee) and by his/her/their sign behalf of which the person(e) acted, executed the certify under PENALTY OF PERJURY under the istrue and correct.	ome that he/she/they execunature(s)-on the instrument the instrument.	ited the same in his /her/t heir e person(s) , or the entity upon
WITNESS my hand and official seal. Signature Stacy Vigo		STACY VIGO COMM. #1947973 NOTARY PUBLIC - CALIFORNIA RIVERSIDE COUNTY My Comm. Expires Aug. 13, 2015
Name (typed or printed), Notary Public in and for said County and State.		(seal)

EXHIBIT A

Parcel No. 1

						map entitled
County Colif	ornio or		_ illed for it			corder of Riverside
County, Cam	orna, or	 	 	,	300k	of Maps at
						Property" in the
Declaration of	of Covena	ints, Conditio	ns and Rest	rictions for S	afe House of th	e Desert recorded
on		, as	Document I	No.	,	in the records of
Riverside Co	untv. Ca	ifornia (the "	Declaration")		
	,	(,-		
EXCEPTING	AND RE	SERVING T	HEREFRO	VI THE FOL	LOWING:	
(i)	The C	Condominium	Common A	rea and Cor	ndominium Uni	ts described in the
` '		ondominium I	Plan recorde	ed on		, as Document
Declaration a	and the Co	ondominium I , in the red	Plan recorde cords of Rive	ed on erside Coun	ty, California; a	, as Document and

Parcel No. 2

The easements that benefit Parcel No. 1 above as described in Section 2.3 of the Declaration.

RECORDED AT THE REQUEST OF AND WHEN RECORDED RETURN TO:	
Operation Safetbuse	
Buen de, la 92503	
MAIL TAX STATEMENTS TO:	
THE UNDERSIGNED GRANTOR DECLARES:	
Documentary transfer tax is \$,	
Computed on full value of property conveyed, or Computed on full value less value of liens and encumbrances remains X) Unincorporated area: City of Thousand Palms, Calife	
GRANT DEED	
FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS ACKNOWLEDG	ED:
OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corpora ("Grantee") the following descriptions:	
County of Riverside, State of California:	, , ,
See Exhibit A attached hereto and incorporated herein.	
GRANTEE, by acceptance and recordation of this deed, expressly accepts, cover property granted hereunder, and Grantee and all successive owners thereto, covenants, conditions, restrictions, easements, rights, duties, benefits and burdens of Covenants, Conditions and Restrictions for Safe House of the Desert recorded or as Document No in Riverside County, California (the "Declarated or the County of the County o	, shall be subject to the set forth in the Declaration n,

SUBJECT TO general and special real property taxes for the current fiscal year.

GRANTOR:

OPERATION SAFE HOUSE, INC., a California nonprofit public benefit corporation

Ву:

Its:

2

OPSH\51229\940815.2

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not to the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA COUNTY OF		
On January 15, 2015 before me personally appeared Kuthy Mc Adara	Stay Vigo	a Notary Public,
who proved to me on the basis of satisfactory evidents to the within instrument and acknowledged to a authorized capacity(iee) and by his/her/their signal behalf of which the person(s) acted, executed the	me that h e/ she/t hey executed the sature (s) on the instrument the person (same in his /her/t heir
I certify under PENALTY OF PERJURY under the is true and correct.	laws of the State of California that the	foregoing paragraph
WITNESS my hand and official seal. Signature Stay Vigo Notes (1974) Alexandre Dublic in	COMM. NOTARY PUB RIVERS	Y VIGO #1947973 BLIC - CALIFORNIA IDE COUNTY pires Aug. 13, 2015
Name (typed or printed), Notary Public in and for said County and State.	(sea	d)

EXHIBIT A

PARCEL NO. 1

A condominium consisting	of: (1) a separate interest in Ui	nit No.	as shown on the
	lan") recorded on		
	the records of Riverside Co		
described in the Declaration	of Covenants, Conditions and	Restrictions for	Safe House of the
Desert (the "Declaration")	recorded on	, as	s Document No.
in the	records of Riverside County, C	California; and	(2) an undivided
percentage interest in the C	ondominium Common Area sho	own on the Plar	n and described in
the Declaration, which cond	dominium is located on the rea	I property desc	ribed on the map
entitled "Tract No"	(the "Map") recorded on	, in	Book
of Maps, pages	in the records of Riverside	County, Califo	ornia.

EXCEPTING AND RESERVING THEREFROM THE FOLLOWING:

- (i) All of the Condominium Units shown on the Map and Condominium Plan other than the Unit described in Parcel No. 1 above; and
- (ii) Easements and rights for use, enjoyment, access, ingress, egress, encroachment, maintenance, repair, replacement, drainage, support, and other purposes as described in the Declaration.

SUBJECT TO:

Nonexclusive rights of ingress, egress and support through the Building Common Area.

PARCEL NO. 2

Nonexclusive rights of ingress, egress and support in, through and over the Building Common Area shown on the Condominium Plan described in Parcel No. 1 above.

PARCEL NO. 3

A nonexclusive easement on, in, over and through the Association Property as described in the Declaration for ingress and egress over the private streets and walkways situated thereon; for ingress, egress, and parking as described in the Declaration; for support from the land under and adjacent to the Condominium Building described in Parcel No. 1 above; and for access to and use of (including the right to install, maintain, repair or replace) any utility or related lines and equipment installed within, on or over the Association Property in order to provide utility or related service to Parcel No. 1 above, all of which are subject to the covenants, conditions, restrictions, rights, duties, benefits and burdens described in the Declaration.

OPSH\51229\940815.2 December 11, 2014

