

**ARTICLES OF INCORPORATION
OF
PACHECO COMMERCIAL CONDOMINIUMS**

I

The name of this corporation is PACHECO COMMERCIAL CONDOMINIUMS.

II

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. More specifically, the corporation will own, repair, maintain and manage common areas, enforce the rules and regulations as adopted from time to time by the Board of Directors, and discharge such other lawful duties and responsibilities as may be required pursuant to the corporation's Bylaws and the Declaration of Covenants, Conditions and Restrictions for Pacheco Commercial Condominiums (the "Declaration") recorded in the Office of the Contra Costa County Recorder, with respect to the Pacheco Commercial Condominiums development in the City of Pacheco, Contra Costa County, California (the "Development").

III

The name and address in this state of the corporation's initial agent for service of process are Bruce Inman, Esq., 455 Capitol Mall, Suite 220, Sacramento, California 95814.

IV

This corporation is an association formed to manage a common interest development under the Commercial and Industrial Common Interest Development Act. The Association's initial office address and mailing address is 1343 Locust Street #204, Walnut Creek, CA 94596. The front street and the nearest cross street of the Development are Pacheco Blvd. and Center Ave. There is no managing agent for the Association at the time these Articles of Incorporation are being prepared.

V

No part of the net earnings of this corporation shall inure to the benefit of any private individual, except as expressly provided in those sections with respect to the acquisition, construction, or provision for management, maintenance, and care of the corporation's property, and other than by a rebate of excess membership dues, fees, or assessments. In the event of the

dissolution, liquidation, or winding up of the corporation, upon or after termination of the aforementioned real estate project in accordance with provisions of the Declaration, the corporation's assets remaining after payment, or provision for payment, of all known debts and liabilities of the corporation shall be divided among and be distributed to the members thereof in accordance with their respective rights therein.

VI

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

VII

The authorized number, and qualifications for membership in this corporation, the different classes of membership, the property, voting and other rights and privileges of members and their liability for dues and assessments and the methods of collection thereof, shall be as provided for in the Bylaws of this corporation and the Declaration.

VIII

Any amendment of these Articles shall require the vote or consent by written ballot of (i) at least a bare majority of the Board of Directors; and (ii) at least a bare majority of the voting power of each class of members.

Date: _____, 202_.

Bruce R. Inman, Incorporator

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By Contra Costa County
Department of Conservation and Development

BYLAWS
OF
PACHECO COMMERCIAL CONDOMINIUMS

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BYLAWS
OF
PACHECO COMMERCIAL CONDOMINIUMS**

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BYLAWS OF PACHECO COMMERCIAL CONDOMINIUMS

ARTICLE 1 NAME AND PURPOSE

1.1 Name and Location. The name of the corporation or unincorporated association is Pacheco Commerical Condominiums (the "Association"). The principal office of the Association shall be located in the City of Pacheco, Contra Costa County, California or at such other place reasonably convenient to the Development as the Board may from time to time establish.

1.2 Corporate Status. The Association has been formed pursuant to the California Nonprofit Mutual Benefit Corporation Law (California Corporation Code, Section 7110 et seq.) as a nonprofit mutual benefit corporation or as an unincorporated association pursuant to California Corporations Code Section 18000 et seq., and is an "Association" as defined by California Civil Code Section 6528.

1.3 Specific Purpose. The specific and primary purpose of this Association shall be to maintain and enhance the property values all of the property within the Pacheco Commercial Condominiums project located in the City of Pacheco, Contra Costa County, California. The Association shall own, repair, maintain and manage the Common Area within the Condominium project, enforce the terms and conditions of the Declaration, the Rules adopted by the Board, from time to time, and to otherwise enhance and promote the use and enjoyment of the Common Areas by the Owners in common.

ARTICLE 2 DEFINITIONS

2.1 Definitions and Incorporation by Reference. When the words and phrases described in this Article are used in the Bylaws, they will have the meanings set forth in this Article. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires. The use of the term "may" in these Bylaws indicates discretion or choice, and the use of the term "shall" in these Bylaws mean imperative, mandatory or imposing an absolute duty. The terms defined in the Declaration shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

2.2 Declaration. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for Pacheco Commercial Condominiums Recorded in the Official Records of Contra Costa County, California, as such Declaration may from time to time be amended.

2.3 Proxy or Proxies. "Proxy" or "Proxies" or shall mean a written authorization signed by a Member or the authorized representative of the Member that gives another Member or Members the power to vote on behalf of that Member.

2.4 Simple Majority. "Simple Majority" shall mean a majority of the votes of the Members: (i) represented and voting at a meeting at which a quorum is present or (ii) cast by written ballot in which the number of ballots received equals or exceeds the number required to establish a quorum. The term "Simple Majority" as used in the Governing Documents shall have the same meaning and shall apply to any situations subject to California Civil Code Section 6524.

2.5 Total Voting Power. "Total Voting Power" shall mean the total number of voting shares of all Members entitled to vote at a particular time.

3.1 Members and Term of Membership. Membership in the Association shall include, and shall be limited to, all Owners of any Unit located within the Development. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Upon becoming the Owner of a Unit, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as their Unit ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Unit to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Unit. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Unit including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

3.2 Classes of Membership. The Association shall have the following classes of voting membership:

(a) Class A Members. Each Owner, with the exception of Declarant, shall be a Class A Member.

(b) Class B Member. The Class B Member shall be the Declarant.

3.3 Voting Rights of Classes of Members.

(a) Members Entitled to Vote. Only Members shall be entitled to vote. The voting privileges of each class of Members shall be as provided herein. The tenants or lessees of any Unit within the Development shall have no voting or membership rights in the Association.

(b) Class A Member. The Class A Members shall initially be all Owners except Declarant and each Class A Member shall have one (1) vote for each full one hundred (100) square foot of a Unit owned by such Class A Member. The square footage of each Unit shall be established by the method set forth in the Declaration.

(c) Class B Member. Declarant shall be the only Class B Member. The Class B of Member shall have ten (10) votes for each full one hundred (100) square foot of a Unit owned by such Class B Member. The square footage of each Unit shall be established by the method set forth in the Declaration.

3.4 Casting Votes.

(a) Voting at Membership Meetings. The vote by the Members regarding any other issue properly before a meeting of the Members shall be conducted by secret ballot when determined by the chairman of the meeting, in their discretion, or when requested by ten percent (10%) of the Members present at the meeting.

(b) Voting by Written Ballot. In addition to voting in person or by Proxy at a meeting, Members' votes may be solicited by written ballot in lieu of a meeting of the Members in accordance with Section 4.10, below.

(c) Proxy Voting. Members eligible to vote at a meeting may do so in person or by Proxy issued as provided in Section 4.7, below.

(d) Cumulative Voting. No cumulative voting shall be permitted.

(e) Multiple Owner Vote Allocation. Members shall be entitled to cast their allocated votes for each Unit owned. In the event more than one (1) person owns a given Unit, the vote for such Unit shall be exercised as the Owners among themselves shall determine, but in no event shall more than the allocated votes for the Unit be cast with respect to any Unit. If any Owner casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit.

3.5 Assignment of Membership Rights. A Member who has sold their Unit to a purchaser under an installment land contract shall assign to such purchaser their rights and privileges of membership in the Association and shall be deemed to have assigned to a purchaser who has assumed occupancy of the Member's Unit and all rights of use and enjoyment of the Common Area. No assignment of any membership rights or privileges to a non-occupant purchaser shall be binding, however, until the Board of Directors has been notified thereof in writing. Notwithstanding any assignment, until fee title to the Unit has been transferred of Record, the selling Owner shall remain liable for all assessments, fines, and other charges imposed by the Board and for compliance with the Governing Documents by all Occupants of their Unit. Any Member who has leased or rented their Unit to another person or persons shall in all events be deemed to have assigned to their tenants all rights of use and enjoyment of the Common Area. It is the express purpose and intent of the provisions of this Section to limit the right of use and enjoyment of the Common Area to Occupants of the Development and their guests.

3.6 Record Dates. The record dates for notice of meetings of Members and voting shall be determined as follows:

(a) Record Dates for Notice of Meetings. The Board of Directors may fix a time not more than ninety (90) days and not less than four (4) days preceding the date of any meeting of the Members as the record date for determining the Members entitled to notice of any such meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of any meeting shall be the close of business on the business day preceding the day on which notice is given or, if notice is waived, the close of business on the business day preceding the day on which the meeting is held. Only those persons or entities identified as Members in the records of the Association on the record date shall be entitled to notice of such meeting.

(b) Record Dates for Voting. The Board of Directors may fix a time not more than sixty (60) days preceding the date of any meeting of the Members as the record date for determining the Members entitled to vote at any such meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to vote at any meeting shall be the day of the meeting or, in the case of an adjourned meeting, the day of the adjourned meeting. Only Members as of the record date shall be entitled to vote at such meeting.

(c) Record Dates for Actions Without a Meeting. The Board of Directors may fix a time not more than sixty (60) days before the day on which the first written ballot is mailed or solicited as the record date for determining the Members entitled to cast written ballots with respect to any action proposed to be taken without a meeting pursuant to Section 4.10. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to cast written ballots with respect to any proposed action shall be the day on which the first written ballot is mailed or solicited. Only Members as of the record date shall be entitled to receive written ballots and vote on the proposed action.

(d) Entitlement to Notice and Vote. Only Members are entitled to receive notice of meetings and only Members are entitled to vote.

4.1 Annual Meeting. The annual meeting of the Members shall be held annually at a date and time established by the Board.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board or pursuant to the written request of Members entitled to cast at least ten percent (10%) of the Total Voting Power of the membership.

4.3 Notice of Meetings.

(a) Notice Period. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to give notice of a meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered, or by email, at least four (4) but not more than ninety (90) days before such meeting, to each Member entitled to vote at such meeting, except that in the case of a special meeting called pursuant to a written request of Members, notice of such special meeting shall be mailed, emailed, or otherwise delivered within twenty (20) days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of such written request. Notice shall be given by posting the notice in a prominent place or places within the Common Area, or by email and by mail to any Owner who had requested notification of Board meetings by mail. Additionally, notice may also be given by mail or delivery of the notice to each Unit in the Development or by newsletter or similar means of communication.

(b) Content of Notice. Notice of meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters that the Board intends to present for action by the Members. Additionally, the notice shall contain the agenda for the meeting.

4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure, such as Robert's Rules of Order, or such parliamentary procedures as the Association may adopt. A reasonable time limit for all Members to speak at a meeting of the Members shall be established by the Board of Directors.

4.5 Place of Meetings. Annual and special meetings shall be held either: (i) at a convenient place located as close as reasonably practicable to the Development, (ii) by teleconference, or (iii) by video conference.

4.6 Quorum. The presence at any meeting, in person, of Members entitled to cast at least one-third (1/3) of the Total Voting Power shall constitute a quorum for the transaction of any business.

4.7 Proxies. At all meetings of the Members, each Member may vote in person or by Proxy. All Proxies shall be in writing and shall be filed with the Secretary. Any duly-executed Proxy continues in full force and effect until an instrument revoking it or a duly-executed Proxy bearing a later date is filed with the Secretary of the Association. Notwithstanding the preceding, no Proxy shall be valid after the expiration of thirty-six (36) months from the date of its execution. A Member's Proxy shall automatically cease if the Member conveys their Unit and is no longer an Owner.

(a) Form of Proxy. A Proxy covering any of the following matters shall not be valid unless it sets forth the general nature of the matter to be voted on:

(i) Votes with Interested Directors. Voting on a transaction involving an interested Director pursuant to California Corporations Code Section 7233;

(ii) Voting on Sale or Exchange of All or Substantially All Assets. Voting on the sale or exchange of all or substantially all of the Association assets pursuant to California Corporations Code Section 7911(a)(2);

(iii) Merger. Voting on a merger pursuant to California Corporations Code Section 8012;

(iv) Amendments to Merger. Voting on amendments to principal terms of a merger agreement pursuant to California Corporations Code Section 8015(a);

(v) Wind Up or Dissolution. Voting to wind up or dissolve the Association as a corporation pursuant to California Corporations Code Section 8610;

(vi) Plan of Distribution. Voting on a plan of distribution of Association assets in the event of dissolution pursuant to California Corporations Code Section 8719.

(b) Choice Between Approval and Disapproval. Any form of Proxy distributed to Members shall afford an opportunity on the Proxy to specify a choice between approval and disapproval of each matter or group of matters intended, at the time the Proxy is distributed, to be acted upon at the meeting for which the Proxy is solicited and shall provide, subject to reasonable specified conditions, that where a choice is specified the vote shall be cast in accordance with that choice. The Proxy shall also identify the person or persons authorized to exercise the Proxy and the length of time it will be valid.

4.8 Vote of the Members. If a quorum is present, in person or by Proxy, the affirmative vote of a majority of the voting power so present and voting on any matter (that is, a Simple Majority) shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the Governing Documents or of law. The Members present at a meeting may continue to transact business until adjournment of the meeting notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken, other than adjournment, is approved by Members entitled to vote at least a majority of the voting power required to constitute a quorum, or by such greater number as required by law or by the Governing Documents.

4.9 Disclosure of Voting Results. For a period of sixty (60) days following the conclusion of a meeting of the Members, the Association shall, upon written request from a Member, inform the Member of the result of any particular vote of the Members taken at such meeting, including the number of memberships voting for, the number of memberships voting against the ballot measure. If the matter voted on was the election of Directors, the Association shall report the number of membership votes cast for each nominee for Director.

4.10 Action Without a Meeting.

(a) Types of Action Permitted. Any action that may be taken at a regular or special meeting, other than the election of Directors, may be taken without a meeting of the Members if the Association distributes a written ballot to every Member entitled to vote. The determination to seek Member approval for Association actions through the use of written ballots shall be made by a majority vote of the Board.

(b) Content of Ballots. Written ballots distributed to the Members shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposal. The written ballots shall provide a reasonable time within which to return the ballot to the Association. The Board, at its discretion, shall have the power to extend the date within which ballots must be returned if ballots constituting the necessary quorum requirements for approval of the proposed action are not received by the original deadline set for their return.

(c) Quorum and Approvals Required. Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the action if it were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(d) Content of Solicitation. The written ballot solicitation shall identify the number of responses needed to meet the quorum requirement and the percentage of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

(e) Revocation of Ballot. A written ballot, once cast, may not be revoked.

ARTICLE 5 BOARD AND QUALIFICATIONS

5.1 Number of Directors. The affairs of this Association shall be managed by or under the direction of a Board, consisting of three (3) Directors.

5.2 Qualification and Disqualification of Directors. All Directors shall meet the following qualifications, and shall be subject to disqualification as follows:

(a) Members. Only Members shall be eligible to be elected to or serve on the Board.

(b) Unit Owned by Entity. If the Unit is owned by an entity, then such entity may nominate to serve as a Director of the Association any director, officer, partner or employee of such entity.

(c) Disqualification. A person shall be deemed disqualified under the following circumstances: (i) the person is found by a court of competent jurisdiction to be of unsound mind or has been convicted of a felony; (ii) the person fails within sixty (60) days after receiving notice of election to accept such office, either in writing or by attending a meeting of the Board of Directors as a Director; and (iii) the person is absent, without an excuse approved by the Board, from three (3) consecutive meetings of the Board.

5.3 Election of Board. The initial Board of Directors shall be appointed by the Declarant. At each annual meeting of the Members, the Members shall elect one (1) Director as long as the Class B Member owns two (2) or more Units within the Development. At each annual meeting once the Class B Member owns fewer than two (2) Units within the Development, the Members shall elect three (3) Directors. An elected Director's term of office shall be for one (1) year and shall commence immediately following their election and each Director shall serve until the expiration of their term and thereafter until a successor Director has been elected, or until the earlier disqualification, death, resignation, or removal of such Director. Any tie in the number of votes cast for candidates shall be decided by random drawing or other method of chance as determined by the Board of Directors. There shall be no limitation on the number of consecutive terms to which a Director can be re-elected. In any election of Directors where the number of candidates

does not exceed the number of Directors to be elected, the election of Directors may be accomplished by acclamation without the use of ballots.

5.4 Removal of Directors. Any elected Director may be removed from the Board, with or without cause, by the vote of a Simple Majority of the Members by written ballot in accordance with the provisions of these Bylaws. Further, any elected Director may be removed from the Board for cause by a unanimous vote of the other two (2) Directors. As used in this Section, removal for cause may include, but is not limited to, failure of the elected Director to attend Board meetings, otherwise failing to fulfill their duty as an elected Director, breaching their fiduciary duty under the California Civil Code or the California Corporations Code.

5.5 Vacancies. A vacancy shall exist on the Board in the event of the disqualification, death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. A reduction in the authorized number of Directors shall not cause removal of a Director prior to the expiration of their term. The Board, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.2, above, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

5.6 Filling Vacancies. Any vacancy occurring on the Board, except a vacancy created by the removal of a Director or due to an increase in the authorized number of Directors, may be filled by approval of the Board, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a Board Meeting, or by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom he or she replaces. The Members may elect a Director at any time to fill any vacancy not filled by the Directors. A vacancy occurring on the Board due to the removal of a Director or due to an increase in the number of authorized Directors shall be filled by the vote of the Members pursuant to Article 6, below.

5.7 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for their expenses actually incurred in the performance of their duties.

ARTICLE 6 APPOINTMENT AND ELECTION OF DIRECTORS

6.1 Appointment and Election of Directors. As long as the Class B Member owns two (2) or more Units within the Development, the Class B Member shall appoint two (2) members of the Board and the Class A Members shall elect one (1) member of the Board. At the time the Class B Member owns fewer than two (2) Units within the Development, the Class B Member will relinquish its right to appoint directors and all three (3) members of the Board will be elected by the Members. Directors appointed by the Class B Member shall serve on the Board until removed or replaced by the Class B Member.

6.2 Nomination Prior to the Mailing of Ballots. Any person meeting the qualifications specified in Section 5.2 may place their name in nomination for election to the Board by giving written notice to the President or Secretary of the Association at least fourteen (14) days prior to the date specified by the Board for the Member meeting or the mailing of the ballots for the election of Directors.

6.3 Elections.

(a) Secret Ballot Elections. For each election conducted by secret ballot, such elections shall be conducted in accordance with the provisions of these Bylaws and any duly adopted Rules regarding secret ballot elections.

(b) Establishing a Quorum. Each ballot received by the Association shall be treated as a Member present at a meeting for purposes of establishing a quorum. For the Members' meeting or Board Meeting held for the purpose of counting and tabulation of votes, a quorum shall be established prior to the opening and counting of the ballots.

6.4 Proxy Election Vote. Proxies shall not be construed or used in lieu of a ballot. Any instruction given in a Proxy issued for an election that directs the manner in which the Proxy holder is to cast the vote shall be set forth on a separate page of the Proxy that can be detached and given to the Proxy holder to retain. The Proxy holder shall cast the Member's vote by secret ballot. The Proxy may be revoked by the Member prior to the receipt of the ballot by the inspector of elections as described in California Corporations Code Section 7613.

ARTICLE 7 MEETINGS OF DIRECTORS

7.1 Organizational Meetings. Immediately following each annual meeting of Members or Directors where one (1) or more Directors are elected, the Board of Directors shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.

7.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually without notice to the Directors, at a place within the Development, or at a convenient place located as close as reasonably practicable to the Development, by teleconference, or by video conference, and on a day and at a time as fixed from time to time by resolution of the Board, or upon proper notice that conforms to the provisions of Section 7.5 of these Bylaws, at another place, day, and time as set forth in such notice.

7.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors.

7.4 Emergency Meetings. The President or any two (2) Directors may call an emergency meeting of the Board. An "emergency meeting" is defined as a meeting held to address circumstances that could not have been reasonably foreseen that require immediate attention and possible action by the Board, and that of necessity make it impracticable to provide the notice to Members required by Section 7.6.

7.5 Notice to Directors. Except as otherwise provided in Section 7.2 of these Bylaws, notice of each meeting of the Board shall be communicated to the Directors by first class mail not less than four (4) days prior to the meeting or by (i) personal delivery, (ii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, (iii) telegraph, (iv) facsimile, or (v) electronic mail or other electronic means, not less than forty-eight (48) hours prior to the meeting. In the event of an emergency meeting as provided in Section 7.4, strict adherence to the notice requirements of this Section shall not be required provided that a reasonable effort to give notice to each Director shall be made taking into consideration the nature and circumstances of the emergency. Notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, or an approval of the minutes thereof, whether before or after the meeting, nor must notice be given to any Director who attends a meeting without protesting, prior thereto or at its commencement, the lack of notice to that Director.

7.6 Notice to Members. Except for emergency meetings as provided for in Section 7.4 and executive sessions as provided for in Section 7.8, Members shall be given notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, at least four (4) days prior to such meeting. Notice shall be given to all Members by posting the notice in a prominent place or places within the Common Area and by mail to any Owner who has requested notification of Board meetings by mail, at the address requested by the Owner. Notice may also be given by (i) mailing or delivery to each Unit, or (ii) by newsletter, or (iii) by other means of communication reasonably designed to provide prior actual notice of such meeting.

7.7 Open Meeting. Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session pursuant to Section 7.8. A reasonable time limit for all Members to speak to the Board shall be established by the Board.

7.8 Executive Session. The Board of Directors may meet in executive session to confer with legal counsel or to discuss and vote upon personnel matters, Member discipline, litigation in which the Association is or may become involved and matters that relate to the formation of contracts between the Association and others. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other person whose participation is, in the judgment of the Board, necessary or appropriate shall be entitled to attend the executive session.

7.9 Telephone Participation. Directors may participate in regular or special Board Meetings through the use of conference telephone, electronic video screen communications, or other communications equipment to the extent permitted by law, including, without limitation, California Corporations Code Section 7211(a)(6).

7.10 Quorum. A majority of the number of Directors then in office, but not less than two (2) Directors, shall constitute a quorum for the transaction of business, provided that if a Director is not a Member, a quorum shall constitute a majority of the Directors that are Members. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board. Business may continue to be conducted if any action taken is approved by at least a majority of the Directors required to constitute a quorum notwithstanding the withdrawal of enough Directors to leave less than a quorum.

7.11 Minutes of Meetings of Directors.

(a) Time for Publication of Minutes. Within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members upon request either (i) the minutes of that meeting as adopted by the Board, (ii) those minutes as proposed for adoption which shall be marked to indicate draft status, or (iii) a summary of the minutes. Any matter discussed in an executive session shall be generally noted in the minutes of the Board and minutes of executive sessions shall not otherwise be required.

(b) Copies of Minutes. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies. The Board may, but shall not be required to, post the minutes of its meetings on an internet site.

(c) Executive Sessions. Any matter discussed in an executive session shall be generally noted in the minutes of the Board and minutes of executive sessions shall not otherwise be required.

7.12 Action Without a Meeting. Notwithstanding any requirement in these Bylaws or the Declaration that the Board make decisions at meetings, an action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the Board. The action by written consent shall have the same force and effect as a unanimous vote of the Directors.

8.1 Powers, Generally. In addition to such other powers as may be expressly set forth in Article 2 of the Declaration, and elsewhere in the Governing Documents or provided by law, the Board of Directors shall have the powers set forth below in this Article 8.

8.2 Rules and Regulations. The Board shall have the power to adopt, publish, amend, repeal, and enforce Rules governing the administration, management, operation, use, and occupancy of the Development, including, without limitation, the use of the Common Area and facilities, the personal conduct of the Members and their tenants and guests within the Development, and any other matter that is within the jurisdiction of the Association.

8.3 Contracts. The Board shall have the power to authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account.

8.4 Sanctions; Hearings; Continuing Violations. The Board shall have the power to impose any or all of the sanctions, and conduct hearings, as indicated below:

(a) Imposition of Fines. The Board shall have the power to establish and impose fines, which shall be Enforcement Assessments as provided in Section 6.8 of the Declaration, for the infraction of any provision of the Governing Documents in accordance with a schedule of fines adopted by the Board and distributed to all Members. The fines shall be in such amount as the Board of Directors, in its discretion, shall determine and may be imposed on a per day basis for the period that the violation continues in the case of a continuing violation as discussed below.

(b) Suspension of Rights. The Board shall have the power to suspend the membership rights and privileges of a Member, including the right to use any facilities (i) during any period in that such Member shall be in default in the payment of any Assessment, fine or other charge levied by the Association, and (ii) for any infraction of the Governing Documents.

(c) Hearings. Except as provided in the Declaration and subsection 8.4(e), below, before any action is taken or discipline is imposed upon a Member, the Board shall hold a meeting to consider the matter.

(d) Notice of Hearings. At least ten (10) days prior to any Board meeting where the imposition of discipline upon a Member is to be considered, the Board shall provide written notice of the meeting to the Member by either personal delivery or first-class mail. The notice shall contain at least (i) the date, time and place of the meeting, (ii) the nature of the alleged violation for which the Member may be disciplined, and (iii) a statement that the Member has a right to attend the meeting and may address the Board at the meeting.

(e) Hearings in Emergency Situations. When corrective action is taken in emergency situations as specified in the Declaration:

(i) The Board may act on its own initiative to schedule a hearing.

(ii) If the Board has not scheduled a hearing and the disciplined Member desires a hearing, the Member's written request therefor shall be delivered to the Association no later than ten (10) days following the date when the notice of the Board's disciplinary action is transmitted to the Member. The hearing shall be held within thirty (30) days following the receipt by the Board of the Member's request for a hearing.

(iii) If a hearing is scheduled or requested, any discipline already imposed shall be held in abeyance and shall become effective only if affirmed at the hearing.

(iv) Notification of all hearings shall be made in accordance with subsection 8.4(d).

(f) Continuing Violations. In the case of a continuing violation, the Board may deem such continuing violation to constitute two (2) or more separate and distinct violations of the same Governing Document provision and may impose separate and successive sanctions for each such violation. However, the Board shall not impose a separate sanction for violation of the same provision more frequently than once per day.

(g) Notice of Discipline. If the Board imposes discipline upon a Member, the Board shall provide the Member with written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action.

8.5 Manager. The Board shall have the power to engage the services of a manager or management company as either an employee or an independent contractor and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.

8.6 Delegating Board Authority. The Board may, by written resolution and consistent with applicable laws, delegate its authority to a single Director or to the Association's manager, if any, to perform any actions the Board is authorized to perform under the Governing Documents. The written resolution delegating such authority shall specify the scope of authority delegated and may be revoked by the Board at any time.

8.7 Professional Advisors. The Board shall have the power to consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services.

8.8 Investment of Reserve Funds. If the Board establishes reserve fund accounts, the Board shall have the power to invest Association reserve funds in prudent investments normally associated with reserve fund investment risk levels typical for common interest development owners associations.

8.9 Entry for Repairs. The Board shall have the power to enter any Unit, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform, including without limitation the authorization provided in Section 7.6 of the Declaration. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Unit to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Unit, any other Unit or the Common Area. Such entry shall be made with as little inconvenience to the Occupants as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

8.10 Property Taxes. The Board shall have the power to pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Such taxes and assessments may be contested or compromised by the Association provided that any such taxes are paid or that a bond insuring the payment is posted.

8.11 Association Property. The Board shall have the power, subject to the provisions of the Declaration, including any required approval of Members, to acquire, own, hold, convey, transfer, dedicate, or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration, and operation of the Development or the business and affairs of the Association, and grant and convey easements, licenses, and rights of way in, over, upon, or under the Common Area.

8.12 Indemnification of Agents. The Board shall have the power to indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, employee, or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of their being a Director, officer, employee, or agent of the Association or member of any committee appointed by the Board.

8.13 Bank Accounts. The Board shall have the power to open bank accounts and designate signatories upon such bank accounts, subject to any restrictions set forth in the Governing Documents.

8.14 Borrowing. The Board shall have the power to borrow money in the name of the Association as provided in the Declaration.

8.15 Other Powers and Duties. The Board shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and undertake any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

ARTICLE 9 DUTIES OF THE BOARD OF DIRECTORS

9.1 Records and Minutes. The Board of Directors shall cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and committees of the Board, and to present a statement thereof to the Members at the annual meeting of the Members.

9.2 Pro Forma Budget. The Board of Directors shall prepare and distribute to the Members annually, a pro forma operating budget.

9.3 Reserve Funds. The Board of Directors may establish reserve funding levels for components of the Development the Association is obligated to maintain, repair or replace. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account;

9.4 Annual Notifications to Members. The Board of Directors shall distribute to the Members annually a copy of the procedures applicable to imposition of a fine or other monetary penalty, suspension of a Member's rights and privileges, or other sanctions, pursuant to California Civil Code Section 6850.

9.5 Notice of Assessments. As more fully provided in the Declaration, the Board of Directors shall: (i) send written notice to each Owner in advance of each fiscal year of the Regular Assessment levied against their Unit for that fiscal year; and (ii) collect assessments levied by the Association by foreclosing the lien against any property for which assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

9.6 Certificate of Payment of Assessments. The Board of Directors shall issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

9.7 Insurance. To the extent they are available at a reasonable premium cost, the Board of Directors shall obtain and maintain in force the policies of insurance described in the Declaration.

ARTICLE 10 OFFICERS AND THEIR DUTIES

10.1 Enumeration of Officers. The officers of the Association shall be a President, Secretary, and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may, from time to time, by resolution appoint.

10.2 Election of Officers. The Board of Directors shall elect the officers. The election of officers shall take place immediately following the election of the Board of Directors, or at the first meeting of the Board of Directors following an election of a new Director.

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

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

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

10.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces, subject to the Board's right to remove an officer.

10.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices, except in the case of special offices created pursuant to Section 10.4 of these Bylaws.

ARTICLE 11 BOOKS, RECORDS AND FUNDS

11.1 Inspection of Records. "Association Records" shall mean any financial document required to be provided to a Member pursuant to these Bylaws or California law, as well as interim unaudited financial statements such as balance sheet, income and expense statement, budget comparison, general ledger and check registers. Association Records also include Association executed contracts not otherwise privileged under law, written Board approval of vendor or contractor proposals or invoices, state and federal tax returns, reserve account balances and records of payments made from reserve accounts, agendas and minutes of meetings of the Members, Board Meetings and any committees appointed by the Board; excluding, however, minutes, and other information from executive sessions of the Board. Association Records include lists of Members, including name, property address, and mailing address. The Association

shall make available Association Records for inspection and copying by a Member of the Association, or the Member's designated representative. The Association may bill the requesting Member for the direct and actual cost of copying requested documents. The Association shall inform the Member of the amount of the copying costs before copying the requested documents. A Member of the Association may designate another person to inspect and copy the specified Association Records on the Member's behalf. The Member shall make this designation in writing. The Association shall make the specified Association Records available for inspection and copying in the Association's business office within the Development.

11.2 Procedures for Inspection of Records if No Association Office Within Development. If the Association does not have a business office within the Development, the Association shall make the specified Association Records available for inspection and copying at a place that the requesting Member and the Association agree upon. If the Association and the requesting Member cannot agree upon a place for inspection and copying, or if the requesting Member submits a written request directly to the Association for copies of specifically identified records, the Association may satisfy the requirement to make the Association records available for inspection and copying by mailing copies of the specifically identified records to the Member by first-class mail.

11.3 Cost of Copying. The Association may bill the requesting Member for the direct and actual cost of copying and mailing requested documents. The Association shall inform the Member of the amount of the copying and mailing costs, and the Member shall agree to pay those costs, before copying and sending the requested documents.

11.4 Association's Right to Withhold or Redact Information. The Association may withhold or redact information from the Association Records for any of the following reasons.

(a) Identity Theft. The release of the information is reasonably likely to lead to identity theft. For the purposes of this subsection, "identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property.

(b) Fraud or Misrepresentation With Respect to the Association. The release of the information is reasonably likely to lead to fraud in connection with the Association.

(c) Legally Privileged Information. The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the Association is or may become involved, and confidential settlement agreements.

(d) Individual Member Privacy. The release of the information is reasonably likely to compromise the privacy of an individual Member of the Association.

(e) Individual Member Information. The information contains any of the following records of a-la-carte goods or services provided to individual Members for which the Association received monetary consideration other than Assessments, records of disciplinary actions, collection activities, or payment plans of Members other than the Member requesting the records, any person's personal identification information, including, without limitation, social security number, tax identification number, driver's license number, credit card account numbers, bank account number, and bank routing number, agendas, minutes, and other information from executive sessions of the Board of Directors, personnel records other than the payroll records, interior architectural plans, including security features, for individual Units.

11.5 Use of Association Records. The Association Records, and any information from them, may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Association may bring an action against any person who violates this subsection for injunctive relief and for actual damages to the Association caused by the violation. This

subsection may not be construed to limit the right of the Association to damages for misuse of information obtained from the Association records pursuant to this subsection or to limit the right of the Association to injunctive relief to stop the misuse of this information. The Association shall be entitled to recover reasonable costs and expenses, including reasonable attorneys' fees, in a successful action to enforce its rights under this subsection.

11.6 Association Records Retention Requirements. The Association Records shall be made available for the current fiscal year and for each of the previous two (2) fiscal years.

11.7 Liability for Identity Theft. The Association, its officers, Directors, employees, agents or volunteers of the Association shall not be liable for damages to a Member of the Association or any third party as the result of identity theft or other breach of privacy because of the failure to withhold or redact that Member's information under this Article 12, unless the failure to withhold or redact the information was intentional, willful, or negligent. Any person submitting a reimbursement request shall be solely responsible for removing all personal identification information from the request.

11.8 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

11.9 Fiscal Year. The fiscal year of the Association shall run from January 1 through December 31 of each year unless otherwise determined by resolution of the Board of Directors.

11.10 Delivery of Documents to Members.

(a) Document Distribution. All notices and documents distributed by the Association to Members shall be delivered by one (1) or more of the following methods:

(i) Personal delivery.

(ii) First-class mail, postage prepaid, addressed to a Member at the address last shown on the books of the Association or otherwise provided by the Member. Delivery is deemed to be complete on deposit into the United States mail.

(iii) E-mail, facsimile, or other electronic means, if the Member has agreed to that method of delivery. The agreement obtained by the Association shall be consistent with the conditions for obtaining consumer consent described in Section 20 of the California Corporations Code. If a document is delivered by electronic means, delivery is complete at the time of transmission.

(iv) A method of delivery provided in a Recorded provision of the Governing Documents.

(v) Any other method of delivery, provided that the Member has agreed to that method of delivery.

ARTICLE 13 AMENDMENTS

13.1 Amendment. These Bylaws may be amended or revoked in any respect by the vote or assent by written ballot of a majority of the Total Voting Power of the Members. Notwithstanding the foregoing, the percentage of the Total Voting Power necessary to amend a specific clause or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

13.2 Amendment By Board. The Board may, without the approval of the Members, amend any part of these Bylaws to the limited extent necessary to comply with a change in applicable federal, state or local legislation, and to correct typographical errors.

ARTICLE 14 MISCELLANEOUS

In the case of any conflict between the articles of incorporation or articles of association and these Bylaws, the articles of incorporation or articles of association shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

(remainder of page left blank intentionally)

CERTIFICATE OF ADOPTION

The undersigned, Secretary of the Association known as Pacheco Commercial Condominiums, hereby certifies that the above and foregoing Bylaws were duly adopted by action of the Board on _____, 202____, and that they now constitute the Bylaws of the Association.

PACHECO COMMERCIAL CONDOMINIUMS

By: _____

_____, Secretary

RECORDING REQUESTED BY:

AND WHEN RECORDED, MAIL TO:

INMAN LAW GROUP, LLP

Bruce R. Inman, Esq.

3053 Freeport Blvd. #309

Sacramento, California 95818

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

PACHECO COMMERCIAL CONDOMINIUMS

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DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PACHECO COMMERCIAL CONDOMINIUMS

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**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PACHECO COMMERCIAL CONDOMINIUMS**

This Declaration of Covenants, Conditions and Restrictions for Pacheco Commercial Condominiums (the "Declaration") is made by Ronald P. Elvidge, Paul E. Chahin as Trustee of the Chahin Family Trust and Leslie R. Guerrero-Chahin as Trustee of the Chahin Family Trust (collectively, the "Declarant").

RECITALS

A. Declarant is the owner of certain real property located in the City of Pacheco, Contra Costa County, California, which is more particularly described in attached Exhibit "A" (the "Development").

B. Declarant hereby declares that all of the Development shall be held, sold and conveyed subject to the following easements, restrictions, associations, reservations, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Development. These covenants, easements, restrictions, conditions, associations and reservations: (i) create a general plan and scheme for the subdivision development, sale and use of the Development as a "condominium project" as that term is defined in California Civil Code Section 6542 for commercial development purposes in accordance with California Civil Code Section 6500 et seq.; (ii) are for the benefit and protection of the Development and for the protection and enhancement of the desirability, value and attractiveness of all Units and Common Area located therein; (iii) run with the land and Development and bind all parties having or acquiring any right, title or interest in the Development or any part thereof; and (iv) inure to the benefit of the successors and assigns of each Owner of any property within the Development.

C. It is the further intention of the Declarant to sell and convey commercial Units to Owners, subject to the protective covenants, conditions, restrictions, limitations, reservations, liens, grants of easements, rights, rights of way, charges and equitable servitudes between Declarant and such Owners as set forth in this Declaration.

D. All of the real property comprising the Development is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the Development and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the real property comprising the Development and any part thereof.

E. All of the covenants, conditions, and restrictions set forth in this Declaration shall constitute enforceable equitable servitudes as provided in California Civil Code Section 6856, shall constitute covenants that shall run with the land and real property comprising the Development, and shall be binding upon and inure to the benefit of each Owner of any portion of such real property or of any interest therein and their heirs, successors, and assigns.

F. The Development consists of one (1) building structure and shall initially consist of two (2) Condominium Units and Common Area. The Association is responsible for the maintenance of the Common Area within the Development.

ARTICLE 1 DEFINITIONS

1.1 Definitions, Generally. When the words and phrases described in this Article are used in the Declaration, they will have the meanings set forth in this Article. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires. The use of the term “may” in this Declaration indicates discretion or choice, and the use of the term “shall” in this Declaration shall mean imperative, mandatory or imposing an absolute duty. Except as otherwise provided herein, all capitalized terms used in this Declaration shall have the same meanings as set forth in this Article 1.

1.2 Additional Charges. “Additional Charges” shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorneys’ fees, Recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.

1.3 Assessment. “Assessment” shall mean a charge levied by the Association against an Owner and their Condominium as provided in Article 6 of this Declaration. “Assessment” shall include any or all of the following:

(a) Regular Assessments. Regular Assessments, which shall have the meaning set forth in Section 6.5 of this Declaration.

(b) Enforcement Assessments. Enforcement Assessments, which shall have the meaning set forth in Section 6.8 of this Declaration.

(c) Reimbursement Assessments. Reimbursement Assessments, which shall have the meaning set forth in Section 6.7 of this Declaration.

(d) Special Assessments. Special Assessments, which shall have the meaning set forth in Section 6.6 of this Declaration.

1.4 Association. “Association” shall mean Pacheco Commercial Condominiums Owners Association, which shall either be a California nonprofit mutual benefit corporation or an unincorporated association, its successors and assigns.

1.5 Board. “Board” shall mean the governing body of the Association.

1.6 Bylaws. “Bylaws” shall mean the Bylaws of the Association as they shall be adopted by the Members and any duly-adopted amendments thereof.

1.7 City. “City” shall mean the City of Pacheco, located in Contra Costa County, California, and its various departments, divisions, employees and representatives.

1.8 Common Area. “Common Area” shall mean all of the property comprising the Development, excluding the Units. Within the Development there are three (3) types of Common Area:

(a) Association Common Area. “Association Common Area” shall mean the real property more particularly shown on the Condominium Plan, excluding the Condominium Common Area, that includes the building structure which contains the Units, drive isles, parking spaces and landscaping within the Development. The Association Common Area shall be owned in fee by the Association.

(b) Condominium Common Area. “Condominium Common Area” shall mean the real property to be held in undivided ownership interest within the Condominium project. Each Owner shall have, as appurtenant to the Owner’s Unit, an undivided interest in the Condominium Common Area.

(c) Exclusive Use Common Area. “Exclusive Use Common Area” shall mean any portion of the Association Common Area the use of which is set aside, allocated, assigned, and restricted to the exclusive use or possession of the Occupants of a particular Unit. Any portion of the Association Common Area assigned to a specific Unit pursuant to California Civil Code Section 6550 shall be deemed Exclusive Use Common Area. The locations of internal wiring designed to serve a Unit are Exclusive Use Common Areas allocated to such Unit. While such Exclusive Use Common Area may be specifically referred to in the individual grant deed conveying a Condominium, the failure of any such deed to make such reference shall not invalidate the exclusive rights set forth in this Declaration.

1.9 Condominium. “Condominium” shall mean an estate in real property as defined in California Civil Code Sections 783 and 6542, consisting of a fee interest in a Unit, an undivided interest in common in the Condominium Common Area, together with any easements or other interests in the Development or any portion thereof as are described in the Declaration, in the Condominium Plan, or in the deed conveying a Condominium.

1.10 Condominium Plan. “Condominium Plan” or “Plan” shall mean a condominium plan, as defined by California Civil Code Section 6540, prepared and Recorded for the Development that sets forth and describes the three-dimensional plan of the Condominium building and Units built or to be built within the Development. The Condominium Plan for the Development is more particularly described in attached Exhibit “A”. There may be additional Condominium Plan(s) for the Development which shall be separately Recorded and referenced to this Declaration by a Supplemental Declaration.

1.11 County. “County” shall mean Contra Costa County, California, and its various departments, divisions, employees and representatives.

1.12 Declarant. “Declarant” shall mean, collectively, Ronald P. Elvidge, Paul E. Chahin as Trustee of the Chahin Family Trust and Leslie R. Guerrero-Chahin as Trustee of the Chahin Family Trust. The term “Declarant” shall also mean any successor or assign of Declarant, provided a certificate, signed by Declarant and Declarant’s successor or assign, is Recorded against the portion of the Development which the successor or assign assumes the rights and duties of Declarant.

1.13 Declaration. “Declaration” shall mean this instrument, as it may be amended from time to time.

1.14 Development. “Development” shall mean all of the real property described in Exhibit “A”, together with all Improvements now located or hereafter constructed or installed thereon, and all appurtenances thereto, provided, that any real property owned by the City shall be excluded from the Development and shall not be encumbered by the Declaration.

1.15 Director. “Director” shall mean a member of the Board.

1.16 Exclusive Use Common Area. See subsection 1.8(c), above.

1.17 Governing Documents. “Governing Documents” shall mean the articles of incorporation or association, Bylaws, Declaration, Rules, and the policies and resolutions duly adopted by the Board.

1.18 Improvement. “Improvement” shall mean all structures and improvements including without limitation buildings, landscaping, paving, fences, and signs.

1.19 Lender. “Lender” shall refer to a beneficiary under a deed of trust. “First Priority Lender” shall mean any Recorded deed of trust on a Unit with first priority over other Lenders for such Unit.

1.20 Member. “Member” shall mean an Owner, and refers to membership in the Association.

1.21 Occupant. “Occupant” shall mean any person who has a legal right to occupy a Unit within the Development whether or not such person is an Owner.

1.22 Owner. “Owner” shall mean any person, firm, corporation or other entity in which fee title to a Unit is vested as shown by the official records of the office of the County Recorder, including the purchaser under an installment land contract, but excluding those having such interest merely as security for the performance of an obligation. If a Unit is transferred or conveyed to a trust, the Owner is the trustee or the co-trustees of such trust. A person or entity is not an Owner due to: (i) community property or other equitable rights not shown of Record; or (ii) rights of adverse possession not shown of Record. Where the context requires, the term “Owner” shall include the Owner’s Occupants, tenants, lessees, guests, and invitees; provided, however, that such persons are not “Owners” for purposes of exercising voting rights in the Association.

1.23 Parcel Map. “Parcel Map” shall mean the parcel map Filed with the County Recorder for any portion of the Development.

1.24 Record; Recorded; Recordation; Filed. “Record”, “Recorded”, “Recordation”, and “Filed” shall mean, with respect to any document, the recordation or filing of such document in the official records of the County Recorder’s office.

1.25 Rules. “Rules” shall mean the rules and regulations governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board from time to time.

1.26 Supplemental Declaration. “Supplemental Declaration” shall mean any Recorded instrument which supplements this Declaration and which may affect only a portion of the Development. A Supplemental Declaration may be entitled as an amendment to the Declaration in order to satisfy County Recording requirements.

1.27 Unit. “Unit” shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums within the Development. Each Unit is a separate legal interest in real property, which is shown, defined and delineated on the Condominium Plan as a separately numbered Unit located within the Development. The boundaries of each Unit shall be the approximate dimensions set forth on the Condominium Plan and as follows: The interior unfinished surfaces (exclusive of paint, paper, wax, tile, enamel or other finishes) of its perimeter walls, bearing walls, floors, ceilings, windows, and window frames, doors and door frames, and trim, and includes both the portions of the building so-described and the air space so-encompassed. Each Unit specifically includes the utility installations located within its boundaries that the Owner has exclusive use of, including, without limitation, space heaters, air conditioners units, plumbing and lighting fixtures located entirely within the Unit they serve. Bearing walls located within the interior of a Unit, if any, are Common Area, not part of the Unit, except for the finished surfaces thereof. In interpreting this Declaration and the Condominium Plan, the existing physical boundaries of the Unit shall be conclusively presumed to be its boundaries rather than the boundaries or other description expressed in the Condominium Plan or this Declaration, regardless of settling or lateral movement of the building and regardless of variations between the boundaries shown on the Condominium Plan or the deed and the Declaration and those of the building. A Unit’s boundaries may be changed by the Recording of a Condominium Plan executed in accordance with California Civil Code Section 6626.

ARTICLE 2 OWNERS ASSOCIATION

2.1 Management and Operation. The Association, through the Board, shall manage and operate the Development in accordance with the applicable provisions of the Governing Documents and the applicable provisions of California law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

2.2 Membership. Every Owner of a Condominium shall be a Member of the Association and shall remain a Member thereof until such time as their Condominium ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Condominium and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Condominium to which it is appurtenant.

2.3 Voting.

(a) Commencement of Voting Rights. Voting rights attributable to the ownership of Condominiums shall vest upon the commencement by the Association of Regular Assessments against those Condominiums.

(b) Membership Voting Rights. Members shall be entitled to cast one (1) vote for each full 100 square feet of the Unit owned by such Member. In the event more than one (1) person owns a given Unit, the vote for such Unit shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Member's Unit. If the joint Owners of a Unit are unable to agree among themselves as to how their vote or votes are to be cast, such vote shall be cast in accordance with the decision of a majority of such Owners. If there is no such majority, the vote for the Unit shall not be cast either in favor of or opposed to the issue or issues which are the subject of the vote, but the membership shall be counted for purposes of determining whether the quorum requirements applicable to the vote or meeting have been met. If any Owner casts a vote representing a certain Unit and no written objection thereto is received by the Secretary prior to the close of voting, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit.

(c) Suspension of Voting Rights. A Member's voting rights may be temporarily suspended under those circumstances described in subsection 10.5(c), below.

(d) Disqualification of Voting Rights. A Member, including any Director or proxy appointed by such Member, shall be disqualified from voting on any matter in which the Member, or any person/entity controlled or directed by Member, has any interest which is distinguishable from the financial interests of the Members of the Association generally.

2.4 Board. The affairs of the Association shall be managed by or under the direction of the Board. The Board shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration. The Board shall consist of three (3) Directors selected by the Members as follows:

The Unit 1 Member shall appoint:	2 Directors
The Unit 2 Member shall appoint:	1 Director

2.5 Association Rules. The Board shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as “Rules”, as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to use of the Common Area, signs, collection and disposal of refuse, minimum standards for maintenance of property, parking and traffic regulations, signage for leasing of Units, and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.

2.6 Manager and Other Personnel. The Board shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws.

2.7 Capital Improvements. The Board shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of capital improvements upon the Common Area, provided that in any fiscal year expenditures for capital improvements shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year except upon the approval of at least a majority of the Association’s members. This limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital improvements so long as the expenditure is for the purpose for which the fund was established nor shall it apply to any reconstruction governed by Article 11 of this Declaration. For purposes of this Section “capital improvements” is defined as any: (i) substantial discretionary addition to the Common Area; (ii) voluntary significant upgrade to Common Area materials; or (iii) discretionary material alterations to the appearance of the Development.

2.8 Transfer or Dedication of Common Area to Public Agency or Utility. The Board shall have the power to dedicate or transfer all or any part of the Common Area to a public agency, authority or utility or other person or entity for such purposes and subject to such conditions as may be agreed to by the Board.

2.9 Dissolution. So long as there is any Unit, parcel or area for which the Association is obligated to provide management, maintenance, preservation or control, the consent of all Members and the written consent of the City must be obtained for the Association to: (i) transfer all or substantially all of its assets; or (ii) file a certificate of dissolution.

2.10 Limitation of Liability. Neither the Association or its Directors, officers, employees, agents or committee members (collectively and individually referred to as the “Released Party”) shall be personally liable for damages or in equity to any of the Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or pursuant to the Bylaws, even if such Released Party is negligent, provided that such Released Party has not acted in bad faith. This standard of care and limitation of liability shall extend, without limitation, to matters such as: (i) the establishment of the Association’s annual financial budget; (ii) the funding of, or the election not to fund, the Association’s reserve accounts; (iii) the discharge of the Association’s maintenance, repair and replacement obligations; (iv) the enforcement of the Governing Documents; and (v) to any other fiduciary duties or responsibilities imposed by law or the Governing Documents.

ARTICLE 3 COMMON AREA

3.1 Ownership of Common Area.

(a) Association Common Area. Declarant shall convey fee simple title to the Association Common Area to the Association prior to, or concurrently with, the final transfer or conveyance by Declarant of all Units in the Development to a purchaser. The Association shall be deemed to have accepted the Common Area conveyance to it when: (i) a grant deed conveying title to the Association Common Area has been Recorded in the Official Records of the County Recorder’s office; and (ii) assessments have commenced. The Association shall have the right to execute Supplemental Declarations and Condominium Plans as needed from time to time to permit the alterations of the boundaries to any Units or the Association Common Area.

(b) Condominium Common Area. Upon the conveyance of the first Unit within the Development, each Unit within the Development shall have an undivided interest in the Condominium Common Area. The undivided ownership interest in the Condominium Common Area appurtenant to the Units shall not be severed or conveyed separately from the respective Units to which they are appurtenant and each such undivided interest shall in all cases be deemed to be conveyed or encumbered along with the respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Any purported severance or separate conveyance of an undivided interest in the Condominium Common Area apart from a conveyance of the respective Unit shall, for all purposes, be null, void, and unenforceable. If a Unit is further subdivided as provided in Section 5.2, below, the original Unit’s appurtenant Condominium Common Area shall be divided equally among the Condominium Units created by the later Condominium Plan of that Unit.

3.2 Condominium Ownership. Ownership of each Condominium within the Development shall include: (i) a designated Unit; (ii) an undivided ownership interest in the Condominium Common Area as tenant in common; (iii) a membership in the Association; (iv) the right to the exclusive use or possession of those portions of the Common Area assigned to such Unit as Exclusive Use Common Area; and (v) all applicable easements, all as described in the Declaration, in the deed to the Unit, or in the Condominium Plan.

3.3 Owners Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive easement for ingress, egress, use of and enjoyment in, to, and throughout the Association Common Area. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Condominium, subject to the following rights and restrictions:

(a) Adoption of Common Area Rules. The right of the Board to establish and enforce reasonable Rules governing the use of the Common Area and the facilities thereon including, without limitation, Rules: (i) limiting the number of guests of Members permitted to use the Common Area and the facilities thereon at any one time; (ii) limiting the hours of use of the Common Area and the facilities thereon; (iii) regulating the use of the Common Area and the facilities thereon for group activities; and (iv) regulating parking upon the Common Area;

(b) Facility Fees. The right of the Board to charge reasonable admission and other use fees for any facilities situated upon the Common Area;

(c) Exclusive Use. The right of any Owner to utilize any portion of the Common Area which is Exclusive Use Common Area appurtenant to the Owner's Unit in accordance with this Declaration;

(d) Suspension of Use. The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use any facilities located on the Common Area for: (i) any period during which any Assessment against such Owner's Unit remains unpaid; and/or (ii) for violations of the Governing Documents by an Owner or any person for whom an Owner is responsible, provided that no Owners shall be denied ingress and egress over Common Area roadways to such Owner's Unit;

(e) Granting of Easements. The right of the Board to grant easements and rights of way in, on, over, or under the Common Area;

(f) Transfer to Public Agency. The right of the Board to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility;

(g) Encumber. The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association, and subject to unanimous approval of all Members;

(h) Perform Obligations. The right of the Association or its authorized agents to perform its obligations under this Declaration, including, without limitation, obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area;

(i) Establish Signage. The right of the Association to establish, construct, maintain, repair and replace entrance signs, privacy gates, street signs, lights, maps, directories and other similar improvements upon the Common Area;

(j) Association Use Areas. The right of the Association to establish, construct, maintain, repair and replace facilities upon the Common Area including without limitation storage facilities and workshops, which may be necessary or convenient in the discharge of the Association's duties and the exercise of its rights under the Governing Documents; and

(k) Development and Sales Rights. The right of Declarant and its employees, sales or development agents, prospective purchasers, customers and representatives, to enter upon and to use the Common Area for development and sales activities in accordance with Article 13, below. Such use shall not unreasonably interfere with the rights of use and enjoyment of the other Owners as provided herein.

3.4 Assignment of Rights of Use. Owners may assign their rights of use and enjoyment, including easements, in the Development to tenants, guests and invitees, subject to the terms of the Governing Documents. Upon the leasing or renting of a Unit, the Owner shall be deemed to have assigned all such Common Area rights exclusively to the tenants of such Unit except that such Owner shall continue to have an easement for ingress and egress to such Owner's Unit to the extent necessary to discharge the Owner's obligations and rights as a landlord. Any Common Area rights of enjoyment assigned pursuant to this Section are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. It is the express purpose and intent of the provisions of this Section to limit the right of use of the Common Area amenities to Occupants, their employees, agents, guests and invitees.

3.5 Common Area Construction. Following the conveyance of the Association Common Area to the Association, no person or entity other than the Association or its duly-authorized agents: (i) shall construct, reconstruct, refinish, alter, or maintain any Improvement upon the Common Area; (ii) shall make or create any excavation or fill upon the Common Area; (iii) shall change the natural or existing drainage of the Common Area; or (iv) shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area.

3.6 Mechanic's Liens. In the event there shall be Recorded against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner or their Unit, such Owner shall immediately cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be granted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees.

ARTICLE 4 USE RESTRICTIONS

4.1 Commercial Use Only. No Unit or any portion thereof, shall be occupied or used for residential purposes, and no Unit shall be used for motel, hotel or other human occupancy or lodging.

4.2 Restriction on Businesses. The following types of businesses are prohibited within the Development: Businesses which cater to adult-only activities, including, but not limited to strip-clubs or pornography, methadone clinic, businesses that store hazardous materials or waste, provided that medical offices which temporarily store hazardous materials or waste as an incidental aspect of providing medical or clinical services are permitted pursuant to this Section.

4.3 Offensive Conduct, Nuisances, Noise. No noxious, harmful or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Occupants of the Development, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Units. Without limiting any of the foregoing, no Occupant shall permit noise, including without limitation machinery operations excessively loud music, to emanate from the Occupant's Unit, vehicles or the vehicles of guests and invitees, or the Unit's Exclusive Use Common Area, which would unreasonably disturb another Occupant's enjoyment of their Unit or of the Common Area.

4.4 Use of the Common Area. All use of the Common Area is subject to the Governing Documents. No alterations or additions to the Common Area shall be made except as authorized by the Board pursuant to Section 2.7. Nothing shall be placed, kept, stored, or parked on the Common Area without the prior written consent of the Board, except by the Association. Without limiting the foregoing, no Owner shall place rubbish, debris, or other unsightly or unsanitary materials on the Common Area. Each Owner shall avoid causing damage to the Common Area.

4.5 Sound Transmissions. No Unit shall be altered in any manner which would result in an increase in sound transmission, resonance or reverberations to any other Unit. No machinery, apparatus, or appliance or equipment shall be located in any Unit which will in any manner vibrate, shake or otherwise damage any portion of the building or create noise at levels unreasonably disturbing to Owners or Occupants.

4.6 Signs. The Association may establish Rules regarding the placement and use of any signs located within the Development, provided that such Rules shall be consistent with the requirements of the City.

4.7 Trash Disposal. Trash, garbage, accumulated waste plant material and all other waste and refuse shall be deposited only in the common area dumpsters.

4.8 Vehicles and Parking. All vehicle and parking shall be in accordance with the Rules as adopted by the Board.

4.9 Compliance with Laws. Nothing shall be done or kept anywhere within the Development which violates any local, or state law, ordinance, statute, rule or regulation.

4.10 Lease of Condominium Units. An Owner shall have the right to lease their Condominium subject to the provisions of the Governing Documents.

4.11 Activities Affecting Insurance. Nothing shall be done or kept within the Development which will increase the rate of insurance maintained by the Association without the prior written consent of the Association. No Owner shall permit anything to be done or kept within the Development which would result in cancellation of any insurance policy maintained by the Association or any other Owner.

4.12 Hazardous Materials. Occupants shall be permitted to use and store only those hazardous materials that are necessary for such Occupant's business, provided that such usage and storage is in full compliance with all applicable local, and state, statutes, orders, ordinances, rules and regulations, including administrative decisions. Each Owner shall give the Association written notice of any spills, releases or discharges of hazardous materials within a Unit or in any Common Area, regardless of whether or not such spill, release or discharge was caused by such Owner or such Owner's Occupants, guests or invitees. Each Owner shall investigate, clean up and otherwise remediate any spill, release or discharge of hazardous materials caused by the acts or omissions of the Owner, or their Occupants, agents, employees, invitees, guests and customers. Each Owner shall indemnify, defend and hold the Association and all other Owners harmless from and against any and all claims, judgements, damages, penalties, fines, liabilities, losses, suits, proceedings, and costs, including attorneys', experts' and consultants' fees, arising from or related to the use, presence, transportation, storage disposal, spill, release or discharge of hazardous materials within such Owner's Unit or in the Common Area if caused by the Owner, or their Occupants, agents, employees, invitees, guests and customers.

4.13 No Partition. Except as permitted by California Civil Code Section 6656, there shall be no judicial partition of the Development or any part thereof, nor shall any Owner or any person acquiring any interest in the Development or any part thereof seek any judicial partition thereof. Notwithstanding the preceding, if any Condominium is owned by two (2) or more co-tenants as tenants in common or as joint tenants, this Section shall not be deemed to prevent a judicial partition by sale as between such co-tenants.

4.14 Variances. The Board shall be authorized to grant reasonable variances from the provisions of Article 4 of this Declaration upon written application from any Owner provided that the Board determines, in its sole discretion, that the specific application of the restriction to such Owner will: (i) cause substantial undue hardship to the Owner; or (ii) fail to further or accomplish the common plan for the Development as contemplated by this Declaration. The Board shall have the power to limit any variance granted in scope or duration or otherwise impose such specific requirements as the Board may, in its complete discretion, see fit to require. The Board shall follow the following procedures in acting on any request for a variance:

(a) Initial Board Determination. The Board, in its sole discretion, shall make an initial determination whether or not the variance on its face meets the requirements set forth

in this Section. If the Board determines that it does not meet the requirements, the variance request shall be denied and the Board shall so notify the applicant within thirty (30) days of the Board's decision. If the Board determines that the variance does meet the requirements, the procedures set forth in the remainder of this Section shall be followed.

(b) Board Hearing. The Board shall conduct a hearing on the variance within forty-five (45) days of the receipt of the written request for a variance. Notice shall be given to all Members not less than fifteen (15) days prior to the date of the hearing. Members may submit comments in writing prior to the hearing and/or appear at the hearing. The Board shall establish a reasonable time limit for Member comments during the hearing. No decision regarding the request for variance shall be made until the conclusion of the hearing.

(c) Board Decision. After the conclusion of the hearing, the Board shall, in its sole discretion, either grant or deny the request for variance in accordance with the standards set forth in this Section. As more fully discussed above, if the Board grants the variance request, the Board may impose such conditions as the Board deems appropriate and shall so notify the applicant within thirty (30) days of the Board's decision.

ARTICLE 5 ALTERATIONS TO UNITS AND DISCLOSURES

5.1 Approval by Board. In addition to obtaining any building, permitting, design or other approvals required by the City, prior to undertaking any proposed modifications to a Unit which are visible from the exterior of the Unit or which could structurally impact the Common Area or another Unit, the Owner must submit to the Board in writing such proposed modifications to the Board, which may, in its sole discretion, approve or disapprove such proposed modifications. No Owner shall make any exterior modifications to any building or any part of the Common Area. The Board shall have the ability to form an architectural review committee to review proposed modifications. In addition, any proposed modification to any building or any part of the Common Area on the exterior of the building structure is subject to the review and approval process of the Declaration.

5.2 Subdividing or Joining Units. An Owner of a Unit may subdivide the Unit or the Owners of two (2) or more Units that abut each other may connect the Units under the following conditions:

(a) Association Approval. Prior to the commencement of any work, the Owner shall obtain the written approval from the Board, which shall not be unreasonably withheld. The Owner shall provide any plans or specifications that the Board requests. The Board may deny approval if it determines the work would adversely affect the structural integrity of the Association Common Area building, the life safety systems, or the common utilities.

(b) Requirements for Improvements. All work to subdivide or join the Units shall be at the expense of the Owner and shall be performed in a good and workmanlike manner. The Owner shall not commence any work until the Owner has secured all appropriate permits and approvals, which shall be provided to the Association upon request. All work shall be performed only by duly-licensed and duly-insured contractors.

(c) Owner Maintenance. Unless the Board agrees in writing to the contrary, the Owner shall be responsible, at the Owner's sole cost, for the maintenance, repair and replacement of all portions of the Common Area that have been modified or altered in any manner in order to create the additional Unit(s) or join, consolidate or otherwise alter the boundaries of any Units or to install or maintain any openings between the Units. Any Common Area maintained by an Owner pursuant to this subsection shall constitute Exclusive Use Common Area appurtenant to the Owner's Units.

ARTICLE 6 ASSESSMENTS AND LIENS

6.1 Covenant of Owner.

(a) Owner's Assessment Obligation. Each Owner of a Condominium within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (i) Regular Assessments; (ii) Special Assessments; (iii) Reimbursement Assessments; and (iv) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens as hereinafter provided.

(b) Owner's Personal Obligation. Each Assessment levied by the Association under this Article, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of Record of any Condominium shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time he or she is Record Owner of such Condominium. After an Owner transfers of Record any Condominium he or she owns, he or she shall not be liable for any Assessments levied thereafter with respect to such Condominium. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. A seller under an installment land contract of any Condominium shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Condominium is Recorded.

6.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon Recordation of a Notice of Delinquent Assessment shall be secured by a lien upon the property against which such Assessment is levied. The lien provided herein shall continue to secure all Assessments and Additional Charges levied upon any Unit notwithstanding the transfer of Record title to such Unit, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been Recorded as provided in this

Declaration and by law. The priority of all such liens on each Unit shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Unit, any sale of such Unit pursuant to foreclosure of the lien will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Unit for succeeding months.

6.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively for: (i) managing and operating the Development; (ii) conducting the business and affairs of the Association; (iii) maintaining and enhancing the property values of the Owners and Occupants of the Development; (iv) improving and maintaining the Common Area and, to the extent provided for in the Governing Documents or by law, the Condominiums situated within the Development; (v) enforcing the Governing Documents; (iv) discharging any maintenance expense contributions required by the Declaration for any portion of the Development; and/or (vii) otherwise benefitting the Owners.

6.4 Authority of the Board. The Board shall have the power and the duty to levy Regular Assessments and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

6.5 Regular Assessment.

(a) Calculation of Estimated Requirement. Not less than thirty (30) days nor more than ninety (90) days prior to the beginning of each fiscal year, or as otherwise provided by law, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year to manage, administer, operate, and maintain the Development, including the entire Development's water and sewer service charges. The Board may, but shall not be obligated to, estimate the net funds anticipated by the Association for contingencies and for reserve funding for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis, as well as any shared cost expense imposed upon the Development pursuant to the Declaration. The estimated funds, as determined by the Board pursuant to this subsection, shall be assessed among the Owners of the Units within the Development as "Regular Assessments" as further provided in this Section 6.5.

(b) Allocation of Regular Assessment. Regular Assessments shall be allocated and assessed to each Condominium in the same proportion that the square footage of the Unit bears to the total square footage of all the Units within the Development. The Board shall adopt a Rule setting forth the square footage of each Unit within the Development for the purpose of allocating Regular Assessments as described in the immediate preceding sentence.

(c) Payment of Regular Assessments. Unless the Board shall designate otherwise, Regular Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

(d) Commencement of Regular Assessment. Regular Assessments shall commence as to each Condominium within the Development on the first day of the first month following the month in which the first conveyance occurs for the sale of a Condominium to a person other than Declarant. Each Condominium within the Development shall thereafter be subject to its share of the then established annual Regular Assessment. The first annual Regular Assessment shall be pro rated, if necessary, according to the number of months remaining in the fiscal year established in the Association's Bylaws.

(e) Working Capital Fund. A working capital fund may be established for the Development by the contribution to such fund, by the Owners of a sum not to exceed the amount of three (3) month's Regular Assessments for each Unit owned. Any amounts paid into this fund is not a deposit, is not refundable, and is not an advanced payment of Regular Assessments. The Association shall collect each Unit's share of the working capital fund at the time of the conveyance of the Unit by Declarant to an Owner.

6.6 Special Assessments.

(a) Purpose of Special Assessments. If at any time during any fiscal year the Regular Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of Improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.

(b) Allocation of Special Assessments. Special Assessments shall be allocated and assessed among the Condominiums within the Development in the same manner as Regular Assessments.

6.7 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and their Condominium: (i) if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or their Condominium into compliance; or (ii) in the event that the Association has expended funds performing repairs as authorized by Section 7.6 of this Declaration or for any other reasons specifically authorized by the provisions of this Declaration. A Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, including costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied.

6.8 Enforcement Assessments. The Board may levy an Enforcement Assessment (and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.

6.9 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Regular Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Regular Assessment fixed for the preceding fiscal year shall be the amount of the Regular Assessment for the ensuing fiscal year until a new Regular Assessment is levied.

6.10 No Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.

6.11 Delinquent Assessments. Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law. In addition, interest on all sums imposed in accordance with this Article, including the delinquent Assessments, reasonable fees and costs of collection, and reasonable attorneys' fees, at an annual interest rate not to exceed twelve percent (12%), shall commence thirty (30) days after the Assessment becomes due. The Association may Record a lien against an Owner's Unit for delinquent Assessments and all Additional Charges as provided in Section 6.12, below, and in accordance with the Commercial and Industrial Common Interest Development Act, California Civil Code Section 6500 et seq.

6.12 Assessment Liens. The Association shall have the right to Record a lien for delinquent Assessments against an Owner's Unit in accordance with the procedures described in the Commercial and Industrial Common Interest Development Act. The procedures the Association must follow, and the protections afforded to all Owners are more particularly described in California Civil Code Section 6808 et seq.

6.13 Foreclosure of Association Assessment Liens. If the Association has Recorded a lien for delinquent Assessments, the Association shall have the right to non-judicially foreclose its lien in accordance with the procedures described in the Commercial and Industrial Common Interest Development Act.

6.14 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Article shall have priority as of the date of Recording of the Notice of Delinquent Assessment.

6.15 Association Funds. All Association accounts shall be maintained in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated as belonging to the Association. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be used for the purposes set forth in Section 6.3, above. All reserve funds, to extent possible, shall be designated and accounted as capital contributions to the Association and the Board shall take such steps as may be reasonably necessary under federal and state tax laws to prevent the reserve funds from being

taxed as income of the Association, including, but not limited to, maintaining the reserve funds in segregated accounts and not commingling such funds with the general operating funds.

ARTICLE 7 MAINTENANCE OF PROPERTY

7.1 Association Maintenance Responsibility.

(a) Maintenance of Common Area, Generally. Except as specified in Section 7.4, the Association shall maintain, repair and replace the Common Area and all facilities, Improvements, and thereon, including without limitation: (i) the building structure; and (ii) all other real and personal property that may be acquired or controlled by the Association, keeping such property in good condition and repair. The Association shall be responsible for providing lighting and janitorial services for the Common Area, and shall cause any and all other acts to be done which may be necessary to assure the maintenance of the Common Area in good condition and repair, including painting of the exterior surfaces of the building, the washing of the exterior of all windows of the building, and such other portions of the Common Area as the Board, in its discretion, determines to be necessary. The Board shall have the discretion to determine the nature, extent and level of care to be performed by the Association in discharging its obligations under this Article.

(b) Partial List of Common Area Elements. The Association's responsibility pursuant to this Section shall include, without limitation, the maintenance, repair and replacement of the following Common Area elements:

(i) The exterior surfaces, including stucco, (excluding windows and doors, but does include the washing of the exterior of the windows), framing and structural components of the building structure containing the Units.

(ii) The roof coverings, roof structures, gutters, and downspouts.

(iii) The storm drainage, sanitary sewer, water, electrical and other utility lines located within the Common Area up until the point that they serve a single Unit. All onsite drainage shall be privately maintained.

(iv) Any fire protection systems components located within the Common Area. The fire sprinkler system, fire sprinkler monitoring system, fire extinguishers in Common Areas, and all associated fire protection equipment, including all sprinkler heads in the system shall conform to the California Fire Code and the amendments adopted by the City of Roseville, along with all standards and policies

(v) The landscaping within the Development.

(vi) All existing easements.

(vii) The Association shall adopt an inspection and maintenance manual for the periodic inspection and maintenance of the Common Area. The Board may, from time to time, make appropriate revisions to any maintenance manual based on the Board's review thereof, to update such manual to provide for maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained.

7.2 Authority for Entry of Unit or Exclusive Use Common Area. The Association or its agents may enter any Unit or any portion of Exclusive Use Common Area whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Board is responsible or which it is authorized to perform, including without limitation the authorization provided in Section 7.6. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Unit or any portion of Exclusive Use Common Area to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Unit or Exclusive Use Common Area, any other Unit or the Common Area. The cost of performing any such emergency repairs shall be charged to the Owner as a Reimbursement Assessment, excluding any additional fee or cost to the Association's manager other than reimbursement for actual out-of-pocket costs incurred for vendors or employees who actually performed such emergency repair work and the materials used. Such entry shall be made with as little inconvenience to the Occupants as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

7.3 Association Liability. Except as specifically provided in this Article, the Association shall not be responsible or liable for any maintenance, repair, or replacement of a Unit or Exclusive Use Common Area or any Improvement thereon, except to the extent that the need for such maintenance, repair, or replacement results from the negligence or fault of the Association, its employees, contractors, or agents.

7.4 Owner Maintenance Responsibility.

(a) Unit, Generally. Each Owner shall maintain, repair, and replace the Improvements within an Owner's Unit, including without limitation the finished surfaces of the interior walls, ceilings, and floors of the Unit, keeping the same in a clean, sanitary, workable and attractive condition.

(b) Doors and Windows. Except for window washing of the exterior of the windows of the building, each Owner shall clean, maintain, repair and replace all doors, windows, window panes and all screens, serving their Unit, including door and window frames.

(c) Fixtures and Appliances. Each Owner shall maintain, repair and replace the internal installations, appliances, equipment, and other features servicing their Unit, even though located wholly or partly outside of such Unit, including without limitation: (i) heating, ventilation and air conditioning units, condensers and equipment; (ii) sewer,

water, fire sprinklers and main fire lines within the Unit, electrical and other utility lines from the point that they serve only such Unit; and (iii) telecommunications facilities.

(d) Exclusive Use Common Area. The Owners of Units to which Exclusive Use Common Area is appurtenant shall be responsible for the maintenance, repair and replacement of the Exclusive Use Common Area serving the Units, and shall keep the Exclusive Use Common Area in a clean, and swept condition.

(e) Consequential Damage Exculpatory Clause. Except as provided by Article 11 of this Declaration, an Owner is responsible for the cost of repair of those items described in this Section, even if the cause of the damage originates from a source maintained by the Association, unless the cause is the gross negligence of the Association or its agents. As an example, water damage to the interior of a Unit that is caused by a leak in the roof is the responsibility of the Owner even though the repair of the roof is the responsibility of the Association.

7.5 Structural, Flooring, and Ceiling Alterations. No structural alterations to the interior of, or Common Area surrounding, any Unit shall be made and no plumbing or electrical work within any bearing or common walls shall be performed by any Owner without the prior written consent of the Association. In addition, no Owner shall do anything in or about their Unit that will affect the structural integrity of the Common Area. No Owner shall install any hard surface or other flooring or make any other modification to any part of their Unit which may increase sound transmission between their Unit and an adjacent Unit, including without limitation, tile or hardwood floors and ceiling coverings, unless the prior written approval of the Board has been obtained. As a condition to approving the installation of such modifications, the Owner shall submit to the Board construction specifications clearly describing the proposed modifications in sufficient detail necessary to determine whether sound transmission will be sufficiently mitigated.

7.6 Board Discretion. The Board shall have the absolute discretion to determine whether any maintenance, repair, or replacement, which is the responsibility of an Owner, is necessary to preserve the appearance and value of the property within the Development or any portion thereof and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within sixty (60) days after notification by the Board to the Owner, the Board may, after written notice to the Owner, and the right of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.

7.7 Wood Destroying Pests and Organisms. The Association shall be responsible for all costs involved in operating the inspection and preventive program as well as repairing and replacing the Common Area and Improvements thereon when the need for such maintenance, repair or replacement is the result of wood destroying pests or organisms. Each Owner shall be responsible for all costs involved in repairing and replacing the Improvements, fixtures, appliances, and personal property within a Unit when the need for such maintenance, repair or replacement is the result of wood destroying pests or organisms. If the Association adopts an inspection and preventive program for the prevention and eradication of infestation by wood destroying pests and organisms, the Association, on no less than fifteen (15) nor more than thirty (30) days' notice, may require each Owner and any Occupants of the Owner's Unit to vacate such Unit to accommodate Association

efforts to eradicate such infestation. The notice must state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the Occupants will be responsible for their own accommodations during the temporary relocation. Any damage caused to a Unit by such entry by the Association or by any person authorized by the Association shall be repaired by the Association at its expense.

7.8 Mold Contamination.

(a) Association Maintenance Obligations. In order to reduce the presence of molds, fungi, spores, pollens, other botanical substances, or other allergens (collectively, “mold”) within the Development, the Association shall adopt and implement a mold inspection and prevention program which shall include the following steps:

(i) Inspect the Common Area not less frequently than annually to check for water leaks, moisture collection, or other breaches of the watertight integrity of the Common Area and for the presence of mold;

(ii) If any water leaks, moisture collection, or mold is detected, immediately take appropriate corrective action to repair the Common Area and remove the mold;

(iii) Maintain proper ventilation and humidity levels within enclosed Common Areas to reduce the risk of mold;

(iv) Periodically inspect the irrigation system to ensure proper water use and to correct any leaks, misdirected, or excessive watering;

(v) Periodically inspect the ground surface around the foundations of the building to ensure that no water is pooling near the foundations; maintain rain gutters and roof drainage systems in a clean and proper operating condition at all times; and

(vi) Take such other prudent steps as may be appropriate to prevent mold and eliminate any existing mold in the Common Areas.

(b) Owner Maintenance Obligations. In order to reduce the presence of molds, fungi, spores, pollens, other botanical substances, or other allergens (collectively, “mold”) within the Development, each Owner shall adopt and implement a mold inspection and prevention program which shall include the following steps:

(i) Inspect the Unit not less frequently than quarterly to check for water leaks, moisture collection, or other breaches of the watertight integrity of the Unit and for the presence of mold;

(ii) If any water leaks, moisture collection, or mold is detected, immediately take appropriate corrective action to repair and remove the mold;

(iii) Maintain proper ventilation and humidity levels within the Unit to reduce the risk of mold;

(iv) Replace HVAC filters quarterly or as recommended by the manufacturer; and

(v) Take such other prudent steps as may be appropriate to prevent mold and eliminate any existing mold in the Owner's Unit or the Common Area.

(c) Owner's Cooperative Maintenance Obligations. In the event of any water leak or overflow within a Unit or its Exclusive Use Common Area, the Owner of such Unit shall cooperate with the Association and the other Unit Owners in the inspection and correction of the problem. Cooperation shall include access to the Unit and Exclusive Use Common Area to inspect and repair the problem.

7.9 Owner Liability. In the event the need for any maintenance, repair, or replacement by the Association is caused by the willful or negligent act or omission of an Owner, or an Owner's tenants, employees, agents, guests, or invitees, the cost of such maintenance, repair, or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

7.10 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with all other Owners and the Association and its agents and maintenance personnel in the prosecution of their work.

7.11 Obtaining and Maintaining Utilities. The rights and duties of the Owners of Condominiums within the Development and the Association with respect to sanitary sewer, water, drainage, electric, gas, telecommunications equipment, cables and lines, exhaust flues and heating and air conditioning facilities, (collectively, "Utility Facilities") shall be as follows:

(a) Utility Facilities Serving Other Units. Whenever Utility Facilities are installed within the Development, which Utility Facilities or any portion of those facilities lies in or upon Condominiums owned by other than the Owner of a Condominium served by those facilities, the Owners of any Condominium served by those facilities shall have the right of reasonable access for themselves or for utility companies to repair, replace and generally maintain those Utility Facilities as and when necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

(b) Shared Utility Facilities. Whenever Utility Facilities serving more than one (1) Condominium are installed within the Development, the Owner of each Condominium served by those Utility Facilities shall be entitled to the full use and enjoyment of such portions of those Utility Facilities as service their Condominium.

(c) Disputes Regarding Utility Facilities. In the event of a dispute between Owners with respect to the repair or rebuilding of Utility Facilities, or with respect to the sharing of the cost of those facilities, then, upon written request of one (1) Owner addressed to the other Owner(s), the matter shall be submitted first to the Board for mediation, and thereafter, if the dispute remains unresolved, the binding arbitration within sixty (60) days pursuant to the rules of the American Arbitration Association, or any successor rules, or to any other generally recognized system of alternative dispute resolution. The decision of the arbitrator(s) shall be final and conclusive on the Owners and the Board, and judgment on the decision may be entered in any court having jurisdiction.

(d) Easements for Utilities and Maintenance. Easements over and under the Development for the installation, repair, and maintenance of electric, water, gas, telephone, other communications and data transmission, sanitary sewer lines and facilities, cable or master television antenna lines and drainage facilities, as shown on the Condominium Plan, and as may be hereafter required or needed to service the Property, are hereby reserved by Declarant and its successors and assigns, until the sale of the last Condominium in the Development, and thereafter by the Association, together with the right to grant and transfer the same. Said easements shall be in favor of Declarant, and its successors and assigns for the benefit of the Development, and for the benefit of the Association and each Unit Owner.

(e) Association's Duties. The Association shall be responsible for maintaining in good condition and repair all Utility Facilities located in the Common Area (including water, sanitary sewer and storm drainage facilities serving either the Common Area or the Units) except for those facilities maintained by utility companies, public, private, or municipal, and those utilities otherwise maintained by Owners pursuant to this Article 7. The Association shall be authorized to obtain, by contract or otherwise, utility services for all Units and Common Area within the Development (including water, sanitary sewer and storm drainage services for the Common Area and/or the Units) and shall pay all charges for utilities supplied to the Development, except those utilities that are metered or charged separately to the Condominiums. The Association shall be authorized and empowered to sub-meter the water service obtained by the Association for all Condominiums in the Development.

(f) Unit Owner's Duties. For all electric, gas (if any) and water utilities servicing individual Units, if separately metered, the costs and expenses for such utilities shall be the responsibility of each Owner. Each Owner shall be responsible for obtaining telecommunications services for its Unit and shall pay all costs, expenses, fees, rates and other charges incurred in connection therewith. Each Owner shall maintain and repair the Utilities Facilities servicing only its Unit, except for those facilities or portions thereof maintained by utility companies or the City. Owners shall maintain the heating and air conditioning system servicing their respective Units, and all light fixtures and appliances therein, and pay all utility bills metered therefore.

(g) Access Easements. The Association and its Members, subject to the Rules, shall have nonexclusive easements for ingress and egress over the portions of the Common Area containing open space, and parking and driveway areas for the purposes of installation, maintenance and replacement of Utility Facilities.

ARTICLE 8 INSURANCE

8.1 Types of Insurance Coverage. The Association shall, at the discretion of the Board, purchase, obtain and maintain the following types of insurance, if and to the extent they are available at a reasonable premium cost:

(a) Property Insurance. The Association shall obtain and maintain a master or blanket policy of property insurance, written on all risk, replacement cost basis, that satisfies all of the following conditions:

(i) Property Covered. The policy shall cover all Common Area Improvements, including the buildings and any additions or extensions thereto; all fixtures, machinery and equipment permanently affixed to the buildings and not located within a Unit; fences; monuments; lighting fixtures; exterior signs; and personal property owned or maintained by the Association; but excluding land; foundations; excavations; and other items typically excluded from property insurance coverage.

(ii) Covered Cause of Loss. The policy shall provide coverage against losses caused by fire and all other hazards normally covered by a “special form” policy or its equivalent.

(iii) Dollar Limit. The dollar limit of the policy shall not be less than the full replacement value of the covered property described in subsection 8.1(a)(i), above, provided that there may be lower dollar limits for specified items as is customarily provided in property insurance policies.

(iv) Primary. The policy shall be primary and non-contributing with any other insurance policy covering the same loss.

(v) Endorsements. The policy shall contain the following endorsements or their equivalents: agreed amount, boiler and machinery (to the extent applicable), inflation guard, plate glass, ordinance or law, and replacement cost, and such other endorsements as the Board in its discretion shall elect.

(vi) Waiver of Subrogation. The policy shall waive all subrogation rights against any Owner or Occupant and their family members, guests and invitees.

(vii) Deductible. The amount of any deductible shall be paid by the Association and/or Owner pursuant to guidelines adopted by the Board.

(b) General Liability Insurance. To the extent such insurance is reasonably obtainable, a policy of comprehensive general liability insurance naming as parties insured the Association, each Director, any manager, Declarant, the Owners and Occupants of Units, Lenders and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than Two Million Dollars (\$2,000,000.00) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for nonowned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to common interest development projects similar in construction, location, facilities, and use.

(c) Director's and Officer's Liability Insurance. To the extent such insurance is reasonably obtainable, to include the cost thereof, and determined to be necessary or desirable by the Board, the Association shall maintain individual liability insurance for its Directors and officers providing coverage for negligent acts or omissions in their official capacities. The minimum coverage of such insurance shall be at least One Million Dollars (\$1,000,000.00).

(d) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the Association may also purchase such additional insurance and bonds as the Board may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this subsection, demolition insurance, flood insurance, earthquake insurance, and workers' compensation insurance. The Board may also purchase and maintain fidelity bonds or insurance in an amount not less than one hundred percent (100%) of each year's estimated annual operating expenses and shall contain an endorsement of any person who may serve without compensation. The Board may purchase and maintain such insurance on personal property owned by the Association and any other insurance, including Directors and officers liability insurance, that it deems necessary or desirable.

8.2 Board Authority to Alter Coverage. The Board shall have the power and right to deviate from the insurance requirements contained in this Article 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, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least thirty (30) days prior to the effective date of the reduction.

8.3 Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) shall be retained by the Association and shall be available for inspection and copy by Owners and their Lenders at any reasonable time.

8.4 Individual Owner's Property Insurance. Each Owner shall purchase and at all times maintain a policy of personal liability and property insurance insuring the Owner's Unit and Exclusive Use Common Area, and all improvements and any upgrades or additions to any fixtures or Improvements to the Owner's Unit, Exclusive Use Common Area, and personal property. The

Association's insurance policies will not provide coverage against any of the foregoing. Any insurance maintained by an Owner must contain a waiver of subrogation rights by the insurer as to the other Owners, the Association, and any Lender of the Owner's Unit. Each Owner's insurance shall name the Association, Officers, Directors, and Declarant as additional insureds.

8.5 Trustee. All insurance proceeds payable under Section 8.1, above, may, in the discretion of the Board, be paid to a trustee to be held and expended for the benefit of the Owners, Lenders and others, as their respective interests shall appear. Said trustee shall be a commercial bank in the County that agrees in writing to accept such trust.

8.6 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Section 8.1, above. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

ARTICLE 9 EASEMENTS

9.1 Easements in General. In addition to all easements reserved and granted on the Parcel Map, Condominium Plan, and the easements specified in Articles 3 and 13, there are hereby specifically acknowledged, reserved and granted for the benefit of the Condominiums and the Owners in common and for each Condominium and Owner severally, and for the Association, as their respective interests shall exist, the easements and rights of way as particularly identified in this Article.

9.2 Utility Easements. Easements over and under the Development or any portion thereof for the installation, repair, maintenance, and replacement of: (i) electric, telephone, telecommunications, water, gas, and sanitary sewer lines, meters, and facilities; (ii) cable lines and facilities; (iii) on-site fire systems including, but not limited to, all common adjoining fire sprinkler-piping penetrations and all on-site fire mains and private hydrants; (iv) drainage facilities; (v) walkways; and (vi) landscaping, as shown on the Parcel Map, and as may be hereafter required or convenient to service the Development, are reserved by and shall exist in favor of the Association, together with the right to grant and transfer the same. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal.

9.3 Easements Granted by Board

(a) Non-Exclusive Easements. The Board shall have the power to grant and convey to any person or entity non-exclusive easements and rights of way, in, on, over, or under the Common Area for the purpose of: (i) constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone, telecommunications, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities; and (ii) for any other purposes deemed by the Board to be

appropriate and not inconsistent with the purposes and interests of the Association. Each Owner, in accepting a deed to a Unit, expressly consents to such easements and rights of way. No such easements may be granted if they would materially interfere with the use, occupancy, or enjoyment by an Owner of their Unit without the consent of the affected Owner of the Unit.

(b) Exclusive Use Common Area Easements. The Board shall have the authority to execute and Record a maintenance agreement designating portions of the Common Area as Exclusive Use Common Area, for the benefit of an appurtenant Unit, for the purpose of promoting an efficient division of the use and maintenance responsibilities between the Owners and the Association. A maintenance agreement may be made with any Owner of adjacent property, including Declarant.

9.4 General Association Easements for Maintenance, Repair and Replacement. The Association shall have an easement in, on, over or under every Condominium as reasonably necessary to: (i) maintain and repair the Common Area; (ii) perform the Association's maintenance responsibilities as required by Section 7.1; (iii) perform maintenance upon a Condominium which is not performed by its Owner as provided by Section 7.2 and Section 7.6; and (iv) otherwise perform its obligations under this Declaration.

9.5 Utility Maintenance and Repair Easements. Wherever sanitary sewer connections or water connections or electricity, gas or telephone, telecommunications, television lines or drainage facilities are installed within the Development, which connections, lines or facilities, or any portion thereof, lie in or upon Condominiums owned by other than the Owner of the Condominium served by said connections, the Owners of any Condominiums served by said connections, lines or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter such Condominiums or to have utility companies enter therein, or any portion thereof, to repair, replace and generally maintain said connections as and when the same may be necessary. All utility companies having easements on the property covered by this Declaration shall have easements for cleaning, repairing, replacing, and otherwise maintaining or causing to be maintained service in all underground utility lines, including, when reasonably necessary, the entry into an improvement constructed upon a Condominium for uncovering any such lines. Any Owner or utility company exercising the rights granted in this Section shall be obligated to restore the Unit entered to substantially its former condition.

9.6 Owner's Easements.

(a) Telecommunications. Each Owner shall have an easement over the Common Area for the purpose of installing and maintaining the internal and external telecommunications lines serving the Owner's Unit. Such access is subject to the consent of the Association, the approval of which shall not be unreasonably withheld.

(b) Improvement Easements. If the Association approves the construction of any Improvement within the Common Area for the benefit of an Owner, such Owner shall have an easement for the use and maintenance of the Improvements.

(c) Unit Interior Easements. Each Owner shall have an easement over Common Area walls, floors, roof and ceilings abutting such Owner's Unit to install any components of utility systems serving the Unit, and for the installation of fixtures, provided such use does not violate any fire or safety code or cause any structural impairment.

9.7 Encroachment Easements. The Common Area and each Unit within the Development is hereby declared to have an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachment due to engineering errors, errors in original construction, settlement or shifting of structures, or any other similar cause. There shall be valid easements for the maintenance of such encroachments as long as they shall exist. Notwithstanding the preceding, in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if such encroachment occurred due to the willful misconduct of such Owner or Owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Unit agree that minor encroachments over adjoining Units or Common Area shall be permitted and that there shall be valid easements for the maintenance of such encroachments so long as they shall exist. Any Owner executing the rights granted in this Section shall be obligated to restore the Common Area and abutting Unit(s) entered to substantially its former condition.

9.8 Easement for Photovoltaic Electrical System. The Declarant, Association and Owners shall have a non-exclusive easement over the Common Area, including, but not limited to, the roof of the building structure for installation, operation, maintenance, repair and replacement of any photovoltaic electrical system.

9.9 Association Easement for Maintenance. If a Unit has direct access to the roof of the building containing the Unit, the Association shall have a non-exclusive easement the Unit for building roof access for any installation, maintenance, repair, or replacement of any Improvement or component of the roof or Common Area building, and any installation, maintenance, repair, or replacement of any Improvement on behalf of individual Owners. Such entry and use of the easement shall be made with as little inconvenience to the Occupants as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations. The Association shall adopt rules regarding procedures for permitting Association certified technicians or companies to access the roof on behalf of any Owner through said Unit.

9.10 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Condominium.

ARTICLE 10 ENFORCEMENT

10.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance. In addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association, its officers, the Board or by any Owner. The Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.

10.2 Violation of Law. Any violation of a state, municipal or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

10.3 Owners' Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing their tenants, contractors and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them. If a Condominium is owned jointly by two (2) or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

10.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of their Condominium.

10.5 Rights and Remedies of the Association.

(a) Enforcement Rights. The Association, its Directors, officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive. The Board shall not be obligated to take action to enforce a provision of the Governing Documents if, in the exercise of its discretion, the Board determines that acting to enforce the provision is not likely to foster or protect the interests of the Association and its Members as a whole.

(b) Inadequacy of Legal Remedy. Except for the non-payment of any Assessment levied pursuant to the provisions of Article 6 of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner or an Owner's tenants, guests, or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its officers or Board, or by any Owner or by their respective successors in interest.

(c) Limitation on Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of their Unit as the result of the failure by such Owner, or their tenants, agents, guests, or invitees to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association

pursuant to Article 6 of this Declaration. The provisions of this subsection shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

10.6 Emergency Situations. The following shall constitute emergency situations: (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Occupants of the Development; (ii) a traffic or fire hazard; or (iii) a threat of material damage to or destruction of the Development or any portion thereof. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency situation, the Association may undertake immediate corrective action. Hearings with respect to such corrective action shall be held following the corrective action in accordance with the Association's Governing Documents, and no disciplinary action may be taken without compliance with the Association's Governing Documents.

10.7 Non-Waiver. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

10.8 Notices. Any notices required or given under this Article shall, at a minimum, set forth the date, time, and location of any hearing, a brief description of the act or omission constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision or provisions alleged to have been violated, and the sanction, disciplinary action, or other enforcement action being contemplated by the Board, if any. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice to the affected Member; provided, however, that if notice is given by mail, it shall be sent by first-class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.

10.9 Costs and Attorneys' Fees. In the event any action is taken to enforce any of the provisions of the Governing Documents, the prevailing party shall be entitled to recover the full amount of all costs incurred, including attorneys' fees, in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, without limitation, the imposition of a Reimbursement Assessment as provided in Section 6.7 of this Declaration.

10.10 Indemnification. Each Owner, by acceptance of their deed, agrees to: (i) indemnify each and every other Owner for; (ii) to hold each and every other Owner harmless from; and (iii) to defend each and every other Owner against, any claim of any person for personal injury or property damage occurring within the Unit of such Owner, except that such Owner's liability may be diminished to the extent that the injury or damage occurred by reason of the negligence of any other Owner or person temporarily visiting in such Unit or is fully covered by insurance.

11.1 Damage to the Common Area Improvements and Units. If any portion of the Development that is insured for the benefit of the Association is damaged or destroyed by fire or other casualty, all available insurance proceeds shall be paid to or on behalf of the Association, as agreed to by the Board, and the repair and rebuilding of the Development shall be in accordance with the following provisions:

(a) Insurance Proceeds Equal or Exceed 90%. If the amount of available insurance proceeds is at least ninety percent (90%) of the cost of repairing or rebuilding the damaged property to its original design and specifications, or if the deficiency in insurance proceeds does not exceed \$20,000, the Board shall contract to repair or rebuild the damaged portions of the Development, including those portions of the damaged Units which are covered by the Associations' insurance. In the event the insurance proceeds are insufficient to pay all of the costs of repairing and rebuilding, the Board shall levy a Reimbursement Assessment against all Owners to make up any deficiency.

(b) Insurance Proceeds Less Than 90%. In the event of any damage or destruction not subject to subsection 11.1(a), the Board shall obtain bids from responsible contractors to restore the Development, including all damaged Units and all damaged portions of the Common Area, to its condition immediately prior to such damage or destruction. Following the receipt of the bids, the Board shall call a special meeting of the Members to consider the bids. At such special meeting, the impacted Members shall accept or reject such bids by a majority vote of the Members.

(i) In the event a bid is accepted, the Board shall levy a Special Assessment against all Owners pursuant to Section 6.6 to make up the deficiency between the total insurance proceeds and the contract price for such repair or rebuilding. All insurance proceeds, including any proceeds subject to liens of Lenders, shall be used for such rebuilding or repair.

(ii) In the event all bids are rejected, the Board shall recommend such alternative reconstruction of the damaged or destroyed Improvements at a lesser cost as it deems reasonable or adequate, which alternatives shall be placed to bid and voted in the same manner indicated above. In the event that no such alternatives are accepted by all of the Members, the Board, with the approval of the Lenders as provided in Article 12, below, is empowered, as the agent for all Owners, to sell the entire Development, including all Units and the Common Area in its then present condition, on terms satisfactory to the Board. In the event of such sale, the proceeds from the sale and the insurance proceeds received by the Association on account of the destruction of Development shall be distributed by the Association among Owners according to the respective fair market values of the Units at the time of the destruction as determined by an independent appraisal pursuant to Section 11.3 below, and exclusive of Owner's trade fixtures, equipment, furniture, and other personal property.

11.2 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, shall be taken by right of eminent domain or by private purchase in lieu of eminent domain, the entire award in condemnation or proceeds from the private purchase, to the extent such award or proceeds is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners, shall be paid to the holder or holders of the fee title to such area as their interests may appear according to the respective fair market values of the Units at the time of the taking, as determined by independent appraisal pursuant to Section 11.3 below and exclusive of Owner's trade fixtures, equipment, furniture, and other personal property. Any such award to the Association shall be deposited into the operating fund of the Association. The Association shall represent the interests of all Owners in any proceeding relating to such condemnation to the extent such Owners have any interest in the Common Area.

11.3 Appraisals. Where the provisions of this Article require an independent appraisal of property, said appraisal shall be made by an independent qualified real estate appraiser selected in the discretion of the Board and who shall be a member of the Institute of Real Estates Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value of fair market value of each condominium.

ARTICLE 12

PROTECTION OF LENDERS

12.1 Amendments Affecting Lenders. No amendment of this Declaration shall affect any of the rights of the holder of any Lender's lien which is made in good faith and for value, if such Lender's lien is Recorded prior to the Recording of such amendment.

12.2 Default by Owner; Lender's Right to Vote. In the event of a default by any Owner under a deed of trust encumbering such Owner's Condominium, the Lender shall, upon: (i) giving written notice to the defaulting Owner; (ii) Recording a notice of default in accordance with California Civil Code Section 2924; and (iii) delivering a copy of such Recorded notice of default to the Association, have the right to exercise the vote of the Owner at any regular or special meeting of the Association held only during such period as such default continues.

12.3 Breach; Obligation After Foreclosure. No breach of any provision of this Declaration by Declarant, the Association or any Owner shall impair or invalidate the lien of any Recorded deed of trust made in good faith and for value and encumbering any Condominium. Declarant, Owners, and the Association and their successors and assigns, shall be obligated to abide by all of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes provided for in this Declaration with respect to any person who acquires title to or any beneficial interest in any Condominium through foreclosure, trustee's sale or otherwise. Any and all liens recorded pursuant to the Declaration, including interest and costs (including attorneys' fees), shall be subordinate to the lien of any First Priority Lender. Sale and transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial foreclosure of the lien of a First Priority Lender shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. When the First Priority Lender or other purchaser of a Unit obtains title pursuant to a judicial or

nonjudicial foreclosure of the lien of the First Priority Lender, such person, his/her/its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to the acquisition of title to such Unit by such person. Such unpaid share of common expenses or assessments may be deemed to be common expenses collectible from all of the Owners of the Units including such Person, his/her/its successors and assigns.

12.4 Effect of Federal Anti-Deficiency Act. Notwithstanding any other provision of the Governing Documents, the Association and each Owner and Lender acknowledge and agree that if the U.S. Small Business Administration, an Agency of the United States Government (“SBA”) is assigned or otherwise obtains any interest in a lien or Ownership of any Condominium, SBA shall not be obligated to perform, and shall be completely relieved from, any obligation under the Governing Documents to the extent, and only to the extent, that such performance would constitute a violation of the Federal Anti-Deficiency Act (USC Title 31, Subtitle II, Chapter 13, Subchapter III, Section 1341). SBA shall be deemed a third-party beneficiary of this Section 12.4.

12.5 Governing Law With Respect to SBA Matters. Notwithstanding any other provision of the Governing Documents, the Association and each Owner and Lender acknowledge and agree that if the SBA is seeking to enforce any document evidencing or securing any interest in a Condominium, the document shall be interpreted and enforced under federal law, including SBA regulations and to the extent not inconsistent therewith, the laws of California without regard to its choice of law principles. SBA may use State or local procedures for filing papers, Recording documents, giving notice, foreclosing liens and other purposes. By using such procedures, SBA does not waive any federal immunity from State or local control, penalty, tax, or liability. No borrower or guarantor may claim or assert against SBA any local or State law to deny any obligation, defeat any claim of SBA, or preempt federal law.

12.6 Right to Examine Books and Records of the Association. All Lenders, insurers and guarantors of any deeds of trust for any Condominium shall have the right, upon written request to the Association, to:

(a) Association Records. Examine current copies of the Governing Documents and the Association’s books, records and financial statements, during normal business hours;

(b) Financial Statements. Require the Association to provide an audited statement for the preceding fiscal year at no expense to the requesting entity; and

(c) Notice of Meetings. Receive a written notice of all meetings of the Association and designate a representative to attend all such meetings.

(d) Notice of Defaults under the Declaration. Receive a written notice of any defaults under the Declaration with respect to any Unit that is encumbered by a lien in favor of a Lender.

12.7 Declaration to Conform With Lender Requirements. It is the intent of this Article that the Governing Documents and the development in general, shall now and in the future meet all requirements of any Lender intending to secure its mortgage by a Unit or necessary to purchase, guarantee, insure or subsidize any mortgage of a Unit by a Lender. The provisions of this Article may be amended solely by the vote of the Board in order to conform to any requirements of a Lender.

ARTICLE 13

DECLARANT'S DEVELOPMENT RIGHT

13.1 Declarant's Right to Develop the Development. The Association and Owners shall not do anything to interfere with the right of Declarant to subdivide, sell, or rent any portion of the Development, or the right of Declarant to complete excavation, grading, construction of Improvements or other development activities to and on any portion of Development or to alter the foregoing and its construction plans and designs, or to construct such additional Improvements as Declarant deems advisable in the course of development of the Development so long as any Condominium or any portion of the Development is owned by Declarant. Such right shall include, but shall not be limited to, all grading work as may be approved by the City or other agency having jurisdiction, and erecting, constructing and maintaining on or within the Development such structures, signs and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. Each Owner, by accepting a deed to a Condominium, hereby acknowledges that any construction or installation by Declarant may impair the view of such Owner, and hereby consents to such impairment.

13.2 Use of Common Area by Declarant. Declarant may enter upon the Common Area to complete the Development, improvement and sale of Condominiums and the construction of any landscaping or other Improvement to be installed on the Common Area. Declarant shall also have the right of nonexclusive use of the Common Area without charge, for sales, display, access, ingress, egress, exhibition and occasional special events for promotional purposes, which right Declarant hereby reserves; provided, however, that such use rights shall terminate on the date on which Declarant no longer owns any Condominiums within the Development. Such use shall not unreasonably interfere with the rights of enjoyment of the other Owners as provided herein and all direct costs and expenses associated with Declarant's sales and promotional activities (including, without limitation, any costs or expenses required to clean or repair any portion of the Common Area that are damaged or cluttered in connection with such activities) shall be borne solely by Declarant and any other sponsor of the activity or event. The rights reserved to Declarant by this Section shall extend to any employee, sales agents, prospective purchasers, customers and/or representatives of Declarant.

13.3 Amendment of Development Plans. Declarant may amend its plans for the Development and apply to the City for approval for changes in zoning, use, and use permits, for any property within the Development.

13.4 Disclaimer of Declarant's Representations. Anything to the contrary in this Declaration notwithstanding, and except as otherwise may be expressly set forth in a Recorded instrument with the County Recorder, Declarant makes no warranties or representations whatsoever that the plans presently envisioned for the complete development of the Development may or will be carried out, or that any land now controlled or owned or hereafter controlled or acquired by

Declarant is or will be subjected to this Declaration, or that any such land (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular (or any) use, or that if such land is once used for a particular use, such use will continue in effect.

13.5 No Amendment or Repeal. So long as Declarant owns any portion of the Development, the provisions of this Article may not be amended or repealed without the written consent of Declarant.

ARTICLE 14 **AMENDMENT**

14.1 Amendment Before First Conveyance. Subject to the provisions of subsection 14.2(c), below, before the conveyance of the first Condominium within the Development to a purchaser other than Declarant, this Declaration and any amendments to it may be amended in any respect or revoked by the execution by Declarant of an instrument amending or revoking this Declaration. The amending or revoking instrument shall make appropriate reference to this Declaration and its amendments and shall be Recorded.

14.2 Amendment After First Conveyance. After the conveyance of the first Condominium within the Development to a purchaser other than Declarant, this Declaration may be amended or revoked in any respect upon compliance with the following provisions:

(a) Member Approval Requirements. Except as provided in this Section, any amendment to this Declaration shall be approved by the vote or assent by written ballot of all Members. Notwithstanding the foregoing, the percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

(b) Additional Approvals of Declarant for Amendments to Particular Provisions. For so long as Declarant owns a Condominium within the Development, the provisions this Declaration may not be amended without the prior written consent of Declarant.

(c) Right of Amendment if Requested by City. Anything in this Article to the contrary notwithstanding, Declarant reserves for itself and for the Association the right to amend all or any part of this Declaration to such an extent and with such language as may be requested by the City to reflect a modification of the development permits which requires a conforming amendment to this Declaration. Any such amendment shall be effectuated by the Recordation, by Declarant, of a certificate of amendment duly signed by or on behalf of the authorized agents, or authorized officers of Declarant, or the Association as applicable, with their signatures acknowledged, specifying the City requested the amendment and setting forth the amendatory language requested by the City. Recordation of such a amendment shall be deemed conclusive proof of the City's request for such an amendment, and such amendment, when Recorded, shall be binding upon all of the real property comprising the Development and all persons having an interest therein.

(d) Right of Amendment by Board. The Board may, without the approval of the Members, amend any part of this Declaration to the limited extent necessary to comply with a change in applicable laws, ordinances or regulations, and to correct typographical errors.

14.3 Effective Date of Amendment. The amendment will be effective upon the Recording of a certificate of amendment, duly executed and certified by any two (2) officers of the Association setting forth in full the amendment so approved and that the approval requirements this Article have been duly met. If the consent or approval of any governmental authority, mortgagee, Lender or other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

14.4 Reliance on Amendment. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE 15

GENERAL PROVISIONS

15.1 Term. This Declaration continues in full force and effect unless an amendment terminating this Declaration is unanimously approved by the Owners and Recorded in accordance with Article 14, above.

15.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.

15.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

15.4 Statutory References. Any reference to a California or federal statute, code or regulation shall also incorporate and include any successor statutes or laws.

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DATED: _____, 202_.

DECLARANT:

Ronald P. Elvidge

Ronald P. Elvidge

Paul E. Chahin, as Trustee of the Chahin Family Trust

By: _____
Paul E. Chahin, Trustee

Leslie R. Guerrero-Chahin, as Trustee of the Chahin Family Trust

By: _____
Leslie R. Guerrero-Chahin, Trustee

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 the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)SS
COUNTY OF)

On _____, 202__, before me, _____, a Notary Public,
personally appeared _____ 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(ies),
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.

Notary Public

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 the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

On _____, 202__, before me, _____, a Notary Public, personally appeared _____ 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(ies), 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.

Notary Public

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 the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

On _____, 202__, before me, _____, a Notary Public, personally appeared _____ 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(ies), 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.

Notary Public

**CONSENT AND SUBORDINATION TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR PACHECO COMMERCIAL CONDOMINIUMS**

The undersigned, beneficiary under that certain deed of trust Recorded February 23, 2015, as Document No. 2015-0030005, of the Official Records of Contra Costa County, hereby consents to this Declaration of Covenants, Conditions and Restrictions for Pacheco Commercial Condominiums ("Declaration") and hereby agrees that said deed of trust shall be subordinate and subject to said Declaration as though said Declaration had been recorded prior to said deed of trust.

DATED: _____, 202__.

BENEFICIARY:

**KINECTA FEDERAL CREDIT UNION, A FEDERAL
CREDIT UNION**

By: _____

Name: _____

Title: _____

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 the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)SS
COUNTY OF _____)

On _____, 202__, before me, _____, a Notary Public, personally appeared _____ 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(ies), 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.

Notary Public

EXHIBIT "A"

LEGAL DESCRIPTION OF THE DEVELOPMENT

All of the real property located in the City of Pacheco, County of Contra Costa, State of California, which is more particularly described as follows:

All of the Units, Association Common Area and Condominium Common Area as shown on the Commercial Condominium Plan for "Authentic 925 - 5753 Pacheco Blvd", Recorded on _____, 202_, Document No. _____, Records of Contra Costa County, and is all of the land in Parcel _ of Parcel Map No. 4207, Recorded on June 18, 2021, in Book of 162 of Parcel Maps, at Page 18 and 19, Official Records of Contra Costa County.