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**Thornton Village Condominium Association**

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

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SAN JOAQUIN COUNTY  
RECORDER'S OFFICE  
JAMES M. JOHNSTONE

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91 MAY 20 PM 12:05

NEUMILLER & BEARDSLEE,  
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STOCKTON, CALIFORNIA 95201  
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THORNTON VILLAGE  
CONDOMINIUM RESTRICTIONS

THORNTON VILLAGE  
CONDOMINIUM RESTRICTIONS

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THORNTON VILLAGE  
CONDOMINIUM RESTRICTIONS

A Declaration of Restrictions, Covenants, and Conditions for the Creation and Maintenance of a Commercial Condominium Project.

THIS DECLARATION is made this \_\_\_ day of \_\_\_\_\_, 1990, by THORNTON VILLAGE, INC., a California corporation, with respect to that certain real property described in Exhibit "A" of this Declaration.

THORNTON VILLAGE, INC., a California corporation, hereby declares that all of the described real property is subject to this Declaration which is for the purpose of creating and maintaining a commercial condominium project on the described real property and for the improvement, and protection of the value, desirability and attractiveness of the described real property.

The matters herein contained shall run with the described real property and shall be binding upon and inure to the benefit of THORNTON VILLAGE, INC., a California corporation, the Association as defined in Section 1.01 of this Declaration, each Owner of the described real property or any part of it, and each successor in interest of THORNTON VILLAGE, INC., a California corporation, the Association, and any such Owner.

The Real Property described in Exhibit "A" is subject to only the covenants, agreements, easements and liens of record.

ARTICLE 1  
DEFINITIONS

Unless the context otherwise specifies or requires, the terms defined in this Article 1 shall have the meanings herein specified for all purposes of these Restrictions.

Section 1.01. Association. The term "Association" shall mean the Thornton Village Owners Association, the incorporated membership association described in Article 5, and any successor incorporated association.

Section 1.02. Blanket Encumbrance. The term "blanket encumbrance" shall have the meaning defined in Section 11013 of the California Business and Professions Code.

Section 1.03. Board. The term "Board" shall mean the board of directors of the Association and of any predecessor or successor incorporated association.

Section 1.04. Condominium. The term "Condominium" shall mean a condominium as defined in Section 783 of the Civil Code of the State of California.

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Section 1.05. Condominium Plan. The term "Condominium Plan" shall refer to the Condominium Plan attached hereto as Exhibit "B", pages 1 and 2.

Section 1.06. Common Boundary Line. The term "Common Boundary Line" shall refer to any boundary line on the Plot Plan which is the common boundary line between two (2) contiguous units each of which units is owned by different owners.

Section 1.07. Common Area. The term "common area" shall mean the entire project excepting all units therein granted or reserved as defined in Section 1351 of the Civil Code of the State of California, and shall specifically include all walls, existing or constructed upon any portion of the common boundary line of any units within the Project which are owned by different Owners, and will include any utility chase within a unit necessary to service another Owner's unit.

Section 1.08. Unit. The term "unit" shall mean the elements of a condominium which are not owned in common with the owners of other condominiums in the project as defined in Section 1351 of the Civil Code of the State of California, and shall specifically include all heating and air conditioning equipment appurtenant thereto as well as the ceiling thereof which shall consist of the grid, acoustical tile, and appurtenant suspension.

Section 1.09. Incidents of Grants. The incidents of a condominium grant for any condominium within the project are as follows:

A. The boundaries of the unit granted are the interior unfinished surfaces of the floors, ceilings, windows, doors, and external walls of the condominium building and the boundary lines as shown on the plot plans of the Condominium Plan attached hereto as Exhibit "B". In the event walls exist or are constructed upon any portion of the common boundary lines of units within the Project, the boundary lines of such units shall be the interior unfinished surface of the walls located upon such common boundary line. In the event the wall constructed upon said common boundary lines is subsequently removed as hereinafter provided, the boundary line of said contiguous units shall thereupon become the common boundary line as shown on the Plot Plans of the Condominium Plan set forth in Exhibit "B". Each unit includes the portions of the building so described; the airspace so encompassed; and any other property described in Section 1.07 above. The following are not part of the unit: any walls existing or constructed upon any portion of the common boundary line of any units which are owned by different owners, bearing walls, columns, floors, roofs, foundations, elevator equipment and shafts, reservoirs, tanks, pumps, and other central services pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the unit and the heating and air conditioning equipment appurtenant thereto, and ceiling thereof as defined in Section 1.07 above. In interpreting deeds and

plans, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the metes and bounds expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of the building.

B. The common areas are owned by the Owners of the units as tenants in common with each owners interest being equal to the product derived by dividing the total number of square feet of the Owner's units as shown on the Condominium Plan, by the total number of square feet of all units shown on the Condominium Plan.

No. Sq. Ft. of Owner's Units as shown on Condominium Plan	=	Percentage interest in
No. Sq. Ft. of All units shown on Condominium Plan		common areas

A. A nonexclusive easement for ingress, egress and support through the common areas is appurtenant to each unit and the common areas are subject to such easements. Such easements shall only be exercised at reasonable times and in a reasonable manner and after appropriate notice to all owners effected by the exercise thereof.

B. A reservation in favor of Grantor for the right to construct walls upon common boundary lines as herein defined together with the right to enter upon the Common Area and any unit within the project at reasonable times, and in a reasonable manner, to install, modify, repair, replace and maintain gas, electricity, telephone, water, sewer, drainage or other services or utilities, and to install, modify, repair, replace and maintain pipes, ducts, flues, chutes, conduits and wires, used in conjunction with heating and/or air conditioning units or systems located or to be located within the Project.

C. Each condominium owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the ceilings, floors, doors, and walls located upon common boundary lines, bounding his own unit.

Section 1.10. Grantor. The term "Grantor" shall mean THORNTON VILLAGE, INC., a California corporation.

Section 1.11. Improvements. The term "Improvements" shall, include without limitations, building, out-building, including sheds and storage buildings, roads, driveways, parking areas, fences, retaining walls, stairs, decks, hedges, windbreaks, poles, antennas, signs, utility or communication installations (whether above or underground), and any structure and excavation of any type or kind.

Section 1.12. Mortgage; Mortgagee. The term "Mortgage" shall mean a deed of trust or an assignment of a lease for security purposes as well as a mortgage, and the term "Mortgagee" shall mean a beneficiary under or a holder of a deed of trust, or an assignee of a lease assigned for security purposes, as well as a mortgagee.

Section 1.13. Notice. The term "Notice" shall mean a notice delivered pursuant to the requirements of these Restrictions.

Section 1.14. Owner. The term "Owner" shall mean the person or persons, including Grantor, holding the beneficial ownership of the fee including the purchaser under a contract of sale; provided, however, that for the purposes of Article 4, unless the context otherwise requires, "Owner" shall include the officers, directors, partners, employees, invitees, licensees and tenants of any Owner.

Section 1.15. Project. The term "Project" shall mean the condominium project (as Condominium Project is defined in Paragraph (f) of Section 1351 of the Civil Code of the State of California), created by this Declaration.

Section 1.16. Project Area. The term "Project Area" shall mean all of the real property referred to in Exhibit "A".

Section 1.17. Restricted Common Area. "Restricted Common Area" means those portions of the Common Area that may be identified as Restricted Common Area on the Condominium Plan, or are set aside for the exclusive use of one or more Owners either by Notes or other writings on the Condominium Plan, by this Declaration, or by Deed.

Section 1.18. Project Restrictions. The term "Project Restrictions" or "Restrictions" shall mean, with respect to all property within the Project, the limitations, easements, restrictions, covenants, and conditions set forth in this declaration and as may be set forth in any amendment thereto that from time to time may be made. The terms "this Declaration" and "THORNTON VILLAGE RESTRICTIONS" shall have the same meaning as "Project Restrictions."

Section 1.19. Project Rules. The term "Project Rules" shall mean the rules from time to time in effect pursuant to the provisions of Section 6.03.

Section 1.20. Record; Recorded. The term "Record" or "Recorded" shall mean, with respect to any document, that the document shall have been recorded in the Office or Offices of the Recorder of the County or Counties in which the real property to which the document relates is located.

Section 1.21. Reconstruction Fund. The term "Reconstruction Fund" shall mean the fund into which insurance proceeds

shall be payable pursuant to Section 11.01 and held by a bank, trust company or savings and loan association selected pursuant to Section 8.06.

Section 1.22. Unit Group. The term "Unit Group" shall mean any group of contiguous units which are all owned by the same owner.

Section 1.23. Utility Chase. "Utility chase" shall mean and refer to the portions of a condominium building which are designed to accommodate wires, pipes, ducts, flues, and other utility facilities extending between units.

Section 1.24. Chase. The Term "Chase" shall mean an area surrounded by walls within a Unit that allows space for utilities to service another unit. The Chase will be considered common area. A Chase will not be shown on a Condominium Plan.

## ARTICLE 2 MINIMUM NUMBER OF UNITS

Section 2.01. Number of Units. In order to maintain a minimum size and design for offices and stores located within the Condominium Project, the following restriction shall apply to the sale or other transfer of units within the project:

A. Each owner who purchases or otherwise acquires any units shown on the Condominium Plan must acquire and thereafter own, a minimum of 500 square feet all of which shall be contiguous and shall have a contiguous common boundary shown on the Plot Plan in Exhibit "B" for the floor level in which said units are located.

B. Any sale, transfer or other acquisition of any units which does not satisfy the minimum standards set forth in subparagraph (1) of this Article 2, shall be null and void and title to said units shall remain in the name of the owner prior to the proposed transfer.

## ARTICLE 3 WALLS ON COMMON BOUNDARY LINES

Section 3.01. Construction of Walls. Subject to the limitations hereinafter set forth, Grantor shall have the right to construct walls upon the common boundary lines of any units within the Project which are owned by different owners or which are to be owned by different owners. Upon construction thereof said walls shall become common area as hereinabove provided.

Section 3.02. Modification or Removal of Walls. All walls existing or constructed upon common boundary lines shall be common area and shall not thereafter be modified or removed without the prior written consent of the Board of Directors of the Association. In the event the wall constructed upon said common boundary line is subsequently removed as provided above, the boundary of said contiguous units shall thereupon become the common boundary line as shown on the Plot Plan of the Condominium Plan set forth in Exhibit "B".

ARTICLE 4  
PERMITTED AN PROHIBITED USES OF PROPERTY

Section 4.01. Permitted Uses of Property Within Project.

C. Subject to §4.02, improvements and developments within the project shall be limited in use to businesses which conform to the local zoning and ordinances of the community, associated parking, recreational facilities and all public or private service and utility facilities related to such uses including but not limited to, sewer, gas, water, electric, and communication facilities.

D. Grantor may, until all units have been sold and conveyed, maintain one unit group within the Project as a sales office model and may maintain on said unit group and within the project area appropriate signs for the sale and rental of units.

Section 4.02. Prohibited Uses of Project Area.

A. In no event shall project areas be used for the purpose of mining, quarrying, drilling, boring, or exploring for or removing oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth, or be used in any other way inconsistent with the Project Restrictions.

B. No mobile home or similar facility or structure shall be kept, placed, or maintained upon the Project Area at any time; provided, however, that the provisions of this paragraph shall not apply to temporary constructions, shelters, or facilities maintained during and used exclusively in connection with, the construction of any work or improvement permitted by these Restrictions.

C. No trees in the area shall be truncated, cut (except for customary maintenance pruning), or removed except by persons designated by the Board without the prior consent of the Association.

D. No exterior antenna of any sort shall be installed or maintained within the Project Area, without the written consent of the Association.

E. No vehicles of any type shall be permanently or semi-permanently parked in any drive, parking area, or on any Common Area for any purpose. Semi-permanently means more than forty-eight (48) consecutive hours.

F. No trucks or other commercial vehicles, campers, motor homes, boats, trailers or similar vehicles shall be kept or maintained in the Project Area except where customary or required for the limited purposes of building, repairing, refinishing, or maintaining the project, the Project Area or a Unit or Units, and except for the purpose of moving goods or other necessary or customary furnishings, equipment, supplies or merchandise in or out of the Project Area.

G. No use shall be made or permitted within the Project Area, nor acts done which shall constitute a nuisance or unreasonable annoyance to other persons lawfully using the Project Area nor which shall violate, make inoperative or increase the rate of any insurance policy held by or for the benefit of the Association. There shall not be sold, kept or used within the Project Area any petroleum or nuclear product, or any substance or material of an explosive, flammable or radiological nature which may be prohibited by any insurance policy held by or for the benefit of Owner or which may endanger any part of the Project Area, any improvement or its occupants without the written consent of the Association.

H. Machinery and mechanical devices of a nature not directly related to the ordinary use of the Project Area shall not be used without the written consent of the Association.

I. No Owner shall make noises, cause disturbances, or vibrations or use or operate any electrical or electronic devices or other devices that omit sound or other waves or disturbances, or create odors, any of which may be offensive to other occupants of the project or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the project or elsewhere.

J. All peddlers, solicitors and beggars shall be reported by Owners immediately to the Association.

K. No Owner shall obstruct the sidewalks, drives, parking areas, halls, passages, elevators or stairways or use them for any purpose other than for ingress to and egress from the project and improvements. No Owner shall go upon the roofs of the buildings without the written consent of the Association.

L. The windows, glass areas, lights and skylights that reflect or admit light into improvements shall not be covered or obstructed except by drapes or other coverings approved by the Association.

M. No Owner shall sweep, throw or permit to be swept or thrown from the Owner's units any dirt or other substance into

any common area and no animals or birds shall be kept in or about the project.

N. No units shall be used as a warehouse (except as incidental storage for a business located within the project) nor for lodging.

O. No sign, advertisement or notice visible from the exterior of any units shall be allowed without the written consent of the Grantor or the Association. One sign shall be permitted for each unit group and it can be internally illuminated, with the permission of the Grantor or the Association, and shall be in conformity with the style of subsequent signs established by Grantor and the Association. So long as Grantor owns any unit or units within the project all signs shall be subject to the written approval of Grantor. Thereafter all signs shall be in conformity with the style of signs established by the Grantor and subject to the written approval of the Association.

1. Policy. The purpose of this policy is to create a comprehensive and balanced system of signage within the Project, insuring maximum identification within an overall design. To insure that this policy is fulfilled, any installed, non-conforming, or unapproved signs shall be brought into conformance at the expense of the unit Owner. Not only must all unit Owner's signs conform to this policy, but they must compliment the architectural design of the Project as well. The achievement of this policy results in an attractive and pleasurable commercial environment for all.

2. General Requirements. Each unit Owner shall submit to the Association for approval, prior to fabrication, at least two (2) copies of detailed drawings indicating the location, size, layout design, and color of the proposed signs including all lettering and/or graphics.

a. Each unit Owner shall pay for his own signs, their installation and maintenance.

b. The unit Owner or his representative shall be responsible for obtaining all government permits for signs and their installation.

3. Construction and Installation.

a. All signs shall be made of individual illuminated metal or neon letters not exceeding 24" in height. Minimum letter height 12", maximum logo height 30". All letters must bear Universal Laboratory Labels.

b. The total horizontal dimensions of signs shall not exceed eighty percent (80%) of the width of the unit Owner's store frontage.

c. Signs shall be designed at the unit Owner's option subject to approval of the Association.

d. Size and location shall conform to the requirement of the City of Stockton as well as the requirements set forth herein.

e. All signs shall be constructed and installed by contractors qualified to fabricate and install commercial signs. Installation shall be per the Association or the project architect's approved construction drawings and specifications including all connections.

f. All illuminated signs shall be mounted in the center of the lower fascia, the center of which is the center of the unit. Signage shall be limited to two (2) lines on a single plane.

g. Location of all openings for conduit in the sign panel or building walls are to be approved by the Association.

h. All penetrations of the building structure required for the sign installation shall be neatly sealed in a water tight condition.

i. No signs of any sort shall be permitted on building roofs.

j. Attention getting devices such as search lights, pennants, banners, spinners, streamers, balloons, flashing, moving or animated signs, and other similar devices used to attract attention are not permitted.

4. Removal. Within fifteen (15) days following termination of his occupancy, the unit Owner shall have it's sign removed at the unit Owner's expense, and the building's fascia shall be restored to its original condition.

5. Miscellaneous Requirements. Each unit Owner shall be permitted to place upon each entrance of its unit, in gold-leaf or decal application, lettering indicating name of business, hours of business, emergency telephone numbers, address, etc. The design of the door lettering or entrance lettering shall be approved by the Association and should be submitted with the design of proposed fascia signage.

P. Each Owner shall at all times at such Owner's own cost, comply with all governmental rules, regulations, ordinances, statutes and laws now in force or which may hereafter be enacted pertaining to such Owner's units and to the Owner's use of the units.

Section 4.03. Common Area: Uses; Restrictions. The use of common area shall be reserved equally to all Owners, subject

however, to the following limitations and restrictions.

A. The use of common area shall be subject to the Project Rules.

B. The use of common area shall be subject to (1) such easements as may have been offered for dedication to public use, (2) such easements as are provided in these Restrictions and as may have been reserved at the time of the conveyance of common area by Grantor or its predecessors in title, (3) such easements or other interests as may from time to time be taken under power of eminent domain, (4) these Restrictions and the covenants, conditions and restrictions referred to on page 1 hereof; and such other easements as may from time to time be granted or conveyed by the Association pursuant to the provisions of these Restrictions.

C. Except to the extent otherwise permitted pursuant to the easements referred to in Section 4.03 (B) above, the use of common areas, exclusive of buildings, roadways and parking areas, shall be limited to open space, walkways, decking and landscape uses.

D. The exterior store front of each unit shall be maintained by each owner of said unit, and shall be painted at least every thirty-six (36) months by said Owner. Said maintenance and painting shall be at the Owner's expense.

E. The remaining common area and the improvements from time to time located thereon shall be maintained by the Association in good condition and repair.

F. Except for Grantor's construction or removal of walls on common boundary lines; the installation of signs approved by the Grantor; or other work incidental to the development of the project as provided in Section 13.01 below, there shall be no modification or alteration of common area or improvements thereon without the prior written consent by the Board of Directors of the Association.

Section 4.04. Easements and Rights of Use for Maintenance and Repair.

A. The Association shall have an easement and right of use on all of the Project Area, including but not limited to the "common area" as defined in Section 1.06, for the purpose of maintaining, except as set forth in Section 4.03 (D) above, repairing, rebuilding the common area, and the exterior including the roof of units, for watering, planting, cutting, removing, and otherwise caring for the landscaping up to the exterior walls of the units; for cleaning, except as set forth in Section 4.03 (D) above, repairing, replacing, and otherwise maintaining or causing to be maintained service in underground utility lines and for entry into a unit of such authorized persons as are reasonably necessary in the event of any emergency, or in connection with

any maintenance, repair, cleanup, landscaping, or construction for which the Association is responsible. Any such entry into a unit shall be made with as little inconvenience to the Owner as practical and the Association shall repair damage caused by entry.

B. Whenever gas, electricity, telephone, water, sewer, drainage or other communication, service or utility facilities are installed in the Project Area and any such facilities lie within a unit or units owned by other than the Owner of a unit served by such facility, the Owner or his authorized representative of any unit served by said connections, lines or facilities shall have the right, and is hereby granted a right of entry to the full extent necessary therefor, to enter upon such unit not owned by such Owner at reasonable times or to have utility companies enter upon the units within the Project Area in or upon which facilities, or any portion thereof are located, to modify, repair, replace and generally maintain such facilities as and when it may be necessary when such work is not the responsibility of the Association or when for other reasons, such work is undertaken by such Owner or his authorized representative. The Owner requiring such repairs and the persons actually making the repairs shall be responsible at his sole cost for returning any property not part of a unit owned by such owner to its original condition after any such repairs and repairing all damages caused.

C. Whenever facilities as described in Section 4.04(B) above are installed within the Project Area and serve units owned by two (2) or more different owners, the owner of each unit served by said connections shall be entitled to the full use and enjoyment of such portions of such facilities as service his units.

D. All utility companies having easements on the Project Area 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 the Project Area for uncovering any such lines, provided, however, that such utility company shall be obligated to restore the improvement to substantially its former condition.

## ARTICLE 5 MEMBERSHIP IN THE ASSOCIATION; VOTING RIGHTS

### Section 5.01. Membership.

A. Each Owner, by virtue of being an Owner and for so long as such person is an Owner, shall be a member of the Association which shall be represented by one share of stock for each vote the Owner would be entitled to vote as a Class I member. For the purpose of determining the shares of stock the Grantor shall receive; only the number of shares equal to the number of

votes to which he would be entitled as a Class I voter shall be counted.

B. The rights, duties, privileges, and obligations of an Owner as a member of the Association or any succeeding Association shall be those set forth in, and shall be exercised and imposed in accordance with the provisions of these Restrictions and the Association's Articles and By-Laws.

Section 5.02. Classes of Membership. The association shall have two classes of membership: Class I and Class II.

Class I: All members shall be Class I members except the Grantor. Class I members shall be entitled to a number of votes equal to the product derived by dividing the total number of square feet of the Owner's units as shown on the Condominium Plan, by the total number of square feet of all units shown on the Condominium Plan in the Project, x 100.

$$\frac{\text{No. Sq. Ft. of Owners Units as shown on Condominium Plans} \times 100}{\text{No. Sq. Ft. of All Units Shown on Condominium Plans}} = \text{No. votes/Owner}$$

When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as such owners determine, and in no event shall such multiple Owners vote more than they are entitled for the unit owned.

Class II: The Grantor shall be the only Class II member and shall be entitled to vote as follows: voting, shall be the same as for Class I memberships, except that the Class II member may triple its votes for each unit or unit group owned by the Grantor at the time of vote. The Class II membership of Grantor arising from Grantor's Ownership of property within the project shall be converted to Class I membership on the first happening of either of the following events:

A. When the total votes outstanding in Class I membership equal the total votes outstanding in Class II membership, when tripled as stated above, or

B. Three (3) years from the date of recording of these Restrictions.

Section 5.03. Voting Rights. Each Owner shall be entitled to the votes as provided in Section 5.02 on all matters properly submitted for vote to the membership of the Association, provided, however, that every Owner entitled to vote at any election of members of the Board, may cumulate his votes and give any one or more candidates a number of votes equal to the number of votes to which the Owner is entitled by Section 5.02 multiplied by the number of directors to be elected. The right to vote may not be severed or separated from any unit; and any sale; transfer, or

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conveyance of the interest of the Owner of any unit to a new Owner shall operate to transfer the appurtenant votes without the requirement of any express reference thereto. Voting may be by written proxy.

Any provision of the Project Restrictions requiring a vote by Owners or members shall be satisfied if the required number of Owners or members give their written consent. In any election held pursuant to the requirements of the Project Restrictions, ballots may be transmitted to Owners in the manner provided for the giving of notice.

ARTICLE 6  
ORGANIZATION AND POWERS OF THE ASSOCIATION

Section 6.01. Organization.

A. The Association shall be organized as an incorporated membership association charged with the duties and empowered with the rights set forth herein. Its affairs shall be governed by its Articles of Incorporation and By-Laws.

B. The governing body of the Association shall be elected at an annual or special meeting not later than six (6) months from the sale by Grantor of the first unit subject to the Project Restrictions.

Section 6.02. Powers and Authority of the Association.  
The Association shall have all of the powers set forth in its Articles of Incorporation together with its general powers as an incorporated association, subject only to the limitations upon the exercise of such powers as are expressly set forth in its Articles of Incorporation, its By-Laws and in the Project Restrictions, to do any and all lawful things which may be authorized, required, or permitted to be done by the Association under and by virtue of the Project Restrictions and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety, and general welfare of Owners. Provided, that any contract for services shall be limited to a duration of one year unless approved by a majority vote of the Owners, without in any way limiting the generality of the foregoing.

A. In fulfilling any of its obligations or duties under the Project Restrictions, including without limitations, its obligations or duties for the maintenance, repair, operation, or administration of common area, the Association shall have the power and authority:

1. To contract and pay for, or otherwise provide for the improvement, maintenance, restoration, and repair of the common area, and all improvements located upon common area;

2. To obtain, maintain, and pay for such insurance policies or bonds, whether or not required by these Restrictions, as the Association shall deem to be appropriate for the protection or benefit of the Project, the Association, the members of the Board or the Owners;

3. To incur indebtedness; but any indebtedness in excess of the Association's estimate of its gross revenue for the year incurred or any indebtedness to be repaid over a period longer than one year, must be approved by a two thirds (2/3) vote of the members.

4. To contract and pay for, or otherwise provide for, such utility services, including but without limitations, water, sewer, garbage, electrical, telephone, communications and gas services, as may from time to time be required.

5. To contract and pay for, or otherwise provide for, the services of architects, engineers, attorneys, and certified public accountants and such other professional and non-professional services as the Association deems necessary;

6. To contract and pay for, or otherwise provide for, such materials, supplies, furniture, equipment, and labor as and to the extent the Association deems necessary;

7. To pay and to discharge any and all liens from time to time placed or imposed upon any common area, or on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation, or administration; and

8. To lease or contract for the use of land and improvements to the extent the Association deems necessary; and

9. Subject to the Grantor's prior written consent as required in Section 4.02(O), above, place and maintain upon common area such signs as the Association may deem necessary for the identification of the Project consisting of not more than one (1) monument sign for each lot of the Project, the regulation of traffic, including parking, the regulation and use of common area, and for the health, welfare and safety of Owners and persons on the Project.

B. The Association shall acquire the common area and the common area improvements from Grantor and give the Association's promissory note in payment therefor as more particularly provided in Article VII, below. With respect to the common area and subject to the rights of Owners therein in the event of a termination of the Project Restrictions or the partition of the project and also subject to the right of Owner's use as provided in Section 4.03 the Association shall exercise control over the common area, but only for the purpose of carrying out the purposes of the Project Restrictions. The Association shall have the power and authority from time to time with a

vote of the Owners affected, to authorize the construction, alteration or removal of walls located upon common boundary lines and to grant and convey easements or rights of way, in, on, over, or under any common area, for the purpose of constructing, erecting, operating, and maintaining thereon, therein, thereunder (1) wires, conduits and other equipment for the transmission of electricity and signals, for lighting, heating, power, communications and other purposes, and for the necessary attachments in connection therewith, and (2) public and private sewers, sewage disposal systems, storm water drains, land drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any and all equipment in connection with the foregoing.

C. The Association may employ the services of a corporate or individual manager to manage the affairs of the Association, and, to the extent not inconsistent with the laws of the State of California and upon such conditions as are otherwise deemed advisable by the Association, the Association may delegate to the manager, any of its powers under the Project Restrictions.

D. The Association may, from time to time and upon such terms and conditions as it may deem appropriate, agree with the Governing Body of any other project to manage the affairs of such other project, to jointly manage the affairs of the two projects, to jointly hire a manager, or jointly engage in other activities not inconsistent with the Project Restrictions.

E. The Association may, from time to time and upon such terms and conditions as it may deem appropriate, agree with one or more persons, pursuant to the Project Restrictions, not otherwise entitled to use common area, to extend the use of the common area to such persons and their invitees, provided that no such agreement shall become effective until ratified by a majority vote of the Owners.

F. The Association shall have the right from time to time to pay, compromise, or contest any and all taxes and assessments levied against all or any part of the common area or upon any personal property belonging to or assessed to the Association.

G. The Association shall have the power and authority from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Project Restrictions and to enforce, by mandatory injunction or otherwise, all of the provisions of the Project Restrictions.

H. To contract and pay for all maintenance and upkeep on any unit that the Owner of said unit has not done or is responsible for, pursuant to Section 4.03 (D) and back charge the Owner of said unit. The charges for said payment shall become a lien against the Owner's unit.

Section 6.03. Project Rules.

A. The Association may, from time to time and subject to the provisions of the Project Restrictions, adopt, amend and repeal rules and regulations, to be known as "Project Rules" providing for:

1. The use of common area and facilities; and
2. The use of roads and parking areas, and the assignment of parking areas provided that the assignment of available parking space to units shall be in proportion to the votes of such unit based on Class I voting rights.

B. A copy of the Project Rules, as they may from time to time be adopted, amended, or repealed, shall be sent to each Owner in the manner provided for the giving of notice. Project Rules shall have the same force and effect as if they were set forth in and were part of the Project Restrictions.

Section 6.04. Liability of Members of Board. No member of the Board shall be personally liable for any Owner, or to any other person, including Grantor, for any error or omission of the Association, its representatives, and employees, the Planning Committee, or the manager; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith.

ARTICLE 7  
FUNDS AND ASSESSMENTS

Section 7.01. Operating Fund. There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- A. Acquisition assessments;
- B. Maintenance assessments;
- C. Assessments for road, parking, landscaping, walkways, and other common areas included in other associations whose assessments effect the Project.
- D. Special assessments;
- E. Miscellaneous income; and
- F. Income and profits attributable to the operating fund; and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied.

Section 7.02. Acquisition Assessments.

A. Notwithstanding any other provision of these Restrictions, immediately upon its formation, the Association shall pay to the Grantor for the fee title to the common area and for a portion of the on-site and off-site improvements (except for the project identification sign which does not belong to Grantor) for the price of Three Hundred Fifty-One Thousand Four Hundred Forty Three Dollars (\$351,443.00). The purchase price shall be paid by the Association in Three Hundred Sixty (360) equal successive monthly installments of principal and interest of Two Thousand Six Hundred Seventy-One and 21/100th Dollars (\$2,671.21) each, and shall be evidenced by an unsecured promissory note made by the Association and payable to Grantor which bears interest on unpaid principal at the rate of Eight and Three Eighths Percent (8-3/8%) per annum.

B. The Association shall raise the money needed to make the monthly payments on the Association's promissory note, by levying an equal monthly assessment per square foot on all units in the project, which assessment is herein called the "acquisition assessment." Even though it is unsecured, the promissory note of the Association is herein sometimes referred to as a "blanket encumbrance" as that term is defined in Section 11013 of the California Business and Professions Code. The blanket encumbrance may be prepaid at any time in whole or in part without penalty. Each unit may be released at any time from the payment of future acquisition assessments upon the payment by the Owners of such unit to the Association of an amount of principal equal to the release price for such unit. The release price for a unit shall be calculated by dividing the principal balance of the blanket encumbrance remaining unpaid from time to time by the total number of square feet of space in all units of the project, and then multiplying the result by the number of square feet in the unit to be released. Upon receipt of the release price for a unit, the Association shall forthwith pay over the release price to the holder of the blanket encumbrance, and thereafter the Association shall not levy any further acquisition assessment on such unit, but the Association shall furnish a certificate to the Owners of such unit which certifies that (i) the unit has been unconditionally released from the blanket encumbrance as required by the provisions of Section 11013.1 of the California Business and Professions Code; and (ii) that after the date of release the unit will no longer be subject to any further acquisition assessment.

C. With respect to each unit and at all times during their respective ownership thereof, the Declarant and each subsequent Owner thereof covenant and agree to pay all acquisition assessments which the Association shall assess against such unit from time to time in accordance with this Declaration. Prior to the payment in full of the blanket encumbrance, the provisions of this Section 7.02 may not be terminated, waived, amended or modified in any way without the prior written consent of the holder of the blanket encumbrance, which consent may be withheld in such holder's absolute discretion.

D. In addition to the foregoing, the Association shall execute a lease for a freestanding electronic message center project identification sign which shall be located in the common area. The Association will lease such sign through a lease agreement with Amador Leasing Corporation which shall provide for monthly lease payments by the Association to Amador Leasing Corporation. The cost of leasing, operating, and maintaining the sign shall be a common area maintenance expense (a copy of the lease is attached hereto as Exhibit "B"). The sign shall be internally illuminated and have a time and message readout unit. The sign shall be used solely as an identification sign of the project, and the readout unit shall be used only under the direction of the Board of Directors of the Association. The initial policy of the Association for use of the reader board is attached hereto as Exhibit "X" and incorporated herein by reference.

Section 7.03. Maintenance Assessments.

A. Within sixty (60) days prior to the commencement of each fiscal year, the Association shall estimate the costs and expenses to be incurred by the Association during such fiscal year for performing its functions as set out in these Restrictions for operation and maintenance of all common areas (including a reasonable provision for contingencies, and reserves for major repairs and replacements), and shall subtract from such estimate an amount equal to the anticipated balance (exclusive of any reserved for contingencies, and reserves for major repairs and replacements) in the operating fund at the start of such fiscal year. The difference or net estimate so determined shall be assessed to all the Owners in shares as follows: The Owners of each unit shall pay the percentage of the assessment as they are entitled to votes for their unit or units, as compared to the total number of votes. For the purpose of this computation, Grantor shall be treated as having the votes it would have as a Class I member.

B. If any time and from time to time during any fiscal year, the maintenance assessment proves or appears likely to prove inadequate for any reason, including non-payment of any Owner's share thereof, the Association may levy a further assessment in the amount of such actual or estimated inadequacy, which shall be assessed to all Owners in the same manner as provided in Section 7.03(A).

C. Maintenance assessments shall be due and payable to the Association at its office within thirty (30) days after they are levied or in such installments during the fiscal year, as the Association shall designate.

Section 7.04. Assessments for Fees and Other Association Expenses.

A. The Association shall assess the Owner of each unit his proportionate share for the fees and expenses incurred

by the Association in performing its duties and responsibilities under this Declaration which are not covered by Section 7.02 and 7.03, above. The Owners of each unit shall pay that percentage of the assessment as they are entitled to votes for their unit or units as compared to the total number of votes. For the purpose of this computation, Grantor shall be treated as having the vote it would have as a Class I member. The exception is that Grantor shall only be responsible for paying sixty percent (60%) of all of the above charges on any unoccupied units that are constructed and completed for each phased building for a period not to exceed one (1) year from the date that any Owners take title to any units, in each phased building, excepting that the Grantor will be responsible for paying its share of the Thornton Village Owners Association on-site and off-site improvement fund and sign lease according to its percentage of ownership in the Association.

B. If at any time and from time to time during the year the assessments for the items described in (A) above appears likely to prove inadequate for any reason, including non-payment of any Owner's share thereof, the Association may levy a further assessment in the amount of actual or estimated inadequacy which shall be assessed to all Owners in the manner provided in Section 7.04(A).

Section 7.05. Special Assessment. The Association shall levy a special assessment against any Owner or Owners as a result of whose acts, or failure or refusal to act, or to otherwise comply with the Project Restrictions, or the Project Rules, monies were expended from the operating fund by the Association in performing such functions under these Restrictions. Such assessments shall be in the amount so expended and shall be due and payable to the Association at its office, when levied, or in such installments as the Association shall designate. Special assessments shall be levied only after a hearing before the Board with at least ten (10) days notice to the Owner proposed to be assessed, at which hearing such Owner shall be given an opportunity to be fully heard.

Section 7.06. Default in Payment of Assessments.

A. Each assessment made under this Article VII shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed. If an Owner does not pay an assessment within fifteen (15) days after it becomes due, then such Owner shall also pay to the Association a late payment charge equal to ten percent (10%) of the overdue amount. In addition, if the Owner does not pay such assessment, or any installment thereof when due, the Owner shall be deemed to be in default, and the amount of the default, plus interest at the then maximum rate permitted for written contracts under the laws of the State of California, and costs, including reasonable attorney's fees, shall become a lien upon the unit or units of such Owner upon recordation by the Association of a notice of such lien. Such lien shall be subject and subordinate to the

lien of a mortgage upon the unit or units of such Owner to the extent provided by these Restrictions. The foregoing remedy shall be in addition to any other remedies provided by law for the enforcement of such assessment obligations.

B. The Association shall execute and acknowledge a certificate stating the indebtedness secured by the lien upon any unit or units and such certificate shall be conclusive upon the Association and the Owners, in favor of all persons who rely thereon in good faith, as to the amount of such indebtedness on the date of the certificate. The Association shall furnish a copy of such certificate to any Owner upon request, at a reasonable fee.

Section 7.07. Commencement of Annual Assessments. The assessments provided for in Sections 7.02; 7.03 and 7.04 shall commence as to all units on the first day of the month following conveyance of the first unit by Grantor, and the first such annual assessment shall be prorated for the period from the commencement as provided by this Section to the start of the next fiscal year selected following such commencement.

Section 7.08. Creation of Lien and Adjustments of Assessments. By acceptance of a deed or other conveyance of an interest in a unit to an Owner, each Owner shall be deemed to covenant and agree to pay to the Association any and all assessments levied against such Owner's unit. Each Owner hereby constitutes and appoints the Association his trustee with power of sale for the purpose of conducting a foreclosure sale of such Owner's units in the event of default in the payment of any assessments by such Owner. Subject to the provisions of Section 1350 et seq. of the California Civil Code (Davis-Stirling Common Interest Development Act), if the Association determines, in its sole discretion, at any time that the then current assessments are, or will become, insufficient to meet all of the Associations expenses, duties and obligations, then the Association shall promptly revise its budget and levy revised assessments in support thereof.

Section 7.09. Recordation of Lien. From the date an assessment becomes delinquent and for two (2) years thereafter, the Association shall have the right to record a claim of lien signed by the Association containing the following information: (i) the name of the delinquent Owner, (ii) a legal description of the unit owned by such delinquent Owner, and (iii) a statement of the amount of the unpaid assessment, including all additional amounts due as specified in Section 7.05. Such claim of lien shall be effective to give public notice of the Association's lien against the interest of the delinquent Owner and his unit in the amount specified therein.

Section 7.10. Foreclosure. Any sale provided for herein shall be conducted in accordance with the provisions of Sections 2924 and 2924a-2924h of the California Civil Code applicable to the exercise of powers of sale in mortgages or in accordance with

Section 726 of the California Code of Civil Procedure applicable to judicial foreclosures. The Association or any Owner, through its duly authorized agent, shall have the power to bid on the unit in foreclosure at any foreclosure sale and to acquire, lease, mortgage and convey the same.

Section 7.11. Release of Lien. The Association is hereby authorized to record an appropriate release of its claim of lien upon a defaulting Owner's payment of such costs, fees and interest charges as the Association shall have incurred in preparing, recording and enforcing the Association's claim of lien. The Assessment lien and the rights to foreclose thereunder shall be in addition to, and not in substitution for, all other rights and remedies that the Association may have hereunder or by law, including a suit to recover a money judgement for any unpaid Assessment.

Section 7.12. Abatement and Suit. The continued violation or breach of any covenant, condition or restriction herein contained or granted, by reference or otherwise, after expiration of any applicable period of notice and opportunity to cure prescribed hereunder, shall afford the Association the right to (1) take all steps permitted by applicable law to cause the abatement or removal, at the expense of the Owner or Occupant thereof, of any Improvement or condition that exists thereon contrary to the intent and meaning of the provisions hereof (by reference or otherwise), or (ii) sue any Persons who shall have violated, or attempted to violate, any of these covenants, conditions or restrictions to enjoin them from doing so, to cause the violation to be remedied and/or to recover damages for said violation. In addition, and without waiving any of the foregoing rights, the Owner of any unit subject to such abatement shall reimburse the Association for all its expenses incurred in entering upon such unit and abating and/or removing an Improvement or condition as aforesaid. If such Owner fails to reimburse the Association for such expenses promptly upon demand, then the Association shall levy a Reimbursement Assessment against such Owner and its unit to collect such un-reimbursed expenses. If the Association fails to act under this Section 7.12 within ninety (90) days of an alleged violation or breach, any Owner may enforce the rights set forth in this Section 7.12 on behalf of the Association.

Section 7.13. Attorney Fees. In any legal or equitable proceeding to enforce, restrain violation of, or declare any rights or duties arising from the provisions of this Declaration, the prevailing party shall be entitled to an award of reasonable attorney fees in such amount as the court shall fix in such proceedings. All remedies provided herein at law or in equity shall be cumulative and not exclusive.

Section 7.14. Failure to Enforce Not a Waiver of Rights. The failure of Declarant, the Association or any Owner to enforce any covenant, condition or restriction herein contained, by reference or otherwise, shall in no event be deemed a waiver of

the right to do so thereafter, nor of the right to enforce any other covenant, condition or restriction.

ARTICLE 8  
DUTIES AND RESPONSIBILITIES OF THE ASSOCIATION

Section 8.01. Duties and Obligations of the Association. The Association shall have the obligation and duty, subject to the Project Restrictions, to do and perform each and everything set out in the following Sections of this Article for the benefit of the Owners and for the maintenance and improvement of the project.

Section 8.02. Maintenance of Common Area. The Association shall maintain, or provide for the maintenance of, common area and all improvements thereon in good order and repair, including painting and surface care, provided that the Association shall have no maintenance responsibility with respect to items to be maintained by the Owner of a unit as provided in Sections 9.01 and 4.03 (D).

Section 8.03. Road Maintenance. The Association shall maintain, or provide for the maintenance of, all roads and parking areas within the Project constituting common area which have not been accepted for maintenance by a governmental agency, district or municipality. The Association shall have the right to allot or proportion parking to the Owners of units or to set any parking rules fair to all Owners.

Section 8.04. Association's Maintenance of Unmaintained Units.

The Association shall enter upon and maintain, or provide for the maintenance of, any unit, including any storage area which is not maintained by the Owner thereof in accordance with the requirements of Section 4.03 (D), 9.01 and 9.02, respectively, at the expense of any such Owner.

Section 8.05. Payment of Common Area Taxes. To the extent not assessed to or paid by the Owners, the Association shall pay all property taxes, assessments, and bonds levied upon common areas and the improvements thereon.

Section 8.06. Insurance. The Association shall obtain and maintain in force the following policies of insurance to the extent policies with the required provisions are economically available.

A. Fire insurance with extended coverage with an insurance carrier authorized to do business in California covering all improvements within the Project in an amount that to the extent it is practicable, covers the full replacement cost of such improvements without deduction for depreciation, in the name of the Association, as trustee, or the Association and all Owners

and mortgagees according to the loss or damage to their respective interests, payable in case of loss to such bank, mortgagee company or Savings and Loan Association authorized to do business in California, as the Board shall provide for the custody and disposition of such proceeds. Certificates for such insurance shall be held by the Association and shall be available for inspection by Owners and their agents at reasonable times. Such insurance shall be without prejudice to the right of each Owner to insure his unit for his own benefit. The Association shall not be required to obtain insurance covering the interior wall finish, trade fixtures, furnishings, content, and effects of Owners. Each policy of such insurance to the extent possible shall be as follows:

1. Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, Counterclaim, apportionment, proration, or contribution by reason of any other insurance obtained by or for any unit Owner;
2. Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control of the Association, Board or an Owner, or because of any breach or any other act or neglect by the Board, Association or any Owner, the breach of any other warranty or condition or any other act or neglect by the Board, Association or any Owner or any other persons acting under them;
3. Provide that such policy may not be canceled or changed except by the insurer giving at least 30 days prior written notice thereof to the Board, each unit Owner, and every other person in interest who shall have requested such notice from the insurer;
4. Contain a waiver by the insurer of any right of subrogation to any right of the Board and the Association or either against the Owner or lessee of any unit and shall contain a waiver of all rights of subrogation against Grantor, Board, Association and any Owner.
5. Contain a mortgagee clause which shall:
  - a. Provide that any reference to a mortgagee shall mean and include all holders of mortgages on any unit, in their respective order and preference;
  - b. Provide that such interest as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board, Association, or Owner;
  - c. Waive any provision invalidating such mortgagee clause by reason of the failure of any mortgagee to

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notify the insurer of any hazard, use, or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

d. Provide that without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the bank, mortgagee company or savings and loan association designated by the Board.

B. Bodily injury and property damage liability insurance with a carrier authorized to do business in California with limits of not less than \$500,000.00 per person and \$1,000,000.00 per occurrence insuring Grantor, Board, Association and all Owners against any and all liability with respect to common area, or arising out of the maintenance or use thereof.

Section 8.07. Project Rules. The Association shall from time to time, make, establish, promulgate, amend, and repeal the Project Rules, as provided for in these Restrictions.

Section 8.08. Operating Statement. The Association shall prepare an annual operating statement reflecting the money received by the Association and the expenditures of the Association for each year and distribute such statement to each member within sixty (60) days after the close of said year.

Section 8.09. Other Duties. The Association shall take such action whether or not expressly authorized by the Project Restrictions, as may reasonably be necessary to enforce or carry out the purposes of the Project Restrictions and the Project Rules.

## ARTICLE 9 DUTIES AND RESPONSIBILITIES OF OWNERS

Section 9.01. Owner's Responsibility to Repair. Each Owner shall be responsible for the maintenance and repair of his unit or units, including without limitation, the ceiling, doors, windows, and screens, the interior, the exterior, and the plumbing, electrical, heating, air conditioning, water systems and utility lines servicing his unit, and for the prompt rebuilding of his unit to its original condition in the event of partial or complete destruction, subject to the rights of the Association to maintain the same as provided in Section 8.04 above, and to do rebuilding as set out in Sections 11.01 and 11.02.

Section 9.02. Restricted Common Area and Exclusive Easements.

Each Owner shall keep any patio areas or balcony areas comprising Restricted Common Area appurtenant to his Unit, and any exclusive easements, in a neat and orderly condition.

Section 9.03. Observance of Project Restrictions and Rules. Each Owner shall comply with the Project Restrictions and Rules and will cause his invitees, agents, guests, contractors, and employees to do likewise. No Owner shall do anything or keep anything in the Project Area which will increase the rate of any insurance carried by the Association or would cause its cancellation, constitute a nuisance, or cause any waste.

ARTICLE 10  
CONSTRUCTION AND ARCHITECTURAL CONTROL

Section 10.01. Common Areas: Construction and Alteration of Improvements.

A. Except for construction, alteration, or removal of common walls as provided in Sections 3.01 and 3.02 and to the extent otherwise permitted pursuant to the easements referred to in Section 4.04 or permitted by Grantor as provided in Section 13.01, no improvement, or other work which in any way alters common area including the exterior of any unit, or any storage area, from its existing or improved state on the date it was completed by Grantor or annexed to the Project, shall be made or done without the written consent of the Association to the plans and specifications for such improvement or work.

B. No person other than the Grantor, the Association, or an Owner with the written consent of the Association, shall construct, reconstruct, refinish, alter, or maintain any improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage, or shall destroy or remove any tree, shrub, or other vegetation upon common area. The Association shall approve plans and specifications submitted to it pursuant to this Section only if it finds that such improvement: (1) is reasonably necessary for any utility installation serving any property within the Project; (2) is desirable in order to provide or improve access to or to enhance the use and enjoyment of common area; (3) is desirable to protect, support, or preserve any property within the Project; (4) is desirable for the construction of a new common area; (5) is desirable or required, by damage, destruction, or taking by eminent domain of common area or units; or (6) is desirable or required by changes in circumstances or changes or use of the property.

Section 10.02. Documents Required. The Board may from time to time, specify the plans and specifications or other documents or things that must be submitted to it as a prerequisite to its consideration of a proposal for an improvement or work.

Section 10.03. Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Board by any Owner, upon payment therewith to the Association of a reasonable fee to cover costs from time to time to be fixed by the Association, the Board shall provide the Owner with an estoppel certificate executed by any one of its members, and acknowledged, certifying

with respect to any unit of said Owner, that as of the date thereof either: (a) all improvements and other work made or done upon or within said unit by the Owner or otherwise, comply with the Project Restrictions; or (b) such improvements or work do not comply, in which event the certificate shall also: (1) identify the non-complying improvements and work; and (2) set forth with particularity the cause or causes for such non-compliance. Any purchaser from the Owner, or mortgagee or other encumbrancer shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between Grantor, the Association, and all Owners and such purchaser, and mortgagee.

Section 10.04. Liability. Neither the Board nor any member thereof shall be liable to the Association or to any Owner for any damage, loss, prejudice, or liability suffered or claimed on account of: (a) the approval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) development or manner of development of any property within the Project; or (d) the execution and recording of an estoppel certificate pursuant to Section 10.03, whether or not the facts therein are correct; provided, however, that such member has, with the actual knowledge possessed by him, acted in good faith. Without in any way limiting the generality of the foregoing, the Board or any member thereof, may, but is not required to, consult with any Owner with respect to any plans, drawings, or specifications, or any other proposal submitted to the Board.

ARTICLE 11  
DAMAGE, DESTRUCTION, AND EMINENT DOMAIN

Section 11.01. Damage and Destruction of Single Owner's Units. If any part of the Project is damaged by fire or other casualty, and damage is limited to a single Owner's units ("unit group"), all insurance proceeds shall be paid into the Reconstruction Fund and the Association shall use the proceeds to rebuild or repair such units in accordance with the original plans and specifications thereof excluding the interior wall finish of the common walls. The Association may under such safeguards as it considers reasonable, including payment directly to materialmen, contractors, and subcontractor and disbursement on vouchers or other control systems, allow the Owner or mortgagee to rebuild the unit or units.

Section 11.02. Damage or Destruction of Multiple Owners' Units or Common Areas. If such damage extends to units owned by two (2) or more different Owners, or extends to any part of the common area:

A. If the available insurance proceeds initially offered or paid by the insurer do not exceed the sum of Three Hundred Thousand Dollars (\$300,000.00) and the cost of repairing

or rebuilding does not exceed the amount of available insurance proceeds by more than Fifty Thousand Dollars (\$50,000.00), such insurance proceeds shall be paid to the Reconstruction Fund in the same manner as set forth in Section 11.01. The Board shall thereupon contract to repair or rebuild the damaged portions of all units and the common area, in accordance with the original plans and specifications therefor, and if the funds held in the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a special assessment on all Owners, in proportion to each Owner's assessment for maintenance. If the damage to the units and common areas is small, the Association may allow the Owners to rebuild their area units jointly or independently as provided in Section 11.01.

B. If Section 11.02(A) is not applicable, then:

1. All insurance proceeds shall be paid into the Reconstruction Fund for the benefit of the Owners and their mortgagees as their interests may appear, but subject to the provisions of this Article 11. The Board is authorized to enter on behalf of the Owners into such agreement, consistent with the Project Restrictions, with the holder of the Reconstruction Fund relating to the holder's powers, duties, and compensation as the Board may approve;

2. The Board shall obtain firm bids from two or more responsible contractors to rebuild the Project in accordance with the original plans and specifications and shall, as soon as possible thereafter, call a special meeting of the members to consider such bids. If the Board fails to do so within thirty (30) days after the casualty occurs, any member may obtain such bids, and call and conduct such meeting as herein provided. Failure to call such meeting, or to commence to repair such casualty damage, within three (3) months from the date such damage occurred, shall be deemed for all purposes a decision not to rebuild. At such meeting, the members may by a two-thirds (2/3) vote of the Class I members reject all such bids and thus determine not to rebuild, or by a majority vote elect to reject all such bids requiring amounts more than Fifty Thousand Dollars (\$50,000.00) in excess of available insurance proceeds. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable;

3. If a bid is to be accepted, the Board shall levy a special assessment, in proportion to each Owner's assessment for maintenance to make up any deficiency between the total insurance proceeds and the contract price for such repair or rebuilding, and such assessment and all insurance proceeds shall be paid by the Owners to the Reconstruction Fund to be used for such rebuilding. If any Owner shall fail to pay the special assessment within thirty days after the levy thereof, the Board may make up the deficiency by payment from the maintenance fund pending collection from the delinquent Owner. Upon payment, the Board shall let the contract to the successful bidder; and

4. Upon an election not to rebuild, the Board as soon as reasonable possible and as agent for the Owners, shall, if possible, sell the entire Project, in its then condition, free of any mortgage or lien and free from the effect of the Project Restrictions, which shall terminate upon such sale, on terms satisfactory to the Board. The net proceeds and all funds held in the Reconstruction Fund, shall thereupon be distributed to the Owners in proportion to each Owner's percentage interest in the common areas and to the mortgagees of the interest of the Owners, as their interests may appear. This disbursement may be by check or drafts jointly payable to each Owner and Owner's mortgagees.

C. Within thirty (30) days after any such damage occurs, the Manager, or the Board, or if they do not act, any Owner, or any mortgagee of any Owner, shall record a sworn declaration stating that such damage has occurred, describing it, identifying the building suffering such damage, the name of the entity holding the Reconstruction Fund, reciting that the sworn declaration is recorded pursuant to this section of the Project Restrictions, and that a copy of such sworn declaration has been served as a notice on each of the Owners.

D. If the Owners decide not to rebuild, either by calling a meeting and rejecting all bids presented or by failing to call such a meeting and failing to repair or commence the repair of such damage within three (3) months after the damage occurs, then the Manager, or the Board, or if they do not, any Owner or mortgagee of any Owner, shall record a sworn declaration setting forth such decision and reciting that under the provisions of the Project Restrictions the prohibition against judicial partition has terminated and that judicial partition of the Project may be obtained. Upon final judgment of a Court of competent jurisdiction decreeing such partition, these Restrictions shall terminate.

E. In no case shall any Owner of a unit obtain the benefit of money raised by an assessment (except a special assessment levied against that Owner), if that Owner's negligent or willful act or the negligent or willful act of his family, invitees, employees, or agent shall have been the cause of any damage or destruction to the extent such damage or destruction is not reimbursed by insurance or other recovery.

Section 11.03. Recovery for Damage or Destruction. The Association is authorized to commence or maintain an action for the recovery of any damages caused to the Project, if units owned by two (2) or more different Owners or common area is damaged or destroyed. Such action may be maintained in the names of Owners; may be joined with the action of Owners for their own damage; may be prosecuted or settled by the Association as it see fit; and this provision shall survive the termination of these Restrictions and any recovery shall be paid into the Reconstruction Fund, and paid out as provided for insurance proceeds under this Article 11 .

Section 11.04. Eminent Domain - Definition of Total and Partial Taking. The term "total taking" as used in this Article means the taking of the entire Project under power of eminent domain or taking of so much of the Project as to prevent or substantially impair the maintenance of the Project. The term "partial taking" means the taking of a portion of the Project which does not constitute a total taking as above defined. Eminent Domain includes a purchase or transfer in lieu of eminent domain proceedings.

Section 11.05. Total Taking. If there is a total taking of the Project, or any separate increment or annexation of the Project, the Board has the power to sell as agent for the Owners, any property remaining to the Project or any such separate increment or annexation free of any mortgage or lien, and free of the Project Restrictions which shall terminate on any such sale and distribute the proceeds as provided by Section 11.02(B)(4) for the case of damage or destruction.

Section 11.06. Partial Taking.

A. If a partial taking is limited to the taking of one unit or part of one unit, or a portion of the common area that does not significantly lessen the ability of the Project to continue to function, or a combination of those events, then the Association shall be entitled to the award as provided by Section 11.07, to the extent that such award is compensation for the taking of common area. If, however, the taking is such that the public use itself may significantly lessen the ability of the Project to continue to function, then the provisions of Section 11.06(B) shall apply.

B. If a partial taking includes the taking of units owned by two (2) or more different Owners or a portion of the common area that significantly lessens the ability of the Project or any separate increment or annexation thereof to function, or involves a public use that may significantly lessen the ability of the Project or any separate increment or annexation thereof to continue to function, then the Board shall within sixty (60) days of the taking, submit to the members a proposal to sell or otherwise dispose of the Project or such separate increment or annexation and a minimum price to be received at sale. If the Board does not do so, any Owner may do so. If the members, by a two-thirds (2/3) vote of the Class I members agree that this Section 11.06.B. applies, that the Project should be sold, and agree to the minimum sales price, the Board shall sell or otherwise dispose of the whole Project under the same procedures and conditions provided by Section 11.02. The Board may provide for a separate vote on the minimum price to be received and resubmit a new proposal on that issue alone if the minimum price submitted fails to be approved. If only a separate increment or annexation to the Project is proposed to be sold, then only the Owners of such separate unit or annexation shall vote and receive the net proceeds of any sale.

Section 11.07. Taking of Common Area. If there is a total or partial taking of all or any portion of common area or any interest therein, any award to which the Association is entitled shall be paid to the Association and deposited into the operating fund. No Owner or Mortgage shall be entitled to participate as a party, or otherwise, in any proceedings relating to such taking unless the Association fails or refuses to act, such right or participation shall be herein reserved exclusively to the Association, which shall, in its name alone, represent the interests of all Owners.

ARTICLE 12  
PROTECTION OF SECURITY INTERESTS

Section 12.01. Application of Assessments to Mortgagees. The Liens created under these Restrictions upon any unit shall be subject and subordinate to, and shall not affect the rights of a mortgagee under any recorded first mortgage upon a unit made in good faith and for value, provided that after the foreclosure of any such mortgage the amount of all assessments assessed hereunder to the purchaser after the foreclosure sale, shall become a lien upon such unit upon recordation of a notice thereof with the County Recorder.

Section 12.02. No Amendment Affects Mortgagees. No Amendment to the Project Restrictions shall affect the rights of any mortgagee who does not join in the execution thereof, provided that his mortgage is recorded prior to the recordation of such amendment.

Section 12.03. Extension of Security Protection. By agreement executed by the Association, the benefits of this Article 12 may be extended to mortgagees not otherwise entitled thereto.

Section 12.04. Limitation of Enforcement Against Mortgagee. No violation by an Owner of the Project Restrictions or enforcement of the Project Restrictions against an Owner shall defeat or render invalid the lien of any mortgage made in good faith and for value against the unit of such Owner, but the Project Restrictions shall be effective against any Owner whose title is acquired by foreclosure, trustees sale, voluntary conveyance, or otherwise.

Section 12.05. Application of Project Restrictions. Except as provided in this Article 12, or specifically provided elsewhere in the Project Restrictions, all mortgages and mortgagees are bound by the provisions of the Project Restrictions.

ARTICLE 13  
MISCELLANEOUS PROVISIONS

Section 13.01. Limitation of Project Restrictions on Grantor. Grantor is undertaking the work of constructing commercial

condominiums and incidental improvements upon the Project. The completion of that work and the sale, rental, and other disposition of the units is essential to the establishment of the Project. In order that said work may be completed and said property be established and fully occupied as rapidly as possible, nothing in this Declaration shall be understood or construed to:

A. Prevent Grantor or its agents, employees, and contractors from doing on the properties or any unit thereof, or any common area or wall, whatever is reasonably necessary or advisable in connection with the completion of the work, specifically including, but not limited to the construction of walls upon common boundary lines; the installation of utility services; heating and air conditioning units; and related facilities; or

B. Prevent Grantor or its agents, employees, and contractors from erecting, constructing, and maintaining on any part or parts of the Project, such structures as may be reasonably necessary for the conduct of its business of completing the work and establishing the Project and disposing of the Project in units by sale, lease, or otherwise; or

C. Prevent Grantor from conducting on any part of the properties its business of completing the work and of establishing and disposing of the Project; or

D. Prevent Grantor from maintaining such sign or signs of the Project as may be necessary for its sale, lease, or disposition, or the sale, lease or disposition of any unit.

The provisions of this Section may not be amended or repealed as otherwise provided in Section 13.03, below, without the written consent of Grantor.

Section 13.02. Use of Project Name. Grantor may use the Project Restrictions in other projects, whether located adjacent to the Project or not, and may use the name of the Project and the name of the Association in connection with other projects, whether adjacent to the Project or not, provided such names have a distinctive number or other designation so that they are not identical with the names of this Project and Association. Consent is hereby given to Grantor and Grantor's assign to use such names (distinguished as provided by this Section) as the name of a corporation and the California Secretary of State is directed to permit the filing of Articles of Incorporation using such names. The provisions of this Section may not be amended or repealed without the consent of Grantor.

Section 13.03. Amendment or Repeal; Duration.

A. Unless specifically provided to the contrary herein, the Project Restrictions as are from time to time in effect with respect to all or any part of the Project, and any provision thereof, may be amended or repealed upon: (1) the

approval by a sixty-six percent (66%) vote or written consent of the members, provided any change in the assessment ratio of units must be approved by a sixty-six percent (66%) vote or written consent of the Owners of the units whose assessment share or ratio of assessments will be increased by such change, and provided further that any change in the percentage of common area owned must be approved by the vote or written consent of each Owner whose share of common area will be reduced, and the recording of a certificate of the Secretary of the Association of any amendment or amendments to the Project Restrictions so approved, including any portion or portions thereof repealed, and certifying that said amendment or amendments have been approved by a sixty-six percent (66%) vote or consent of the Owners, and if necessary, by the required percentage of Owners of a particular class of property or units. Notwithstanding the above, as long as Grantor is the owner of any unit, it shall have the right to amend or repeal these covenants, conditions, and restrictions without the approval of any other Owners concerning any changes in the Condominium Plan.

B. All of the provisions of the Project Restrictions shall continue and remain in full force and effect at all times with respect to all property, and each part thereof, included within the Project, to the Owners and to the Association, subject however, to the right to amend and terminate as provided in Section 13.03A, above, for a period ending thirty (30) years from the date of recording these Restrictions, provided, however, that unless on or prior to the expiration date, there shall be recorded an instrument directing the termination of the Project Restrictions signed by seventy-five percent (75%) of the Owners of record title.

The Project Restrictions in effect immediately prior to the expiration date shall, subject to the provision of paragraph A above, be continued automatically without any further notice, for an additional period of ten (10) years unless within one (1) year prior to the expiration of any such period Project Restrictions are terminated as set forth in this Section 13.03.B.

Section 13.04. Enforcement; Non-Waiver; No Forfeiture.

A. Except to the extent otherwise expressly provided herein, the Association or any Owner or Owners shall have the right to enforce any and all of the provisions now or hereinafter imposed by the Project Restrictions upon other Owners, or upon any property within the Project.

B. Except to the extent otherwise expressly provided herein, any Owner or Owners shall have the right to enforce any and all of the provisions now or hereinafter imposed by the Project Restrictions upon the Association.

C. Every act or omission whereby any restriction, condition, or covenant of the Project Restrictions is violated in whole or in part is hereby declared to be and to constitute a

nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by the Association or by an Owner or Owners, as provided for in Section 13.04.A. and B., above; provided, however, that any provisions to the contrary notwithstanding, only the Association or its duly authorized agents may enforce by self help any limitation, restriction, covenant, condition, or obligation herein set forth.

D. Each remedy provided for in the Project Restrictions is cumulative and not exclusive.

E. The failure to enforce the provisions of any limitation, restriction, covenant, condition, obligation, lien, or charge of the Project Restrictions shall not constitute a waiver of any right to enforce any such provision or any other provision of the Project Restrictions.

F. No breach of any of the provisions of the Project Restrictions shall cause any forfeiture of title or reversion or bestow any rights of re-entry whatsoever.

G. Reasonable attorney's fees and costs may be awarded in any action brought to enforce the provisions of the Project Restrictions.

Section 13.05. Construction; Compliance with Laws - Severability; Singular and Plural; Titles.

A. All of the limitations, restrictions, covenants, and conditions of the Project Restrictions shall be liberally construed, together, to promote and effectuate the beneficial operation of the Project.

B. No provision of the Project Restrictions shall be construed to excuse any person from observing any law or regulation of any governmental body having jurisdiction over such person or the Project.

C. The limitations, restrictions, covenants, and conditions of the Project Restrictions shall be deemed independent and severable, and the invalidity or partial invalidity of any provision, or portion thereof, of any of such limitations, restrictions, covenants, or conditions shall not affect the validity or enforceability of any other provision.

D. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, the feminine, and neuter, as the context requires.

E. The table of contents and all titles used in these Project Restrictions, including those of articles and sections, are intended solely for the convenience of reference and the same shall not be resorted to for interpretation of these Restriction-

tions, nor shall any of them affect that which is set forth in such articles, sections, nor any of the terms or provisions of the Project Restrictions.

Section 13.06. Unit Splitting; Consolidation.

A. No unit within the Project shall be split unless there is filed with respect to such unit a subdivision map, parcel map, or plan on which the Secretary or any assistant Secretary of the Association shall have endorsed the consent of the Association.

B. No two or more units within the Project shall be consolidated into one unit unless there is filed with respect to such units a subdivision map, parcel map, or plan on which the Association shall have endorsed its consent.

C. No unit or group of units shall be sold or conveyed which violate the provisions of Article 2 as set forth above.

D. The Association can require a change in the voting rights and assessment obligations in any unit that is split or consolidated, so as to keep the assessment ratio for the new unit or units the same as for the prior unit or units.

E. Notwithstanding the above provisions, as long as Grantor, or any entity owned by Grantor, is the Owner of any unit, it shall be allowed to further subdivide or consolidate such units as it desires without the permission of the Association.

Section 13.07. Obligations of Owners; Avoidance; Termination.

F. No Owner, through his non-use of any common area or recreational facility, or by abandonment of his unit, may avoid the burdens or obligations imposed on him by the Project Restrictions by virtue of his being an Owner.

G. Upon the conveyance, sale, assignment, or other transfer of a unit to a new Owner, the transferring Owner shall not be liable for any assessments levied with respect to such unit after the date such transfer is recorded, provided such transferring Owner notifies the Association of the transfer as provided by the Project Restrictions, and no person, after the termination of his status as an Owner and prior to his again becoming an Owner, shall incur any of the obligations or enjoy any of the benefits of an Owner under the Project Restrictions following the date of such termination.

Section 13.08. No Partition or Severance of Interest. There shall be no partition or severance from common area of any unit, or any part of common area or any unit, from the Project and the Grantor, Board, Association, and Owners shall not seek to

partition or sever any part of common area or a unit from the Project, nor shall they have any right to maintain an action for judicial partition in connection with the Project unless such right is expressly given by the Project Restrictions.

This provision shall not prevent the partition of the ownership of any unit or units held in joint or common ownership as long as it does not violate the provisions of Article 2 hereof, no physical partition takes place, and there is no severance of the unit from common area or from any incident of the Project Restrictions. No Owner shall sever his unit from the unit's interest in common area.

Section 13.09. Ownership of Property. All funds and facilities provided for by the Project Restrictions and all property of any kind held by the Association and derived from assessments of members, proceeds of insurance carried or obtained by the Association, proceeds of bonds payable to the Association, or payment received for damages to the Project, and any right or interest in any such property shall belong to the Owners in proportion to each Owner's share of the maintenance assessment, and no assessment or the proceeds of any assessment shall be considered income to the Association. No person has any right to appropriate or make any claim to such property except as provided by the Project Restrictions until and unless there has been a partition or distribution of such property. All such property shall be appurtenant to each unit in the proportion as provided for the ownership of common areas and may not be severed or separated from any unit, and any sale, transfer, or conveyance of the beneficial interest of the fee of any unit shall operate to transfer the Owner's rights in such property without the requirement of any express reference thereto except where the whole project is being sold due to damage, destruction, or a taking under the power of eminent domain or pursuant to a partition of the Project.

Section 13.10. Notice; Documents; Delivery. Any notice or other document permitted or required by the Project Restrictions to be delivered may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: If to an Owner, then at any unit within the Project owned by the Owner or at such other address given by Owner to the Association in writing; provided, however, that any such address may be changed from time to time by any Owner, or to Grantor by notice in writing, delivered to the Association; or to the Association, by notice in writing delivered to all Owners.

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91045964

IN WITNESS WHEREOF, Grantor has executed this Declaration  
the day and year first above written.

THORNTON VILLAGE, INC.,  
a California corporation

By



91045964

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN JOAQUIN )

1991  
On this 17th day of May, ~~1990~~, before me,  
BETTY DOBLER, a Notary Public, State of Cali-  
fornia, duly commissioned and sworn, personally appeared  
DAVID E. BURNHAM, personally known to me to be the Presi-  
dent of THORNTON VILLAGE, INC., a California corporation, that  
executed the within instrument, and also known to me to be the  
person who executed the within instrument on behalf of the  
corporation therein named, and acknowledged to me that such  
corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed  
my official seal in the County of San Joaquin on the date set  
forth above in this certificate.



*Betty Dobler*  
Notary Public in and for said State

91045964

SIGN USAGE  
"ELECTRONIC MESSAGE CENTER"  
"THORNTON VILLAGE"

The electronic reader board sign is provided by and maintained by the Thornton Village Retail Owners Association for the exclusive use of the owners or tenants located in "Thornton Village". The sign, together with a maintenance agreement, is leased by the association from Amador Leasing Corporation, which expense is included in the proposed budget. There shall be no off-site advertising allowed.

Each owner or tenant shall receive message time. The amount of time per owner or tenant shall be proportional to the amount of the owner or tenant's square footage in relation to the projects total square footage.

Owner or Tenant Square Footage  
Projects Total Square Footage = Owner or Tenant Percent of Time

This message time formula per owner or tenant cannot be amended unless seventy-five percent of the voting membership of the association so votes.

The display sign shall operate from 6:00 a.m. until 12:00 a.m., seven (7) days a week unless a majority of the Board of Directors of the Association decides otherwise. Owners or tenants wishing to change their message must notify the Association management in writing by 1:00 p.m. on any Monday to allow the management sufficient time to reprogram the sign by 1:00 p.m. Wednesday of the same week. Should a Monday or Wednesday of any week be a holiday, Tuesday and Thursday will apply for that week.