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RECORDER

DECLARATION OF RESTRICTIONS,

GRANT OF EASEMENTS AND MAINTENANCE AGREEMENT

LINCOLN BUSINESS CENTER - FULLERTON

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DECLARATION OF RESTRICTIONS,
GRANT OF EASEMENTS AND MAINTENANCE AGREEMENT
LINCOLN BUSINESS CENTER - FULLERTON

THIS DECLARATION OF RESTRICTIONS, GRANT OF EASEMENTS AND MAINTENANCE AGREEMENT ("Declaration") is made this 16th day of March, 1987, by LINCOLN BUSINESS CENTER - FULLERTON, a California limited partnership ("Declarant").

R E C I T A L S:

A. Declarant is the fee owner of certain real property situated in the City of Fullerton, County of Orange, State of California as more particularly described in Exhibit "A" to this Declaration ("Covered Property"). This Declaration is being imposed by Declarant upon the Covered Property.

B. Declarant deems it desirable to establish certain covenants, conditions, easements, and restrictions upon the Covered Property and each and every portion thereof, which will constitute a general scheme for the management of certain aspects of the Covered Property on an integrated basis, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of the improvements within the Covered Property.

C. Declarant will hereafter hold and convey title to all of the Covered Property subject to certain protective covenants, conditions, easements and restrictions hereafter set forth.

NOW, THEREFORE, Declarant hereby covenants and declares that all of its interest, as the same may from time to time appear in the Covered Property, shall be held and conveyed subject to the following covenants, conditions, easements and restrictions which are hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors and assigns. These covenants, conditions, easements and restrictions shall run with said interests and shall be binding upon all parties having or acquiring any right or title in said interests or any part thereof, and shall inure to the benefit of each owner thereof and are imposed upon said interests and every part thereof as a servitude in favor of each and all of said interests as the dominant tenement or tenements.

ARTICLE I

DEFINITIONS

Section 1.01 "Assessments" shall mean and refer to the following:

"Regular Assessment" shall mean the amount which is to be paid by each Owner to Operator for such Owner's share of Common Expenses.

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"Special Assessment" shall mean a charge against any particular Owner and such Owner's Lot to reimburse Operator for costs incurred in bringing such Owner and/or such Owner's Lot into compliance with the provisions of this Declaration, together with attorneys' fees, interest and other charges payable by such Owner pursuant to the provisions of this Declaration.

Section 1.02 "Building" shall mean any structural improvement on any Lot which is enclosed by exterior walls, floor and roof, and which is designed for the conduct within of the activities and business of the Owner of such Lot, or such Owner's employees, licensees, invitees, tenants, successors or assigns.

Section 1.03 "City" shall mean and refer to the City of Fullerton, California.

Section 1.04 "Common Expenses" shall mean and refer to the actual and estimated costs of:

(a) improvement, maintenance, irrigation, management, operation, repair and replacement of the Landscape Maintenance Area, including, without limitation, the cost of all services, materials and equipment required to accomplish same;

(b) improvement, maintenance, repair, restriping, repairing and sweeping of the Parking Area, including without limitation, the cost of all services, materials and equipment required to accomplish same;

(c) unpaid Assessments;

(d) reasonable costs of management and performance of Operator's duties and obligations hereunder, including, but not limited to, compensation paid to managers, accountants, attorneys, contractors and employees;

(e) the reasonable costs of any insurance obtained by Operator including, without limitation, public liability insurance, property damage insurance, worker's compensation insurance, fidelity coverage and other forms of insurance generally obtained by persons or firms performing functions similar to those performed by Operator;

(f) reasonable reserves as deemed appropriate by Operator;

(g) other expenses incurred by Operator for any reason whatsoever in connection with the maintenance, management, operation, improvement and/or repair of the Parking Area or in furtherance of the purposes of this Declaration or in the discharge of any duties or powers herein described.

Section 1.05 "Covered Property" shall mean and refer to all the real property described on Exhibit "A" attached hereto.

Section 1.06 "Declarant" shall mean and refer to Lincoln Business Center - Fullerton, a California limited partnership, its successors and assigns.

Section 1.07 "Estimated Budget" shall mean a pro forma operating statement or budget for each calendar year pursuant to which Operator shall estimate in good faith the total Common Expenses to be incurred for such year.

Section 1.08 "Exhibit" shall mean and refer to those documents so designated herein and attached hereto, each of which is by this reference incorporated in and made a part of this Declaration.

Section 1.09 "Landscape Maintenance Area" shall mean and refer to those portions of Covered Property other than the Parking Area and areas upon which Buildings are located and shall include, without limitation, all drainage devices and gutters, and all sewer, water, storm drain and fire systems.

Section 1.10 "Lot" shall mean any lot shown on any final map filed for record or any legal parcel shown on any parcel map or tract map filed for record to the extent such lot or parcel is part of the Covered Property.

Section 1.11 "Majority of Owners" shall mean the Owners of Lots (including Declarant) charged with payment of greater than fifty percent (50%) of the total Assessments allocated pursuant to Section 2.5 hereof.

Section 1.12 "Mortgage" shall mean and refer to any duly recorded mortgage or deed of trust encumbering a Lot.

Section 1.13 "Mortgagee" shall mean and refer to the mortgagee or beneficiary under any Mortgage. A "First Mortgage" shall mean the holder of a Mortgage that has priority over any other Mortgage encumbering a Lot.

Section 1.14 "Occupant" shall mean those persons entitled by ownership, leasehold interest or other legal relationship to the right to occupy any portion of the Covered Property or the improvements thereon.

Section 1.15 "Operator" shall mean, in the following order of precedence:

(a) Declarant, until such time as Declarant elects to assign its rights as Operator pursuant to Section 7.01 hereinbelow, as evidenced by the recordation of an instrument effecting such assignment. Absent any such assignment as aforesaid, then thereafter:

(b) Any corporation, association, partnership or trust controlled by Declarant or with which Declarant has been merged or consolidated or by which Declarant has been acquired, all as certified and evidenced by the recordation of an instrument acknowledging such assignment; or thereafter:

(c) Any association (whether or not incorporated) organized by Declarant and in which membership is available to all Owners without charge, provided Declarant or its successor has granted such association the right to exercise the duties and powers of Operator, as evidenced by the recordation of an instrument effecting such transfer.

Section 1.16 "Owner" shall mean and refer to one or more persons or entities who alone or collectively are the record owner of fee simple title to a Lot, including Declarant, or the vendee under an installment land sales contract, but excluding those having any such interest merely as security for the performance of an obligation. If the ownership of any Building on any portion of the Covered Property shall ever be severed from the Lot on which it is situated, whether by lease or by deed, the Owner(s) of the interest in the Lot and not the Building shall be deemed an Owner hereunder. If a Lot is leased, the Owner of the

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fee title and not the lessee of such Lot shall be deemed the Owner, regardless of the term of the lease.

Section 1.17 "Parking Area" shall mean and refer to those areas of the Covered Property designed and constructed from time to time for vehicular and pedestrian ingress, egress, circulation and parking as the same may be altered or modified by Declarant, its successors and assigns in accordance with Article II below, and shall include, without limitation, all concrete curbing, sidewalks, driveways and parking curbs. The Parking Area as of the date hereof is shown on Exhibit "B" attached hereto.

ARTICLE II

USE RESTRICTIONS

Section 2.01 Permitted Uses. All Lots in the Covered Property shall be used for no purpose other than those uses permitted by the City's zoning ordinance applicable to the Covered Property.

Section 2.02 Prohibited Uses. The following operations and uses shall specifically not be permitted:

- (a) trailer courts, mobile home parks, and recreational vehicle campgrounds;
- (b) junk yards and recycling facilities;
- (c) commercial excavation of building or construction materials, except in the usual course of construction of improvements which are constructed pursuant to the terms hereof;
- (d) distillation of bones;
- (e) dumping, disposal, incineration, or reduction of garbage, sewage, offal, dead animals, or refuse;
- (f) stockyards and slaughter of animals;
- (g) refining of petroleum or of its products;
- (h) smelting of iron, tin, zinc, or other ores;
- (i) cemeteries;
- (j) jails and honor farms;
- (k) labor camps and migrant worker camps;
- (l) truck terminals;
- (m) petroleum storage yards;
- (n) munitions related manufacturing and storage activities.

Section 2.03 Other Operations and Uses. Operations and uses that are neither specifically prohibited nor specifically authorized by this Declaration may be permitted in a specific case if written operational plans and specifications for such operations or uses, containing such information as may be

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requested by the Declarant, are submitted to and approved in writing by the Declarant, which approval shall be based upon analysis of the anticipated effect of such operations or uses upon other Lots, upon other real property in the vicinity of the Covered Property, and upon the occupants thereof, but shall be in the sole discretion of the Declarant.

Section 2.04 Nuisances. No noxious or offensive trade or activity shall be carried on within any Lot or any part of the Covered Property, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Lot, or which shall in any way increase the rate of insurance for any other Lot or any portion of the Landscape Maintenance Area. In this regard, all noises, sounds and vibrations shall be appropriately muffled in such a manner so as not to be objectionable as to intermittent beat, frequency, shrillness or volume. Every use shall be operated in such a manner that the vibration, heat and glare inherently and recurrently generated from such use is not perceptible beyond the Building in which the use is located. Electrical reflectors, spotlights, flood lights and other methods of illumination may be used to illuminate Buildings, landscaping areas, signs and parking areas, provided that such devices are equipped with proper lenses concentrating the illumination upon such structures and areas preventing any bright or direct illumination upon adjacent Lots or upon any street, whether public or private, and provided further that any such illumination shall first be approved by the Declarant. No livestock, poultry or animals of any kind shall be raised, bred, kept, slaughtered, or rendered upon any portion of the Covered Property. A "nuisance" shall include, without limitation, any of the following conditions:

(a) emission of dust, sweepings, dirt, or cinders into the atmosphere, or discharges of liquid, solid wastes, or other harmful matter into any stream, river, or other body of water if such emission or discharge may adversely affect the use or intended use of any property or may adversely affect the health, safety, or comfort of persons in the vicinity, or discharge of waste or any substance or material of any kind into any public or privately maintained sewer serving the Covered Property, or any part thereof, in violation of any law, rule, or regulation of any public body having jurisdiction thereof;

(b) escape or discharge of fumes, odors, gases, vapors, acids, or other substances into the atmosphere if such escape or discharge may be detrimental to the health, safety, or welfare of persons, may interfere with the comfort of persons within the vicinity, or may be harmful to property or vegetation;

(c) the perception, at any point outside the boundaries of the Building of a Lot of any noise or vibration from any activity, machine, device, or combination thereof located within such Building that unreasonably interferes with the use or enjoyment of any other Lot.

Section 2.05 Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property except such signs as may be used by Declarant or its sales or leasing agents in connection with the development of the Covered Property and sale or lease of the Lots and/or the Buildings, such signs as may identify the name, business or products of each Owner's business and such signs that an Owner

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may display on his Lot advertising its sale or lease by him, provided that such signs are of a size, design, color, style, illumination and location specifically approved in writing by the Declarant and otherwise comply with the standards promulgated by the Declarant for such signs.

Section 2.06 Temporary Structures. No structure of a temporary character, trailer, tent, shack, barn or other out-building shall be used on any portion of the Covered Property at any time, either temporarily or permanently unless approved by the Declarant.

Section 2.07 Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. All refuse containers, trash cans, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lots and upon the Covered Property except in accordance with rules adopted by the Declarant.

Section 2.08 Antennae and Other Roof Structures. No television, radio, or other electronic towers, aerials antennae or device of any type for the reception or transmission of radio or television broadcasts or other means of communication (unless the same be contained within a Building) or underground conduit or appliances or installations on exterior roofs of structures including, without limitation, roof-top turbine ventilators, attic ventilators or solar panels shall hereafter be erected, constructed, placed or permitted to remain on the Covered Property unless and until the same shall have been approved in writing by the Declarant.

Section 2.09 Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil, newspapers or other material not designed for use as a window cover. All window covers within a Building must be uniform, unless approved in writing by the Declarant.

Section 2.10 Use of Parking Area. The Parking Area may be used for pedestrian and vehicular ingress, egress, circulation and parking by all Owners of Lots within the Covered Property, their tenants, occupants, licensees, invitees and employees. Parking shall be permitted only in designated parking stalls. No portion of the Parking Area shall be used for repair or storage of automobiles. Operator shall have the right to institute reasonable, non-discriminatory rules and regulations for the use and operation of the Parking Area in order to assure the free flow of traffic throughout the Covered Property. No Owner, tenant, employee, occupant, licensee or invitee shall use or permit the Parking Area to be used in a manner which would interfere with the free flow of vehicular and pedestrian traffic throughout the Covered Property. At no time shall an Owner permit a use within such Owner's Lot which will, when combined with other uses within the Covered Property, cause the City-required parking within (a) the portions of the Covered Property shown in blue on Exhibit "B" attached hereto to exceed four (4) parking spaces per thousand (1,000) square feet of Building net leaseable floor space, or (b) the portions of the Covered Property shown in yellow on Exhibit "B" to exceed two (2) parking spaces per thousand (1,000) square feet of Building net leaseable floor space. Operator, any Owner and/or the City shall have the right to enforce by any legal means the provisions of this Section 2.10.

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Section 2.11 Non-Exclusive Parking Area Use. All portions of the Parking Area shall be non-exclusive and no Owner shall mark or designate any portion of the Parking Area, establish signs thereon or chain or block off any portion of the Parking Area for the exclusive use of any Owner, except that Operator shall have the right to designate from time to time portions of the Parking Area as reserved parking for use by certain of the Owners and their Occupants; provided, however, in no event shall the non-exclusive parking available to any Owner be reduced below applicable City parking standards for the Covered Property. All Owners shall park their vehicles only in those portions of the Parking Area which are designated by Declarant for that purpose. Declarant hereby reserves for itself, its successors and assigns, the right but not the obligation to alter the areas, size, shape, location and arrangement of the Parking Area, the driveways, loading and unloading areas, entrances, points of ingress and egress and traffic patterns within the Covered Property; provided, however, that there shall at all times be a sufficient number of parking spaces, driveways, loading and unloading areas, entrances and points of ingress and egress to meet the applicable requirements of the City. Each Owner assumes responsibility for compliance by its Occupants with the parking provisions contained herein and rules promulgated from time to time by Operator pursuant hereto. Each Occupant authorizes Operator to tow away any vehicle belonging to such Occupant parking in violation of these provisions, and/or to attach violation stickers or notices to such vehicle. In the event Operator elects, or is required by the City, to limit or control parking by customers or invitees of Occupants of the Lots, whether by validation of parking tickets, parking meters or any other method of assessment, or to undertake any program for bus, rapid transit, free or reduced cost transportation, each Occupant agrees to participate in such validation, assessment or transportation program under such reasonable rules and regulations as are from time to time established by Operator with respect thereto. Nothing contained herein shall be deemed to create liability upon Operator for any damage to motor vehicles of Occupants or from loss of property with regard to such motor vehicles.

Section 2.12 Vehicles.

(a) No automobile, recreational vehicle or equipment or commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced or repainted on any portion of the Landscape Maintenance Area.

(b) As used in this Section, "recreational vehicle or equipment" shall include without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height and/or greater than one hundred thirty-eight (138) inches in wheel base length), or any other similar type of equipment or vehicle.

(c) As used in this Section, "commercial vehicle" shall be defined as a truck of greater than three-quarter (3/4) ton capacity and any vehicle with a sign displayed on any part thereof advertising any kind of business or on which racks, materials and/or tools are visible. The type of motor vehicle license plate shall not be material to the foregoing definition.

(d) No automobile or other vehicle may be parked on any portion of the Covered Property except as provided in Sections 2.10 and 2.11 above.

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ARTICLE III

MAINTENANCE AND INSURANCE

Section 3.01 Owners' Duties. Each Owner shall maintain in good order, repair and condition all fences, walls or other structures, the exterior of all Buildings, all exterior lighting other than exterior lighting within the Parking Area and Landscape Maintenance Area, all exterior signs and all other areas located on such Owner's Lot in a first class condition, but excluding those portions of the Parking Area and Landscape Maintenance Area located within such Owner's Lot, which the Operator is obligated to maintain pursuant to Section 3.05 of this Declaration.

Section 3.02 Right and Duty of Owners to Insure. Each Owner shall obtain full replacement cost casualty insurance and fire insurance, without deduction for depreciation or co-insurance, of all of the structural portions of the Building or any other structure on such Owner's Lot. Each Owner shall also obtain fire and extended coverage insurance on such Owner's personal property and fixtures within all Buildings and any other structure located on such Owner's Lot. Each Owner shall carry public liability insurance for damage to persons or property occurring upon such Owner's Lot or elsewhere upon the Covered Property, in any manner arising out of the use of such Owner's Lot. Such insurance shall be in an amount not less than Five Million Dollars (\$5,000,000.00), combined single limit, or in such other minimum amount as Operator may determine. All such policies carried by the Owners shall contain waivers of subrogation of claims against Operator, the Declarant and all the other Owners. Each Owner shall review annually the limits of such Owner's insurance coverage and increase such limits as appropriate. Notwithstanding the requirement for annual review, the insurance policies carried by each Owner shall, to the maximum extent possible, provide for automatic adjustments of coverage levels to reflect changes in costs resulting from inflation. Each policy shall name Operator and Declarant as an additional named insured. Each Owner shall furnish Operator with a current certificate of such insurance at all times. Such policies shall not adversely affect or diminish any coverage under any insurance obtained by Operator. If any loss intended to be covered by insurance carried by Operator shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by such Owner to Operator, to the extent of such reduction.

Section 3.03 Notice of Expiration. All of the policies of insurance maintained by the Owners shall contain a provision that said policy or policies shall not be cancelled or terminated, nor expire by their terms, without thirty (30) days prior written notice to Operator. If an Owner fails to obtain or maintain such insurance coverage, Operator may obtain such insurance and levy a Special Assessment against such Owner and such Owner's Lot for the amount of the premium therefor.

Section 3.04 Destruction of Owner's Building or Other Structures. If any Building or other structure located on an Owner's Lot is destroyed by any casualty, the Owner of such Lot shall either promptly restore such Building or other structure at such Owner's sole cost to its original condition in as fast and efficient a means as possible, or to the extent the Owner of such Lot elects not to restore such Building or other structure following such damage or destruction, such Owner shall promptly

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raze such damaged or destroyed Building or other structure and shall forthwith grade, pave, and/or landscape the area on which such Building or other structure was located in a safe and sightly condition.

Section 3.05 Operator's Duties. Subject to the obligation of each Owner to pay Assessments as hereinafter provided, Operator hereby covenants to: (i) maintain and irrigate, repair, restore and replace any and all landscaping and landscaping materials within the Landscape Maintenance Area, and (ii) maintain, repair, restripe, repave and periodically sweep the Parking Area and repaint and repair all markers, exterior lighting and directional signs, as reasonably required in Operator's judgment. Each Owner hereby consents to Operator's use of such Owner's water supply without charge in connection with the performance by Operator of its duties hereunder. Operator is hereby authorized to contract with, in its discretion, any responsible individual or entity to perform Operator's management and maintenance responsibilities hereunder.

Section 3.06 Operator's Duty to Obtain Insurance;
Types. Operator shall obtain and continue in effect adequate blanket public liability insurance (including medical payments) in an amount not less than Three Million Dollars (\$3,000,000.00), or in such other reasonable minimum amount as Operator may determine, covering all claims for personal injury and property damage arising out of a single occurrence on the Landscape Maintenance Area and Parking Area. Such insurance shall be maintained by Operator as named insured for the benefit of Operator, the Owners, and all Mortgagees as their interests may appear.

ARTICLE IV

EASEMENTS

Section 4.01 Easement in Favor of Operator. Declarant hereby reserves to itself, as Operator, together with the right to grant and transfer same to a succeeding Operator, its successors and assigns, a non-exclusive easement for ingress, egress, construction and maintenance purposes over such portions of the Covered Property as may be reasonably necessary for Operator to discharge its obligations as described in this Declaration.

Section 4.02 Easement for Ingress, Egress and Traffic Circulation. Declarant hereby reserves to itself, together with the right and obligation to grant and transfer same to Owners of Lots within the Covered Property, nonexclusive easements of ingress and egress over and upon the designated traffic circulation patterns established from time to time upon the Covered Property, for the sole purposes of vehicular and pedestrian ingress, egress and traffic circulation to and throughout the Covered Property.

Section 4.03 Easements for Parking Area. Declarant hereby reserves to itself, together with the right and obligation to grant and transfer same to Owners of Lots within the Covered Property, non-exclusive easements for the sole purpose of parking of vehicles within designated parking stalls upon the Parking Area.

Section 4.04 Easements for Drainage. Declarant hereby reserves to itself, its successors and assigns, together with the

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right and obligation to grant and transfer the same to all Owners, easements for drainage over the Covered Property through the drainage patterns, systems and facilities established from time to time throughout the Covered Property. There shall be no interference with the established drainage patterns, systems and facilities over any portion of the Covered Property unless adequate provision is made for proper drainage and is approved by the Declarant. For the purposes hereof, the "established drainage patterns, systems and facilities" shall mean the drainage system which exists within the Covered Property as of the execution of this Declaration as the same may be modified from time to time as approved by Declarant.

Section 4.05 Utility Easements. Declarant hereby reserves to itself, its successors and assigns, together with the right to grant and transfer the same to Owners, (together with the right of Operator to also grant and transfer the same) non-exclusive easements in, to, over and across the Covered Property for purposes of installing, operating, and maintaining sewers (including underground storm sewers), water lines, gas mains, drainage lines, electrical power lines, telephone lines, fire hydrants and loops, fire sprinkler systems and post indicator valves and controls, sprinklers and irrigation facilities and other utility lines and facilities which may be reasonably necessary for the construction, operation and maintenance of the Covered Property and the business establishments located thereon; provided, however, such easements shall not unreasonably interfere with the use and enjoyment by the Owners of their Lots. Each Owner shall cooperate in permitting the joint use of utility easements and utility lines whenever it is practical and economically feasible to do so, in Operator's sole discretion. All permanent utility installations on the Covered Property shall be constructed underground, unless otherwise approved by Operator. Each Owner shall have the right to relocate any easement once established upon its Lot, at such Owner's sole cost and with the consent of Operator, the appropriate public utility and all appropriate governmental agencies, provided such relocation shall not unreasonably interfere with the use and enjoyment of any portion of the Covered Property by other Owners.

Section 4.06 Dominant and Servient Estates. Each easement granted or reserved pursuant to the provisions hereof is expressly for the benefit of each Lot and the Lot so benefited shall be the dominant estate and the Lot upon which each such easement is located shall be the servient estate and each such easement shall run with the land and shall inure to the benefit of and be binding upon the successors and assigns of the Declarant.

ARTICLE V

COVENANT FOR PAYMENT OF COMMON EXPENSES

Section 5.01 Covenant for Payment of Common Expenses. On or before sixty (60) days prior to the beginning of each calendar year, Operator shall endeavor to deliver to each Owner an Estimated Budget of Regular Assessments which estimates the total Common Expenses to be incurred for such year and each Owner's share of same. Each Owner shall pay to Operator, within twenty (20) days of Operator's delivery of the Estimated Budget, one-fourth (1/4) of each Owner's Regular Assessment. On the first day of April, July and October thereafter, each Owner shall pay one-fourth (1/4) of such Owner's Regular Assessment as provided for in the Estimated Budget. If no Estimated Budget is

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delivered to the Owners, the Estimated Budget for the prior year shall be deemed the Estimated Budget for the current year until such time as a revised Estimated Budget is made available. The failure of Operator to timely prepare and deliver the Estimated Budget shall not constitute a waiver by Operator of its rights hereunder or of the requirement that each Owner pay Assessments required hereby.

Section 5.02 Calculation of Regular Assessments. For purposes of this Declaration, an Owner's share of Regular Assessments shall be calculated by multiplying any and all Common Expenses shown on the Estimated Budget times a fraction, the numerator of which shall be the square footage of the gross floor area under roof, including overhang, of the Building within such Owner's Lot and the denominator of which shall be the sum of the square footage of the gross floor areas under roof, including overhang, of all Buildings within the Covered Property, as determined by Operator. All Regular Assessments shall be payable in the amount specified above at the times set forth in Section 5.01 above, without any right of offset or deduction whatsoever.

Section 5.03 Commencement of Assessments. Assessments shall commence on the first day of the month following the first conveyance of a Lot by Declarant to an Owner or, in the absence of any such conveyance, upon the commencement date of any lease of space within the Covered Property.

Section 5.04 Rights of Operator. If Operator determines, in its sole discretion, for any reason, that the Estimated Budget for the current year is, or will become, insufficient to meet all Common Expenses, it shall promptly determine the approximate amount of such deficiency and issue a supplemental Estimated Budget and determine the revised amount of the Regular Assessment for each Owner and the date or dates payment of such revised Assessments is due.

Section 5.05 Creation of the Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed or other conveyance creating in such Owner the interest required to be deemed an Owner hereunder, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to Operator any and all Assessments levied against such Owner's Lot. Such Assessments are to be fixed, established and collected from time to time as provided in this Declaration. Any and all Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall be a continuing lien upon the Lot against which such Assessment is made and may be enforced by suit or by sale under power of sale (which power is hereby granted), judicial foreclosure or any other manner allowed by law. Any exercise of the power of sale provided for above shall be conducted in accordance with Sections 2924 et seq. of the Civil Code of the State of California applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. Each such Assessment, together with such interest, late charges, costs and attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment becomes due. The personal obligation shall not pass to the successors in title of an Owner unless expressly assumed by such successors.

Section 5.06 Purpose of Assessments. The Assessments levied by Operator shall be used exclusively for the purposes of promoting the health, safety and welfare of the Owners, the management of the Covered Property, enhancing and protecting the

value, desirability and attractiveness of the Covered Property and the quality of the environment within the Covered Property, including, without limitation, administering and enforcing this Declaration, collecting and disbursing funds pursuant to this Declaration, the improvement and maintenance of the Landscape Maintenance Area, the Parking Area and the properties, services and facilities related to the use and enjoyment of the Parking Area or in furthermore of any other duty or power of Operator.

Section 5.07 Certificate of Payment. Operator shall, upon demand, furnish to any Owner liable for Assessments, a written certificate setting forth whether the Assessments on a specified Lot have been paid, and the amount of delinquency, if any. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 5.08 Reserves. The Assessments shall include reasonable amounts as determined by Operator collected as reserves for the future periodic maintenance, repair, improvement or replacement of all or a portion of the Landscape Maintenance Area, the Parking Area and any other purpose as reasonably determined by Operator. All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by Operator in separate bank accounts to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of Operator.

ARTICLE VI

DEFAULT BY OWNER

Section 6.01 Cure of Defaults. If any Owner defaults in the performance of any of its obligations or agreements set forth herein, the Operator shall have the right, but not the obligation, to cure such default for the account of and at the expense of such Owner, and shall be permitted to enter upon any Owner's Lot to effect such cure. Operator shall have the right to recover from such Owner all costs and expenses incurred in connection with such cure, plus interest on said amounts at the lesser of fifteen percent (15%) per annum or the maximum amount permitted by law, from the date such costs and expenses are paid by Operator; provided, however, that the foregoing remedy shall not be exercisable until twenty (20) days following written notice of such breach to such Owner, and only if the breach has not been cured (or the cure commenced and diligently prosecuted) during said twenty (20) day period.

Section 6.02 Costs and Expenses. All costs and expenses of curing any default of an Owner, together with interest on said amounts pursuant to Section 6.01, shall be charged against such Owner and shall be payable upon demand. Should such Owner fail to pay such costs and expenses within ten (10) days of its receipt of such written demand, such costs and expenses and/or any unpaid Assessments, shall also constitute a Special Assessment and lien upon such Owner's Lot until paid, effective upon recordation of a verified notice of lien in the Official Records of Orange County, California. Any such lien shall be subject and subordinate to any bona fide Mortgage encumbering any portion of such Owner's Lot at the time such notice of lien is recorded, and any purchaser at any foreclosure or trustee's sale (as well as any grantee by deed in lieu of foreclosure or trustee's sale) under any such bona fide Mortgage shall take title free and clear of any such lien, but

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otherwise subject to these covenants, conditions and restrictions. Except as provided above, any such lien shall be prior and superior to any lien recorded subsequent to the recordation of such notice of lien. Any such lien may be enforced by suit or action in any court of competent jurisdiction or by sale under power of sale (which power of sale is hereby deemed granted by each Owner to Operator, its successors and assigns, by acceptance of a deed or other conveyance creating in each such Owner the interest required to become an Owner hereunder), judicial foreclosure or in any other manner allowed by law. Any exercise of the power of sale provided for above shall be conducted in accordance with Sections 2924 et seq. of the Civil Code of the State of California applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law.

Section 6.03 Abatement. The violation or breach of any covenant, condition, easement or restriction herein contained by an Owner shall create in Operator, its successors and assigns, the right to (i) enter such Owner's Lot and to summarily abate and remove, at the expense of the Owner of such Lot, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof; provided, however, that the foregoing remedy shall not be exercisable until twenty (20) days following written notice of such breach to such Owner, and only if the breach has not been cured (or the cure commenced and diligently prosecuted) during said twenty (20) day period; and/or (ii) prosecute proceedings at law or in equity against the person or persons who have violated or are attempting to violate any of these covenants, conditions, easements or restrictions, to enjoin or prevent them from doing so, and to cause such violation to be remedied. Should any of the provisions hereof be violated, it will be difficult or impossible to determine the amount of damages resulting therefrom. Therefore, in addition to any other remedies set forth herein, Operator shall be entitled to seek a temporary and/or a permanent injunction by any court of competent jurisdiction against the breach of any such provisions.

Section 6.04 Attorneys' Fees. In any legal or equitable proceeding for the enforcement, or to restrain the violation of these restrictions or any provisions hereof, the losing party shall pay to the prevailing party the prevailing party's actual attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

Section 6.05 No Waiver; Enforcement by Owners. The failure of Operator to enforce any provision of this Declaration or to seek redress for any breach of the provisions hereof shall in no event be deemed a waiver of the right to do so thereafter; provided, however, if Operator shall fail to enforce the provisions hereof within thirty (30) days after the delivery to Operator of a written demand from an Owner specifying in detail the alleged default and required compliance, such Owner shall be authorized to enforce the provisions of this Declaration.

Section 6.06 Protection of Mortgagees. A breach of any of the restrictions, conditions, covenants or reservations herein contained shall not defeat or render invalid the lien of any bona fide Mortgage made in good faith and for value as to any Lot, or any portion or portions thereof, but such restrictions, conditions, covenants and restrictions shall be binding upon and effective against any Owner or Owners of any such Lot, or any

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portion or portions thereof, whose title is acquired by foreclosure, trustee's sale or otherwise.

Section 6.07 Effect of Foreclosure. If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a Mortgage: (a) the foreclosure of any lien created by or pursuant to this Declaration shall not operate to affect or impair the lien of such Mortgage; and (b) the foreclosure of the lien of such Mortgage, the acceptance of a deed in lieu of foreclosure of such Mortgage or a sale under a power of sale included in such Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the Events of Foreclosure, and their successors in interest, shall take title free of the lien hereof or any personal obligation for such charges as shall have accrued to the time of any of the Events of Foreclosure, but subject to the lien hereof for all charges that shall accrue subsequent to the Events of Foreclosure. Nothing in this Section shall be construed to release any Owner from his personal obligation to pay any Assessment levied pursuant hereto.

ARTICLE VII

GENERAL PROVISIONS

Section 7.01 Assignments of Operator's Rights and Duties. Any and all of the rights, powers, duties and reservations of Declarant as the Operator herein contained may be assigned to any person, or any partnership, corporation or association upon recordation of an instrument executed by Operator and such assignee evidencing any such assignment. When such assignee evidences its consent in writing to accept such assignment and assume such duties, such assignee shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Operator herein and Operator shall be relieved of any further obligation and liability with respect thereto. The term "Operator" as used herein includes all such assignees and their heirs, successors and assigns. Notwithstanding the foregoing, at such time as Declarant or any parent, affiliate or subsidiary of Declarant ceases owning an interest in any portion of the Covered Property sufficient to be considered as "Owner" hereunder, or at such time as Declarant shall execute, acknowledge and record an instrument appointing a successor to assume the rights, powers and reservations of Operator, the rights, powers and reservations of Declarant as Operator shall vest in said successor and Declarant's rights, powers and reservations as Operator shall terminate, and Declarant shall be relieved of any further obligation or liability hereunder. At any time from and after Declarant or any parent, affiliate or subsidiary of Declarant shall cease owning any interest in any portion of the Covered Property, a Majority of Owners of Lots within the Covered Property may select a person or entity to perform Operator's duties and obligations hereunder, and in the event Declarant shall execute, acknowledge and record an instrument appointing a successor, the consent of all Owners shall be required to remove such successor and select another person or entity.

Section 7.02 Covenants to Run with the Land; Term. The covenants, conditions, easements and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable for a term commencing upon the date hereof and terminating thirty (30) years

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from the date hereof; provided, however, unless one (1) year prior to the expiration of said thirty (30) year term there shall be recorded an instrument executed by the then Operator, if any, or by all of the Owners directing the termination of the covenants, conditions and restrictions herein contained, said covenants, conditions and restrictions in effect immediately prior to the expiration date of thirty (30) year term shall be continued automatically without any further notice for an additional period of five (5) years and thereafter for successive terms of five (5) years unless within one (1) year prior to the expiration of any such five (5) year period the covenants, conditions and restrictions herein contained are terminated pursuant to this Section.

Section 7.03 Notices. Any notice to be given to Operator, the City, an Owner or a Mortgagee under the provisions of this Declaration shall be in writing and shall be delivered as follows:

(a) Notice to Operator shall be deemed to have been properly delivered when delivered personally or sent by certified mail, postage prepaid, return receipt requested to:

LINCOLN BUSINESS CENTER - FULLERTON
c/o Lincoln Property Company
2415 Campus Drive Suite 201
Irvine, California 92715

(b) Notice to an Owner or a Mortgagee shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner or Mortgagee in writing to Operator for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice so deposited in the mail within the County in which the Covered Property is located, shall be deemed delivered forty-eight (48) hours after such deposit.

(c) Notice to the City shall be deemed to have been properly delivered when delivered personally or sent by certified mail, postage prepaid, return receipt requested to:

City of Fullerton
Office of City Attorney
303 West Commonwealth Avenue
Fullerton, California 92632

Section 7.04 Construction by Owners. Except as provided in this Section 7.04, nothing in this Declaration shall limit the right of an Owner to alter the Lot owned by such Owner or to construct such additional improvements thereon as such Owner deems necessary or advisable. Such right shall include but shall not be limited to erecting, constructing and maintaining on such Owner's Lot such structures and displays as may be reasonably necessary for the conduct of the business of the Owner on such Owner's Lot or the disposing of the same by sale, lease or otherwise. Further, this Declaration shall not limit the right of an Owner at any time to establish on such Owner's Lot licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary for the proper development and operation of an Owner's Lot. Notwithstanding the above, no activity referenced herein shall interfere with the free flow of vehicular and pedestrian traffic within the Covered Property or cause the Covered Property

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to have less than the number of parking spaces required by the City at the time such activity is undertaken.

Section 7.05 Nonliability of Officials. To the fullest extent permitted by law, neither Operator nor Declarant, nor any of their agents, employees, successors or assigns shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any decision, course of action, act, omission, error, negligence or the like made in good faith and reasonably believed to be within the scope of their duties.

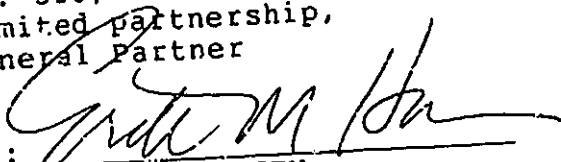
Section 7.06 Amendments. Until such time as there is an Owner of any portion of the Covered Property other than Declarant, this Declaration may be amended and such amendment shall be effective when executed by Declarant and any First Mortgagee of any portion of the Covered Property and when recorded in the Official Records of Orange County, California. From and after the date that there is an Owner of any portion of the Covered Property other than Declarant, this Declaration may be amended and such amendment shall be effective when executed by all of the Owners of the Lots within the Covered Property and their First Mortgagees. Notwithstanding the foregoing and any other provisions of this Declaration, any proposed termination of this Declaration and any proposed amendment or modification of the provisions of this Declaration which relate to the establishment, preservation and/or maintenance of vehicular and pedestrian access rights, drainage rights or utility rights affecting the Covered Property, shall not be effective until fifteen (15) days following the mailing of written notice thereof to the Office of the City Attorney of the City, it being recognized that the City shall have the power to disapprove any such proposed termination, amendment or modification of this Declaration if the City reasonably determines that following such proposed termination, amendment or modification, the Covered Property will not benefit from adequate provisions for the establishment, preservation and/or maintenance of vehicular and pedestrian access rights, drainage rights or utility rights. If the City shall fail to disapprove any such proposed termination, amendment or modification of this Declaration within fifteen (15) days following the mailing to the City Attorney of notice thereof, such termination, amendment or modification shall thereafter be effective and the City shall be deemed to have approved same.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the date first herein above written.

"Declarant"

LINCOLN BUSINESS CENTER -
FULLERTON, a California limited
partnership

By: LINCOLN PROPERTY COMPANY
NO. 356, a California
limited partnership,
General Partner

By: 
ERIK M. HANSEN,
General Partner

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The City of Fullerton has reviewed and approves of this Declaration of Restrictions, Grant of Easements and Maintenance Agreement as of the date set forth below.

Dated: 4-27-87

CITY OF FULLERTON

By: *PK*
Its: *City Attorney*

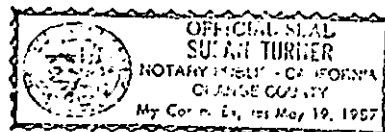
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STATE OF CALIFORNIA)
COUNTY OF Orange) ss.

On this 16th day of March, in the year 1987, before me, a Notary Public in and for said State, appeared ERIK M. HANSEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be one of the partners of LINCOLN PROPERTY COMPANY NO. 356, a California limited partnership, said partnership being known to me to be one of the partners of LINCOLN BUSINESS CENTER - FULLERTON, a California limited partnership, the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same as such partner and that such partnerships also executed the same.

WITNESS my hand and official seal.

Susan Turner
Notary Public



STATE OF CALIFORNIA)
COUNTY OF) ss.

On this _____ day of _____, in the year _____, before me, a Notary Public in and for said State, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____, and _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____ of THE CITY OF FULLERTON, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public

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EXHIBIT "A"

LEGAL DESCRIPTION

PARCELS 1 THRU 5 OF PARCEL MAP NO. 85-431, IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN BOOK 224 PAGES 41 THROUGH 43, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA.

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EXHIBIT "B"

