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DECLARATION OF COVENANTS AND EASEMENTS

AND

GRANT OF RECIPROCAL EASEMENTS

AND

JOINT USE AND MAINTENANCE AGREEMENT

This Declaration of Covenants and Easements and Grant of Reciprocal Easements and Joint use and Maintenance Agreement (herein "Declarant and Grant") is made this 12th day of December, 1990, by and between Leonard J. Haimovitz and Sophia Haimovitz, co-trustees of the Leonard J. and Sophia Haimovitz Family trust dated January 12, 1987 (herein "the Haimovitz Trust") and Solen Properties, a general partnership (herein "Solen"), with reference to the following facts:

A. The Haimovitz Trust is the owner of that certain real property described as Parcels 1 and 2 of Subdivision Map LOM 413-P in the City of Lompoc, County of Santa Barbara, California, as shown on Map filed in Book 44, pages 16 and 17 of Parcel Maps, in the office of the Recorder of Santa Barbara county, California (such Subdivision Map referred to as "LOM 413-P"). Such property shall be referred to collectively as "the Trust Property" or individually as "Parcel 1" and "Parcel 2," respectively.

B. Solen is the owner of that certain real property described as Parcel B of Parcel Map 388-P in the City of Lompoc, County of Santa Barbara, California, as shown on Map filed in Book 36, pages 50 and 51 of Maps, in the office of the Recorder of Santa Barbara County, California. Such property shall be referred to as "the Solen Property."

C. The Trust Property currently is vacant and unimproved. However, the Haimovitz Trust desires to develop Parcel 1 into a retail/commercial/industrial condominium project known as Central Plaza II of Lompoc, and pursuant to that Condominium Plan recorded NOV 8 1991 as Book No. 166 Pgs 97-100 in the office of the Recorder of Santa Barbara County, California (herein "Condominium Plan").

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To that end, the Haimovitz Trust intends to construct two buildings (building "A" being 11,608 feet square feet in size and building "B" being 15,417 square feet in size) for retail/commercial/industrial use, together with 137 parking spaces on Parcel 1.

D. Plans for the development of Parcel 2 have not been finalized.

E. The Solen Property currently has been improved for commercial office and retail use. It likewise consists of two buildings (each approximately 11,608 square feet in size) and 137 parking spaces.

F. The Haimovitz Trust desires to develop the Trust Property in an orderly manner and to that end wishes to (i) provide for proper ingress, egress, parking, utilities and drainage to Parcels 1 and 2, and (ii) provide proper maintenance of such private drives and parking areas, together with rights and obligations with respect thereto, all as more particularly set forth below.

G. The Haimovitz Trust and Solen desire to create certain reciprocal parking and access easements over portions of the properties owned by them, all as more particularly set forth below.

NOW, THEREFORE, the parties agree as follows:

1. The Trust Property: Declaration of Covenants and Easements and Joint Use and Maintenance Agreement.

a. Declaration of Covenants and Easements. Upon the first of Parcels 1 and 2, or any part thereof, to be conveyed, the following easements and related covenants shall be deemed created:

[i] Private Drive:

(aa) A non-exclusive easement for ingress, egress, and incidental purposes for the benefit of Parcel 1 over, under, across and through that portion of Parcel 2 delineated as "easement for ingress and egress in favor of Parcel 1 per this map" on LOM 413-P. If, as part of the development of Parcel 2, the owner of Parcel 2 desires to relocate or realign the easement area, he may do so in accordance with the following provisions:

(1) The owner shall have the relocated or realigned easement area surveyed and a legal description prepared.

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(2) The realigned or relocated easement shall provide access which is unimpeded and essentially equivalent to the access provided by the original easement area.

(3) The owner shall have the City of Lompoc, or any other governmental agency with permit authority over grading matters, approve the realigned or relocated easement area.

(4) The owner shall prepare, execute and record a grant deed of a non-exclusive easement for ingress, egress and incidental purposes over, under, across and through the realigned or relocated easement area for the benefit of Parcel 1 and shall secure the release of the lien of any deed of trust encumbering Parcel 2 at the time of such conveyance so that the realigned or relocated easement area will have the same priority as the original easement area.

(5) The driveway improvements constructed in the realigned or relocated easement area shall conform to the standards set forth in paragraph 1(b) below. Further, such improvements shall be equal to or greater than the width of the driveway improvements constructed in the original easement area.

(6) The requirements of paragraph 2(a) [i] must be fulfilled with respect to the Solen Property.

Upon compliance with the foregoing requirements, the owner of Parcel 1 shall quitclaim any interest it may have in the portion of the original easement area which is relocated or realigned pursuant to this provision.

(bb) A non-exclusive easement for ingress, egress, and incidental purposes for the benefit of Parcel 2 over, under, across and through that portion of Parcel 1 delineated as "25-ingress and egress easement" on the Condominium Plan.

[ii] Drainage: A non-exclusive easement for ingress, egress, drainage and incidental purposes for the benefit of Parcel 1 over, under, across and through that portion of Parcel 2 delineated as "private drainage easement in favor of Parcel 1 per this map" on LOM 413-P.

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[iii] Electric: A non-exclusive easement for ingress, egress, electric utilities and incidental purposes for the benefit of Parcel 1 over, under, across and through that portion of Parcel 2 delineated as "Private Elect. esmt. in favor of Parcel 1 per this map" on LOM 413-P.

b. Maintenance of Driveway Improvements. The easements granted under paragraphs 1(a)[i](aa) and 1(a)[i](bb) are subject to the following agreements regarding installation, maintenance, operation and repair of the improvements constructed therein, described as follows:

[i] On or after the effective date as defined below, the Haimovitz trust shall commence to install driveway improvements in the easement areas described in subparagraph 1(a)[i], pursuant to plans and specifications approved by the City of Lompoc. Such completed improvements shall represent the standard to which all such improvements shall be maintained pursuant to subparagraph [ii] below, reasonable wear and tear excepted.

[ii] The reasonable costs for maintenance and repair of the driveway improvements installed by the Haimovitz Trust pursuant to subparagraph [i] above shall be shared equally by the owners of Parcel 1 and Parcel 2. Such improvements shall be maintained according to those standards set forth in subparagraph [i] above. The parties may agree to a higher standard of maintenance.

The parties shall meet in January of each calendar year to formulate a budget for the ensuing calendar year for purposes of allocation of their responsibilities hereunder and to establish rules and regulations for the use of the driveway. The parties shall thereafter be obligated to contribute the sums required of them as set forth in the budget. At such meeting, the parties shall elect a "roadmaster," and failing election the owner of Parcel 2 shall be the roadmaster. The roadmaster shall prepare an accounting and shall present such accounting to each party on an annual basis. The roadmaster shall be entitled to collect from the parties such sums as may be owing by such parties under the budget necessary to maintain the driveway and shall arrange for necessary work and services for the required maintenance. The roadmaster or either party shall have the right to enforce the provisions of this Agreement by any proceeding at law or in equity or as otherwise provided herein.

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2. The Trust Property and Solen Property: Grant of Reciprocal Easements for Access.

a. Upon the effective date as defined below, the Haimovitz Trust shall be deemed to grant to Solen a non-exclusive easement for ingress, egress, and incidental purposes for the benefit of the Solen Property over, under, across and through those portions of the Trust Property described as follows:

[i] "easement for ingress and egress in favor of Parcel 1 per this map" located on Parcel 2 of LOM 413-P. In the event the foregoing easement area is relocated in the manner described in paragraph 1(a)[i](aa) above, then in addition to the requirements of that paragraph, the following provisions shall apply:

(aa) The owner of Parcel 2 shall convey to Solen a non-exclusive easement for ingress, egress and incidental purposes over, under, across and through the realigned or relocated easement area for the benefit of the Solen Property.

(bb) Upon compliance with the provisions of paragraph 1(a)[i](aa) above, Solen shall quitclaim any interest it may have in the portion of the original easement area which is relocated or realigned pursuant to this provision.

[ii] "25-ingress and egress easement" on the Condominium Plan.

b. Upon the effective date as defined below, Solen shall be deemed to grant to the Haimovitz Trust a non-exclusive easement for ingress, egress, and incidental purposes for the benefit of the Trust Property over, under, across and through those portions of the Solen Property described as follows:

Commencing at the Southwest Corner of LOM 388-P, Parcel B as shown on Parcel Map LOM 388-P, Parcel Map Book 36, Page 51, Santa Barbara County Records, said Southwest Corner also being in the northerly line of Central Avenue; Thence North 0 23' 13" East 25.00 feet along the westerly line of said LOM 388-P, Parcel B, to THE POINT OF BEGINNING; Thence South 89 37' 15" East 94.00 feet; Thence South 0 23' 13" West 25.00 feet to a point in the southerly line of said LOM 388-P, Parcel B, said line also being in the northerly line of Central Avenue; Thence South 89 37' 15" East 40.00 feet along the northerly line of Central Avenue; Thence North 0 23' 13" East 50.00 feet; Thence North 89 37' 15" West 10.00 feet;

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Thence North 0 23' 13" East 278.00 feet; Thence North 89 37' 15" West 124.00 feet to a point in the westerly line of said LOM 388-P, Parcel B; Thence South 0 23' 13" West 25.00 feet along the said westerly line of LOM 388-P, Parcel B; Thence South 89 37' 15" East 99.00 feet; Thence South 0 23' 13" West 253.00 feet; Thence North 89 37' 15" West 99.00 feet to a point in the said westerly line of LOM 388-P, Parcel B; Thence South 0 23' 13" West 25.00 feet to the Point Of Beginning.

The location of the foregoing easement is set forth on that map of the Solen Property attached hereto as Exhibit "A."

The foregoing grant of easement set forth in this paragraph 2(b) is made subject to the limitation that no motor vehicles having an axle load in excess of 18,000 lbs. may use the easement area.

c. The Haimovitz Trust and Solen shall maintain at their cost the driveway improvements located in the easement areas on their respective parcels and shall have no obligation towards the cost of maintaining driveway improvements not located in the easement areas in their respective parcels. The driveway improvements as accepted by the City of Lompoc on their initial completion shall represent the standard to which the improvements shall be maintained. The parties may agree to a higher standard of maintenance.

3. Parcel 1 and Solen Property: Grants of Reciprocal Easements for Parking.

a. There is a total of 137 parking spaces located on Parcel 1. The Haimovitz Trust, its successors, assigns, tenants and invitees, as the owner of Parcel 1, shall have the exclusive right to use 93 of the parking spaces located on Parcel 1 and the non-exclusive right to use 44 of the parking spaces located on Parcel 1. The Haimovitz Trust, as owner of Parcel 1, shall have a non-exclusive easement for ingress, egress and parking purposes over, under, across and through 44 of the parking spaces located on the Solen Property for the benefit of the Haimovitz Trust, its successors, assigns, tenants and invitees as owner of Parcel 1.

b. There is a total of 137 parking spaces located on the Solen Property. Solen, its successors, assigns, tenants and invitees shall have the exclusive right to use 93 of the parking spaces located on the Solen Property and the non-exclusive right to use 44 of the parking spaces on the Solen Property. Solen shall have a non-exclusive easement of ingress, egress and parking purposes over, under, across and through 44 of the parking spaces located on Parcel 1 for the

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benefit of Solen, its successors, assigns, tenants and invitees.

c. The Haimovitz Trust and Solen shall maintain at their cost the parking spaces located on their respective parcels and shall have no obligation towards the cost of maintaining parking spaces not located in their respective parcels. The parking spaces as accepted by the City of Lompoc on their initial completion shall represent the standard to which the improvements shall be maintained.

d. The grants of easements described in subparagraphs (a) and (b) above shall be deemed conveyed upon the effective date as defined below.

4. Indemnification; Liability Insurance.

a. The Haimovitz Trust shall release, discharge and agree to indemnify and hold Solen, its successors and assigns, harmless from any and all claims or causes of action of any nature whatsoever arising from the use by the Haimovitz Trust of the driveway and parking improvements within the easement areas referred to above for the purposes above set forth, except for claims arising from the active negligence of Solen, its successors and assigns.

b. Solen shall release, discharge and agree to indemnify and hold the Haimovitz Trust, its successors and assigns, harmless from any and all claims or causes of action of any nature whatsoever arising from the use by Solen of the driveway and parking improvements within the easement areas above referred to for the purposes above set forth, except for claims arising from the active negligence of the Haimovitz Trust, its successors and assigns.

c. Comprehensive general liability and property damage insurance shall be purchased by each party upon completion of the road improvements to be installed by the Haimovitz Trust in the easement areas referred to in paragraph 2(a) and shall be maintained at all times thereafter. The insurance shall be carried with reputable companies authorized to do business in the State of California in an amount not less than One Million Dollars (\$1,000,000). The policies shall name as insured both of the parties to this Agreement and shall insure against loss arising from perils in the easement areas described in paragraphs 2 and 3. In the event all or a portion of the Trust Property or the Solen Property is sold or conveyed in separate interests, the collective owners of Parcel 1, Parcel 2 and the Solen Property shall maintain the insurance coverage required above on each of Parcel 1, Parcel 2 and the Solen Property.

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5. Parcel 2: Parking Easements.

In the event parking spaces constructed on Parcel 2 in conjunction with its development and improvement exceed the minimum number of spaces required by the City of Lompoc, the parties agree to modify the provisions of this Declaration and Grant to (i) grant to the owner of Parcel 2 a non-exclusive easement for parking purposes over those parking spaces located on Parcel 1 and the Solen Property not exclusively assigned to the owners of such properties under paragraph 3, and (ii) grant to the owners of Parcel 1 and the Solen Property non-exclusive easements for parking purposes over those parking spaces located on Parcel 2 that are in excess of the minimum number of spaces required to be located on Parcel 2 by the City of Lompoc as part of its development. Such grant of easements shall be consistent with the provisions of paragraphs 3, 4 and 6.

6. General.

a. The easements, covenants, conditions and restrictions contained herein all for the benefit of the Trust Property and the Solen Property and as such shall be covenants appurtenant to and running with each such property and binding on the successive owners, heirs and assigns thereof, or any portion thereof.

b. In the event that a controversy arises in any way connected with this Declaration and Grant, the parties shall submit the matter to arbitration under the rules of the American Arbitration Association then in effect. Any decision arising from such procedure may be enforced by a court of competent jurisdiction.

c. If any term, covenant, condition or provision of this Declaration and Grant is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired or invalidated thereby.

d. In the event that any dispute arises under this Declaration and Grant or any other rights and obligations hereunder, and legal action is instituted thereon, the prevailing party shall be entitled to recover its reasonable cost of attorney's fees as determined by the court.

e. Except as expressly provided herein to the contrary, any modification of this Declaration and Grant must be in writing and signed by at least fifty-one percent (51%) of the owners of each of Parcel 1, Parcel 2 and the Solen Property. In the event any such property is developed or converted into

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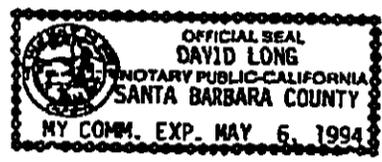
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STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA) SS.

On Dec 12, 1990, before me, David Long,
personally appeared LEONARD HAIMOVITZ, and SOPHIA
HAIMOVITZ, personally known to me (or proved to me on
the basis of satisfactory evidence) to be the persons who executed
the within instrument on behalf of the partnership, and ack-
nowledged to me that the partnership executed it.

WITNESS my hand and official seal.


Notary's Signature

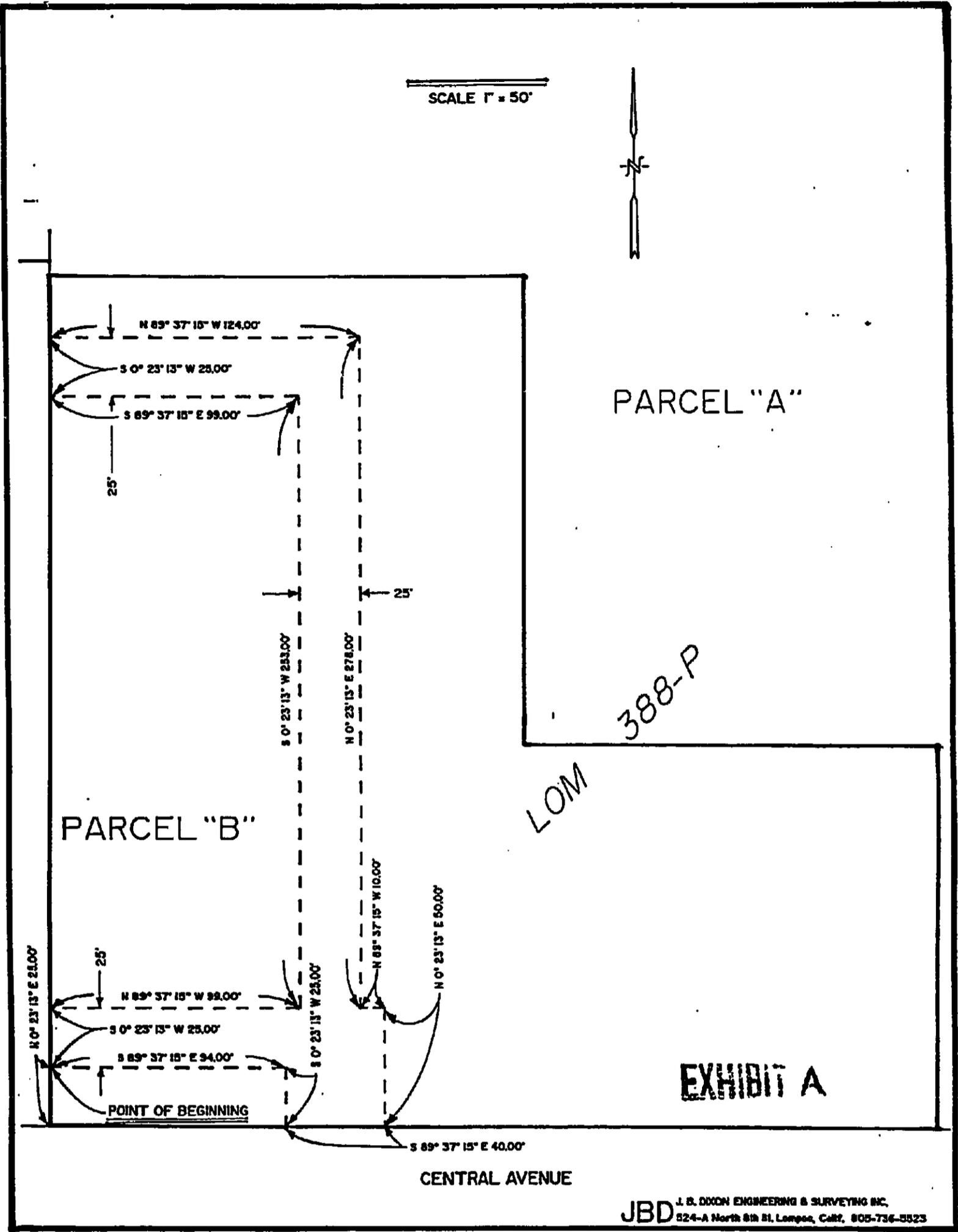
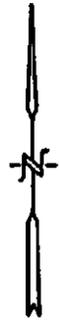


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SCALE 1" = 50'



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