

OPERATING AGREEMENT OF DOWNEY PARK PROFESSIONAL CENTER, LLC

THE ACQUISITION OF MEMBERSHIP INTERESTS IN THE COMPANY TO THE INITIAL MEMBERS HAS NOT BEEN QUALIFIED OR REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE, OR REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION PROVISIONS OF THOSE LAWS. NO ATTEMPT HAS BEEN MADE TO QUALIFY THE OFFERING AND SALE OF MEMBERSHIP INTERESTS TO MEMBERS UNDER THE CALIFORNIA CORPORATE SECURITIES LAWS OF 1968, AS AMENDED, ALSO IN RELIANCE UPON AN EXEMPTION FROM THE REQUIREMENT THAT A PERMIT FOR ISSUANCE OF SECURITIES BE PROCURED. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, MEMBERSHIP INTERESTS MAY NOT BE TRANSFERRED OR ENCUMBERED UNLESS IN ACCORDANCE WITH THE TERMS OF THIS OPERATING AGREEMENT, REGISTERED OR QUALIFIED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAW, OR IN THE OPINION OF LEGAL COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION OR REGISTRATION IS NOT REQUIRED.

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**OPERATING AGREEMENT OF
DOWNEY PARK PROFESSIONAL CENTER, LLC**

THIS OPERATING AGREEMENT (“Agreement”) OF DOWNEY PARK PROFESSIONAL CENTER, LLC (“Company”), is entered into and effective as of _____, 2017 (the “Effective Date”), by and among **James M. Carlson and Laurel M. Carlson, husband and wife as community property, as to an undivided 1/3 interest; Darrel R. Hansen and Betty K. Hansen, Trustees of The Hansen 2005 Revocable Trust under instrument dated March 15, 2005, as to an undivided 1/3 interest; and James L. Stanton and Joy T. Stanton, husband and wife as community property, as to an undivided 1/3 interest (Suite A); Corey R. Acree and Bonnie M. Acree, Trustees of the C & B Acree Revocable Trust U/T/D February 3, 2006 (Suites B and O); Kelly R. Gerber (Suite C); Hutto, LLC, a California limited liability company (Suite D); Lance C. Bautista, a married man, as his sole and separate property (Suites E & F); Christopher D. Anderson, an unmarried man, as to an undivided ½ interest, and David Bauman and Lucinda L. Anderson, husband and wife as community property, as to an undivided ½ interest, of an undivided 37.5% interest; and Christopher D. Anderson and Patricia Lloyd, husband and wife as community property, as to an undivided ½ interest, and David Bauman and Lucinda L. Anderson, husband and wife as community property, as to an undivided ½ interest, of an undivided 62.5% interest (Suite G); Keith Brewer and Charlotte Brewer, husband and wife as community property (Suite H); Edwin Y. Josephs and Andria Y. Kubo, husband and wife as joint tenants (Suite J); Lisa P. Lange, Trustee of The Lisa P. Lang Family Trust dated May 1, 2007 (Suite K); H.H.H. Properties, LLC (Suite L); Kevin Huy Vu, a single man (Suite M); Dennis W. Hobby and Caroline Hobby, Trustees of The Hobby 2003 Revocable Trust under instrument dated September 17, 2003 (Suite N); Wesley J. Ferguson and Lorinda K. Ferguson, as Trustees of the W & L Ferguson Trust, U/A/D July 6, 2015, (Suite P); James M. Carlson, a married man, as his sole and separate property, as to an undivided 1/3 interest; Darrel R. Hansen and Betty K. Hansen, Trustees of The Hansen 2005 Revocable Trust under instrument dated March 15, 2005, as to an undivided 1/3 interest; and Grace Y. Kwon-Hong, Trustee of The Grace Y. Kwon-Hong Trust u/d/t September 27, 2017, as to an undivided 1/3 interest (Suite Q); and Downey Park Professional Center, a general Membership. For all purposes, the term “Member” shall mean each of the foregoing Members and any Person who becomes a Member by substitution after receiving an Assignment from a Member and the consent of the other Members or any Person admitted to the Company as a Member pursuant to **Section 5** hereof. The term “Members” or “Company” means all such Persons.**

RECITALS

A. The Company was initially organized and formed as Downey Park Professional Center, a California General Partnership (“the Partnership”) on June 12, 1969, pursuant to a Partnership Agreement (“Original Partnership Agreement”) entered into on that date that was first revised and amended on May 30, 1985 (“First Amendment”). The Original Partnership Agreement and First Amendment are collectively referred to as the “Partnership Agreement”.

B. The initial purpose of the Partnership was to acquire and develop the real property located at 1213 Coffee Road, Modesto, California 95355 (“City”) as part of a planned development (“PD-32”), commonly known as of the Effective Date herewith as the Downey Park Professional Center (“DPPC”).

C. On August 9, 1967, the City approved a planned development project known as “PD-32” for DPPC consisting of seventeen (17) medical, dental and allied healing arts related professional office suites (“Suites” or “Units” and individually “Suite” or “Unit”) separated by open space and also consisting of one hundred fifty-seven (157) parking spaces (“Parking Lot”) located at the west side of Coffee Road, south of Gloria Way, Modesto, California (known as “PD-32”) hereinafter generally described as the “Downey Park Complex” or “Complex”).

D. The Partnership obtained a construction loan for the construction of the Suites and improvements (“Partnership Loan”). Each Partner’s Percentage Interest was determined by dividing the portion of the Partnership Loan that such Partner used toward the construction of such Partner’s Suite by the total amount of the Partnership Loan.

E. In 1993, the Partnership applied for and obtained approval from the City to convert PD-32 into a professional office airspace condominium plan (“Condominium Plan”) resulting in the conversion of the Suites into seventeen (17) airspace condominiums as defined in Sections 783 and 4125 of the Civil Code (“Condominium Conversion”), resulting in the Partners (also known as “Owners” or “Owner” herein) each owning a separate air space suit (“Air Space Unit”) and undivided interests in the Common Area (“Common Area Interests”) as described on the Parcel Map filed September 20, 1993, as part of the Condominium Plan, a copy of which is attached hereto as **Exhibit A**.

F. The Condominium Conversion enabled each Partner with the ability to pay off his or her share of the Partnership Loan by borrowing funds from such Partner’s lender, secured by the Partner’s ownership of his or her Suite and a pro-rata share of the Common Area. Accordingly, the Partnership Loan was paid off in 1993. Thereafter, a Partner’s Percentage Interest was no longer based on a Partner’s pro-rata share of the Partnership Loan, but calculated by dividing the square footage of the Partner’s Suite by the total square footage of all Partner’s Suites (“Square Footage Formula”).

G. The adoption of the Square Footage Formula resulted in equitably adjusting an Owner’s Percentage Interests without regard to such Owner’s Common Area Interests; for example, when a Partner obtains approval from the Executive Committee to remodel his or her Suite that will result in increasing the square footage of the Suite’s floor area and encroaching

beyond the boundary line of the Suite into the Common Area. Such an expansion will cause the expanding Partner's Percentage Interest to increase, resulting in that Partner paying a greater share of monthly Common Area charges ("CAM" or "CAMs") and simultaneously reducing each non-expanding Partners' Partnership Interest and their respective share of CAM charges.

H. On September 20, 1993 that certain Declaration of Protective Restrictions ("Original Declaration") dated September 16, 1993, was recorded by the Stanislaus County Recorder's Office as document Number 93-0096837 for the Condominium Plan as a common interest development, with the Declarant being the Partnership.

I. In response to California's adoption in 2014 of the Commercial and Industrial Common Interest Declarant Act, the Original Declaration was subsequently amended by that certain First Amended and Restated Declaration of Protective Restrictions adopted by the Owners and recorded as document number _____ on _____, 2017 (collectively "Declaration").

J. The Declaration designates the Association as the administrative authority acting through its Board of Directors (or "Board") with the powers to collect assessments from each Owner and to enforce the Declaration's provisions with respect to each Owner's use of their Suite and the Common Area. The Board is comprised of the same individuals who are also members of the Company's Executive Committee.

K. On _____, 2017, the Partnership was converted to a limited liability company pursuant to that certain **Plan of Conversion** attached hereto as **Exhibit B**. On November 27, 2017, the Company's **Articles of Organization** were filed with the California Secretary of State file No. 201733410153, a copy of which is attached hereto as **Exhibit C**. (The former Partners/Owners are hereinafter collectively referred to as "Members" and "Member" individually). The Members desire to conduct and continue the former Partnership business and operations as they affect the Owners as described in the above Recitals as a limited liability company as permitted under the laws of the State of California, including, without limitation, the California Revised Uniform Limited Liability Company Act as set forth in California Corporations Code Sections 17701.01-17713.13 and all amendment and successor statutes thereto.

L. As of the Effective Date, the Members' respective Suite ownerships and undivided Common Area Interests and Percentage Interests in the Company (collectively "Interests") are described on the attached **Exhibit D ("Schedule of Interests")** to be revised and amended from time to time as such Interests change.

M. As of the Effective Date, the Company owns or controls real property interests located directly north of the DPPC, including a closed alleyway, Parking Lot, and a right of refusal to acquire the so-called "Martino property" west of the north Parking Lot ("North Area Interests" or "North Area"). In addition, the Company has acted as the Association's historical source of funds as needed by the Association for unbudgeted capital expenses.

N. The Owner's Suites are generally depicted on the map of the Complex attached hereto as **Exhibit E**.

O. The Association, by a license agreement granted from the Company, has the right to use the North Area Parking Lot for additional Complex parking for consideration, including paying all the Association's costs to maintain the Parking Lot and the North Area, including, but not limited to, landscaping, hardscape and property taxes. A copy of the **License** is attached hereto as **Exhibit F**.

P. The Members enter into and adopt this Agreement to provide for the governance of the Company, the conduct of its business and to memorialize their agreement and understanding regarding the ownership, management, operations of the Company, and their rights, obligations and restrictions as Members of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Members agree as follows:

1. The Company.

1.1 Recitals. The foregoing Recitals are true and correct.

1.2 Statutory Governance. The Members have formed a limited liability company pursuant to the provisions of the California Limited Liability Act ("LLC Act"). In the event of any conflict between any terms of the Articles and any terms of this Agreement, the terms of the Articles shall prevail. The rights and liabilities of the Members are as provided in the LLC Act except as may otherwise be provided in this Agreement, in which event, and provided that it is permitted by the LLC Act, the provisions of this Agreement shall control and prevail.

1.3 Name. The name of the Company is Downey Park Professional Center, LLC or such other fictitious business name as approved by the Members.

1.4 Principal Office. The principal executive office of the Association is located at 1213 Coffee Road, Suite B, Modesto, California 95355, or at such other place as the Board may from time to time authorize ("Principal Office").

1.5 Purpose. The purpose of the Company is to own and hold the Company's real and personal property assets ("Company's Assets") and to coordinate with the Association management responsibilities with respect to the Downey Park Complex.

1.6 Interest in Company. Each Member's Membership Interest in the Company, as well as any Assignee's Economic Interest in the Company (each, an "Economic Interest Owner" and collectively, the "Economic Interest Owners"), constitutes personal property of the Member or Assignee. A Member or Assignee does not have any Interest in any specific Property of the Company.

1.7 Limited Liability. Except as required under the Act, including, without limitation, Section 17703.04 of the Act, or as expressly set forth in this Agreement, no Member or Manager is personally liable under any judgment of a court or in any other manner for any debt, obligation, or liability of the Company, whether that liability or obligation arises in contract, tort, or otherwise solely by reason of the Member acting as a Member or the Manager acting as a Manager for the Company.

1.8 No Payments of Individual Obligations. The Company and the Members will use the Company's credit and assets solely for the benefit of the Company. No asset of the Company may be transferred or encumbered for, or used in payment of, any individual, personal and/or corporate/entity obligation of a Member.

1.9 Other Documents. The Executive Committee, as described in **Section 4.1** below, shall on behalf of the Members execute such other documents and instruments as may be necessary or appropriate with respect to the conduct of business by the Company.

1.10 Agent for Service of Process. Corey R. Acree, whose address is 1213 Coffee Road, Suite B, Modesto, California, is the Company's initial agent for service of process. The Members may, from time to time, change the agent for service of process or address in the manner provided by applicable law, provided that the Company continuously maintains an agent for service of process in California. In the event the designated agent ceases to act as such for any reason or no longer resides in California, the Company must promptly designate a replacement agent and file an amended statement (Form LLC-2) with the California Secretary of State.

1.11 Company Assets. Company Assets consisting of real and personal property ("Company Assets") will be owned by and in the name of the Company. Each Member's Percentage Interest in the Company Assets is personal property for all purposes.

1.12 Term. The term or duration of the Company will continue until terminated as provided in **Section 8** unless sooner dissolved or terminated pursuant to California law or an applicable provision of this Agreement.

1.13 Outside Activities and Company Opportunities. Only to the extent such activity does not compete or materially interfere with business or the purpose of the Company or involve adjacent or neighboring parcels, any Member of the Company may, either directly or indirectly, by and through an Affiliate, engage in whatever activities such Member chooses, without having or incurring any obligation to offer any interest in such activities to the Company or the other Members. Each Member hereby waives, relinquishes and renounces any right to such income or claim of participation in any manner against any other Member for such permitted activities and acknowledges and agrees that such waiver, relinquishment and renouncement is reasonable. Members are not prohibited from acquiring real estate within DPPC's vicinity and shall have no legal obligation to share any such opportunity or create an interest in favor of the Company unless such interest or acquisition would conflict or materially interfere with the Company's existing ownership interests or rights in any such appurtenant parcel such as, for example, the Company's right of first refusal in the Martino property or the North Area as described in **Recital M**. In the event a Member becomes aware of an activity that

competes or could materially interfere with the business purpose or an existing right of the Company, such Member shall immediately inform the Executive Committee. An example would be if a Member becomes aware of the purchase, development, or leasing of real property adjacent to the Downey Park Complex that would become accessible only by a zoning change permitting access through the Complex.

1.14 Definitions. Capitalized words and phrases used herein have the meanings and definitions set forth elsewhere in this Agreement or as set forth in **Appendix I** attached hereto.

2. Percentage Interest Calculation; Capital Accounts.

2.1 Calculation. Each Member's Percentage Interest is based on the Square Footage Formula described in **Recital F** and set forth on the Schedule of Percentage Interests attached hereto as **Exhibit D**.

(a) Expansion of Unit. A Member intending to expand or remodel such Member's Suite shall first seek the approval of the Association's Board of Directors in accordance with the procedure described in **Section 6.5** of the Declaration. As set forth in **Recital G**, a Member who obtains approval for construction of a Unit that will result in the expansion of the Unit beyond its original boundary line and increase of the Unit's area square footage, will cause such Member's undivided Common Area Interest and the Owner's Percentage Interest or share of CAMS to also increase and simultaneously reduce each non-expanding Member's undivided Common Area Interest and Percentage Interest. The Member, as part of the approval process, shall pay the Company's and the Association's out of pocket costs, including, but not limited to, title insurance coverage, obtaining the required signatures of the other Owners/Members, survey fees, recording costs, and legal fees, if required in the opinion of the Board, to facilitate the expansion.

(b) Member's Net Asset Valuation. A Member's net asset valuation, including the Airspace Unit and the Member's pro rata Percentage Interest in the DPPCOA and DPPC are based solely on the Square Footage Formula that may float or fluctuate from time to time as Members' modify or expand the square footage and boundary line of their respective Airspace Unit in accordance with the requirements as described in this **Section 2.1**.

2.2 Capital Accounts. Irrespective of a Member's Percentage Interest, the Company shall establish separate individual Capital Accounts for each Member that shall be their equity account based on the accounting records of the Company, and an individual Capital Account for each Economic Interest Owner. It contains the following types of transactions, initial and subsequent contributions by Members to the Company in the form of either cash or the market value of other types of assets maintained for each Member in accordance with the provisions of *§1.704-1(b)(2)(iv) of the Treasury Regulations*.

(a) Additional Capital Contributions. Whenever it is determined by a Supermajority Vote that the Company's capital is or is likely to become insufficient for the conduct of its business, the Executive Committee may call for the needed additional capital contribution ("Capital Contributions") by providing written notice to all Members specifying in

reasonable detail the basis for and amount thereof. Such Capital Contributions shall be payable in cash no later than the date specified in the notice (“Default Date”), but in no event sooner than fifteen (15) days after the notice is given. Each Member shall be liable to the Company for his or her proportionate share of the aggregate contributions.

(b) **Failure to Make Capital Contributions.** If any Member fails to pay any agreed Capital Contribution to the Company capital by the Default Date, then the Executive Committee, acting in concert with the Board, may use all reasonable means, and if necessary, utilize the remedies in conjunction with the Association’s Board of Directors as provided by the Declaration.

(c) **No Withdrawal of Capital.** No Member may withdraw such Member’s Capital Account from the Company.

(d) **No Interest on Capital.** No interest shall accrue on any Member’s Capital Account or any Economic Interest Owner.

(e) **Loans by a Member.** No Member shall lend or advance money to or for the Company’s benefit without the written approval of the Executive Committee.

(f) **Management Fee.** Irrespective of the foregoing, the Members of the Executive Committee shall be entitled to a management fee as reasonably approved from time to time by a majority of Members.

2.3 Failure to Pay Assessment. The Executive Committee, in concert with the Association’s Board of Directors, shall have the right to utilize all lawful means to join in the enforcement of the Owner’s/Member’s obligations as set forth in the Declaration.

3. Records, Filings and Tax Matters.

3.1 Records. Proper and complete books of account of the Company business shall be kept at the Management Office (designated below in **Section 4.8(e)**). They shall be open to inspection by any of the Members or their accredited representatives by prior notice at any reasonable time. The accounting records shall be maintained in accordance with generally accepted bookkeeping practices.

3.2 Filings. The Executive Committee shall have the authority to file any statutory filings as it deems necessary and/or appropriate.

3.3 Fiscal Year. The Fiscal Year of the Company shall end on December 31 of each year for income tax reporting purposes. However, for planning purposes, and to better prepare for the Company’s annual meeting, the year end for the budgets of the Association and the Company for such purposes ends June 30.

4. Management.

4.1 Executive Committee. The business of the Company, including performing services on behalf of the Members, shall be conducted by the Executive Committee comprised of Members who serve on the Executive Committee shall be elected by a Majority in Interest of Members and shall also serve concurrently as Directors of the Association's Board. (Each Member of the Executive Committee shall hereinafter be referred to in the singular as "Executive Committee Member" or in the plural as "Executive Committee Members").

4.2 Powers. Subject to the limitations set forth in **Section 4.3** below, the Executive Committee shall have the exclusive power to do any and all acts necessary, convenient or incidental to the furtherance of the Company's purpose and as delegated by the Association pursuant to the Declaration. The Executive Committee has the authority to bind the Company. Any Member or Executive Committee Member acting alone shall have no part in the operation or management of the Company or the Association and shall have no authority or right to act on behalf of or to bind the Company or the Association in connection with any matter.

(a) **Special Power of Attorney.** Each Member designates any two (2) Executive Committee Members to be selected from time to time by the Executive Committee to act as their true and lawful attorney-in-fact with the power and authority to act on behalf of the Company and in such respective designating Members individual name, place and stead to sign, seal, execute, deliver, and acknowledge on each such Member's behalf, any and all deeds, contracts, covenants, leases, deeds of trusts, Assignments, and such other written instruments of whatever kind or nature as may be reasonable, advisable, or necessary for the management or improvement of the Downey Park Complex, including amending the Condominium Plan, Declaration, and modifying the Square Footage Formula to accommodate an approved expansion of a Member's Suite.

4.3 Limitations on Executive Committee's Power. Notwithstanding the preceding **Section 4.2**, a Supermajority of the Company Members must approve any of the following actions to be taken by the Executive Committee:

(a) **Attachment.** Knowingly performing an act that could result in Company Assets being seized or attached.

(b) **Sale.** Any sale of Company Assets.

(c) **Security.** Any pledge, hypothecation, or mortgaging of Company Assets.

(d) **Leases or Licenses.** With the exception of the license granted to the Association for use of the Parking Lot, the leasing or licensing of a Company Asset.

(e) **Existing Relationship.** Any attempt to change the existing relationship or responsibilities with respect to the Association or the Downey Park Complex.

4.4 Budget; Operating Expenses. The Executive Committee, together with the Accounting Manager, shall provide, prior to the Company's annual meeting, a balance sheet and budget, including the Company's operating expenses, ("Budget") to be approved at such annual meeting by a Majority in Interest of the Members, with no further approval required for the coming year.

4.5 Executive Committee Composition. The Executive Committee Members shall be composed of a minimum of five (5) individuals. Two (2) of the Executive Committee Members may be non-Owners who shall be non-voting and appointed by a vote of two-thirds (2/3rds) of the three (3) Members. Of the two (2) non-Owner appointees, one (1) shall act as the Executive Secretary (as described in **Section 4.8(d)** below). The Executive Committee Members shall have the required skills and allocate the necessary time to manage DPPC and DPPCOA business matters similar to those of another qualified Member or professional management consultant providing typical condominium management service.

4.6 Term. Each Executive Committee Member shall serve for a one (1) year term that shall automatically renew unless removed and replaced by Supermajority Vote of Owners taken at the Annual Meeting or at a special meeting of the Executive Committee of the Company duly noticed as provided in **Section 4.7(a)** below, with the Person whose term is being considered for removal abstaining. The meeting may be called by the Executive Committee or Owner Members holding at least twenty-five percent (25%) Percentage Interest. No more than two (2) Executive Committee Members can be removed annually. Upon an Executive Committee Member's voluntary resignation, or inability to serve on the Executive Committee due to such Member's death or incapacity, the Executive Committee shall promptly select another Owner Member with reasonable qualifications to fill such vacancy for the remainder of such Member's term.

4.7 Regular Executive Committee Meetings. Regular meetings of the Executive Committee shall be held at the Downey Park Professional Center or at locations as agreed to by the Executive Committee either on the third Monday of each month or at such other regular intervals as may be decided by a majority of the Members. No notice need be given of the regular meetings.

(a) Special Executive Committee Meetings. Special meetings of the Executive Committee ("Special Executive Committee Meeting") may be called by any Executive Committee Member or by twenty-five percent (25%) of the Owner Members to be held at the Company's Principal Office or other nearby location.

(i) The Executive Committee shall first attempt to resolve the issue informally with the parties requesting the Special Executive Committee Meeting prior to its next monthly meeting or ten (10) days thereafter. If the matter cannot be resolved within this time period, notice of such failure to resolve shall be given to the Executive Committee Members at least ten (10) business day prior to the Special Executive Committee Meeting that shall include the time of the proposed meeting and a general description of the meeting's purpose;

(ii) The notice shall also request a reasonably prompt reply from the Executive Committee Members of their availability for such a Special Executive Committee Meeting in order to determine whether an Executive Committee Member plans to attend the Special Executive Committee Meeting in person or by phone, and whether a quorum will be available; and

(iii) If within ten (10) days of such a Special Executive Committee Meeting the matter has not been adequately resolved to the satisfaction of the Members calling the meeting, the Executive Secretary shall call a Special Meeting of the Members to vote upon the unresolved matter in accordance with the procedure set forth in **Section 6.2** below (“Special Membership Meeting”).

(b) **Executive Committee Voting.** Unless otherwise provided in this Agreement, all decisions or approvals of the Executive Committee Members shall be made by a Majority in Interest vote of the Executive Committee. Irrespective, each Executive Committee Member shall have one (1) vote which may be given to another Member by lawful proxy, in person, or by telephone, email, or other reasonable method of communication at the time the vote is called for.

(c) **Right of Members to Override Executive Committee.** Two-thirds (2/3rds) of the Members can override any Executive Committee action or decision.

4.8 Executive Committee Officers. The Executive Committee shall select among themselves the following officers:

(a) **Chairperson.** A Chairperson who shall preside at all meetings. Executive Committee Members shall also serve concurrently on the Association’s Board of Directors.

(b) **Secretary.** A Secretary whose role is different than that of the Executive Secretary described in **Section 4.8(d)** below. This Secretary shall review with the Chairperson and Executive Secretary each draft of the Executive Committee minutes and support communications as directed by the Executive Committee.

(c) **Treasurer.** The Treasurer shall assist the Executive Committee and support communications as directed by the Executive Committee.

4.9 Non-Member Professional Assistant. The following Non-Member positions are established to serve, assist and advise the Executive Committee:

(a) **Executive Secretary.** The Executive Secretary’s general responsibilities shall be to act as the Company’s on-site manager and contact Person to handle day to day Company and Association matters, including Common Area problems, and to perform those duties that the Executive Committee may specify from time to time as provided in this Agreement, all in contact and coordination with the Executive Committee.

(b) Accounting Manager. The Accounting Manager shall be a certified public accountant. As of the Effective Date, Victor Johnston of Johnston, Kelley & Company, 909 14th Street, Modesto, California 95354 (“Management Office”) shall act as the Accounting Manager. The purpose of the Accounting Manager is to provide financial information to the Company, be responsible for all payables and receivables, prepare monthly accounting status reports for the Members prior to each Executive Committee meeting, and maintain the Company’s financial records on an ongoing basis. In addition, the Accounting Manager, together with the Executive Committee, shall prepare the Budget as described in **Section 4.4**. The Accounting Manager shall also provide the following services:

(i) By mid-February, a copy of the Company’s preceding year’s federal and state income tax returns and Schedules K-1(federal) and K (state), provided the Accounting Manager has been given the information and data as requested by the Accounting Manager reasonably in advance of that date.

(ii) Any additional information that the Members may reasonably require for the preparation of their individual tax returns.

(c) Other Executive Positions. For the purpose of more efficiently conducting Company business, the Executive Committee can create other executive positions and/or Assign a specific Member to chair particular Assignments or projects on an as needed advisory basis.

4.10 Handling Funds.

(a) Banking. All Company funds shall be deposited in the Company’s name by the Accounting Manager in such account or accounts with Member banks of the FDIC as may be approved in advance by the Executive Committee, provided, however, that the Executive Committee may elect to deposit all or a portion of the funds standing in the Company reserves in interest bearing accounts, or apply such funds to purchase short term interest bearing investments issued or guaranteed as to payment with such banks or other financial institutions that are members of the FDIC or the United States (or its agencies or instrumentalities). Withdrawal of funds from Company accounts shall be made on such signature of any Member of the Executive Committee by signing checks prepared by the Accounting Manager for a specific verifiable event or invoice provided by the Chairperson or other Member of the Executive Committee.

(b) Check Signing. All checks shall be prepared by the Accounting Manager and transmitted to the Executive Secretary who will obtain the signature from any Member of the Executive Committee, other than the Executive Secretary. The current check register shall be reviewed by the Executive Committee at their next regularly scheduled monthly meeting.

4.11 Compensation and Reimbursement.

(a) **Compensation.** The Chairperson and the Executive Secretary shall receive compensation for their services in a higher amount than that received by each of the other Executive Committee Members, all as reasonably determined by a Majority in Interest of the Members. The compensation shall be paid out of the Company account with seventy percent (70%) or more received from the Association's management account. Unless otherwise provided in this Agreement, no other Member or Affiliate of any Member shall receive any salary, fee, or draw for services rendered to or on behalf of the Company or otherwise in its capacity as a Member unless authorized by the prior approval of the Executive Committee for a specific project.

(b) **Reimbursement.** Any Member, subject to approval of the Executive Committee, may charge the Company, and be reimbursed, for any reasonable direct expenses incurred in connection with the Company's business.

5. Transfer and Assignment of Membership Interest.

5.1 General Prohibition. Each Member agrees that, other than as expressly provided in this Agreement, or until the sale of his or her Unit, such Member will not Transfer, Assign, hypothecate, or in any way alienate all or any part of such Member's Membership Interest, except as permitted pursuant to **Section 5.2** below. No Member may Assign or otherwise deal with any Membership Interest in a way that would cause a default under this Agreement or any agreement to which the Company is bound. Any attempted Assignment of a Membership Interest, or any part thereof, not in compliance with this **Section 5** shall be null and void and as such, shall neither relieve the Assignor Member ("Assignor Member") of such Member's obligations under this Agreement or entitle the Assignee to any rights as a Substituted Member of the Company as such rights are set forth in this Agreement and/or conferred by law.

(a) **Failure to Disclose.** If a Member conceals or refuses to reveal or misrepresents pertinent facts regarding any Assignment, and such refusal continues for thirty (30) days after being requested to reveal such information, the Executive Committee may institute and maintain an equitable proceeding to compel specific performance of the terms of this Agreement by such Member and obtain damages in addition thereto and reasonable attorneys' fees.

5.2 Permitted Assignments. Notwithstanding anything to the contrary in this **Section 5**, the following Assignments are permitted upon written notice to the Executive Committee (each, a "Permitted Assignment" and together, the "Permitted Assignments"):

(a) **Member's Controlled Entity.** An Assignment by a Member to (1) a Membership, corporation, or limited liability company of which the assigning Member is a Member, shareholder or member, respectively, and such Assignment has been approved by a Majority in Interest of the Members, or (2) one (1) or more entities controlled by such Member (the term "controlled" shall mean such Member that holds and owns more than ninety percent [90%] of the voting and equity interest in such entity.

(b) **Trusts.** An Assignment by a Member to a revocable inter vivos trust of which the Member is a settlor, the Member is a trustee and the only other trustee, if any, is the Member's spouse, and the Member is a primary beneficiary and the only other primary beneficiary, if any, is the Member's spouse or domestic partner.

(c) **Death or Disability.** An Assignment to a Member's lawful heir, trustee, or personal representative as a result of such Member's death or disability.

(d) **Sale of Member Suite.** An Assignment, as part of the sale of a Member's Suite.

5.3 Assignee's Rights. An Assignee of a Member's Interest shall have no right to exercise the rights of a Member, unless and until the Assignee is admitted as a Substituted Member, meaning a Member with full rights and liabilities as the other Members, including the right to vote on matters as provided by this Agreement by either purchasing a Member's Suite and Company's pro rata interest or otherwise acquiring the Membership Interest as permitted by this Agreement.

5.4 Procedural Requirements. All approved Assignments shall be by a written instrument in form and substance satisfactory to legal counsel for the Company that includes, among other provisions, an expression by the Assignee to accept the Assignment and such Assignee's agreement, to assume the Assignor's third party obligations and to adopt and be fully bound by all of the terms and conditions of this Agreement, and as the same may have been amended.

(a) **Costs and Expenses.** The Assignor Member shall be responsible for all reasonable expenses incurred by the Company in connection with such Assignment, including, without limitation, preparation by legal counsel of the necessary amendments to this Agreement to reflect such Assignment.

(b) **Execution of Documents.** The Assignor Member and Assignee must execute and acknowledge all such instruments, in form and substance reasonably satisfactory to the Company's counsel, as may be necessary or desirable to effectuate such Assignment.

5.5 Assignment of Economic Interest. Notwithstanding the provisions of **Section 5.1**, a Member may Assign its Economic Interest without the approval of the Members; for example, as a first deed of trust security for a lender. However, the Economic Interest shall be limited only to the pro rata share of that Member's ownership interest in the Member's Unit and any such Member's Membership Interest in the Company. Such an Assignment of an Economic Interest will not of itself cause the dissolution of the Company or entitle the Assignee holder of the interest to vote, participate in the management and affairs of the Company, or become or exercise any rights as a Substituted Member. Upon the Assignment of all or part of an Economic Interest, the Assignor Member must provide the Company with the name and address of the Assignee, together with the details of the interest assigned. The Assignment of an Economic Interest will not release the Assignor Member from such Member's liability as a Member of the Company.

5.6 No Dissolution. In no event will the Company dissolve or terminate upon the withdrawal or admission of any Member to the Company or upon any Permitted Assignment of a Membership Interest in the Company by any Member. Each Member hereby waives such Member's right to dissolve, liquidate or otherwise terminate the Company in such event.

5.7 Assignor's Liabilities. Upon completion of an Assignment in compliance with this Agreement, the Assignor Member will be released from all future obligations arising to third parties after the date of such Assignment provided the Executive Committee approves and the Assignee becomes a Substituted Member and complies with the requirements described in **Section 5.9** below. However, the Assignor Member will remain liable for liabilities to third parties occurring on or prior to the date of such Assignment and for such liabilities and obligations under this Agreement unless, if approved by the Majority of the Executive Committee, the Assignor Member is released from such liability.

5.8 Member's Bankruptcy, Death or Incapacity. The bankruptcy, death or incapacity of a Member shall not dissolve or terminate the Company and such Member's Interest shall otherwise be subject to the terms of this Agreement. In the event such Member's Interest in the Company passes to a successor or successors-in-interest of such Member, such successor or successors-in-interest shall succeed to the dissolved or bankrupt Member's entire interest in the Company, and shall, subject to the successor or successors-in-interest meeting the applicable requirements of being a Substituted Member of the Company as described below in **Section 5.9**.

5.9 Substituted Member Requirements. In the event such successor or successors-in-interest of a Member are admitted to the Company as a Substituted Member, such successor(s) shall execute and deliver to the Company all documents that may be necessary or appropriate to reflect their admission to the Company as a Substituted Member (as defined in Appendix 1) and execute an amendment or instrument reasonably satisfactory to the Executive Committee agreeing to be bound by the terms and conditions of this Agreement, including the requirement to sell or Transfer such successor Member's Interest in the land and Airspace Unit in the same manner as provided in this Agreement and shall pay all reasonable out of pocket expenses connected with such admission and documentation.

5.10 Withdrawal and Termination of Member's Interest. No Member may voluntarily withdraw from the Company without the prior consent of the Executive Committee. Upon any withdrawal of a Member, Transfer or Assignment of a Member's Interest that does not result in the admission of a Substituted Member pursuant to **Section 5.8** above, such Member's Interest shall become only an Economic Interest.

6. Company Meetings.

6.1 Annual Meeting. The annual Company meeting of the Members shall be held on the first Tuesday in August or at a date reasonably close to be held at the Company's Principal Office or nearby location. The Executive Secretary shall provide not less than ten (10) days or more than thirty (30) days' notice to the Members of the annual meeting.

6.2 Special Members' Meeting. Members holding collectively twenty-five percent (25%) or more of the Company's Percentage Interests may call a special meeting of the Members as follows ("Special Membership Meeting"):

(a) **Initial Meeting with Executive Committee.** First request to meet with the Executive Committee at its next regular monthly Executive Committee meeting to discuss the reason for the Special Membership Meeting.

(b) **Unable to Resolve.** If the requesting Members and the Executive Committee are unable to resolve the matter at the regularly scheduled Executive Committee meeting, the Executive Secretary shall provide notice of the Special Membership Meeting not less than ten (10) days or more than thirty (30) days prior to the date of such meeting ("Notice of Special Membership Meeting").

(c) **Failure to Provide Notice.** If the Notice of Special Membership Meeting is not provided by the Executive Secretary within the time period described above, the Member(s) requesting the Special Meeting may themselves give the Notice of Special Meeting within the time period set forth in **Section 6.2(b)** above.

6.3 Voting of Members. Whenever the vote or consent of Members is permitted or required under this Agreement, such vote may be given at the particular meeting, or in lieu thereof, by consent in accordance with the procedure prescribed in **Section 6.6** below. Except as otherwise expressly provided in this Agreement, the vote of a Majority in Interest of the Members shall control. Cumulative voting is prohibited.

6.4 Use of a Proxy. Each Member may authorize any other Member to act for such Member by proxy on all matters, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed either by the Member, his attorney-in-fact or lawful representative in the case of death or disability, and specify the specific powers granted to the proxy holder. No proxy shall be valid after the expiration of eleven (11) months from the date of such proxy unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

6.5 Conduct of Meetings. Each Membership meeting shall be conducted in accordance with Roberts Rules of Order by the Chairperson of the Executive Committee or such other Member of the Executive Committee as the Chairperson may appoint.

6.6 Member's Consent. In lieu of a vote taken at a meeting, and unless otherwise provided in this Agreement, and notwithstanding anything to the contrary in this **Sections 6**, the Company may take any action contemplated under this Agreement if approved by a Majority in Interest of the Members. The Chairperson may require response to any request for such approval within a specified time, but not less than ten (10) days.

7. Amendments. Members holding collectively twenty-five percent (25%) or more of the Member's Percentage Interests may propose an amendment to this Agreement by providing a copy of such proposed amendment to the Executive Committee.

7.1 Executive Committee Meeting. The Executive Committee will meet at their next monthly meeting with such Members proposing the amendment, to consider the feasibility of and need for the amendment and seek resolution between them.

7.2 Notice of Special Meeting. If after such a meeting with the Executive Committee or such Members holding twenty-five percent (25%) or more of the Percentage Interest desire to pursue the amendment, then within ten (10) days thereafter, the Chairperson will instruct the Executive Secretary to provide notice of a Special Meeting to be given to all Members not less than ten (10) days or more than thirty (30) days prior to the date of such meeting (“Notice of Special Meeting”).

7.3 Contents of Notice of Special Meeting. The notice shall contain a copy of the proposed amendment and a written verbatim statement by the Members requesting the meeting as to the reasons for adoption of the proposed amendment and the Executive Committee’s recommendation as to whether or not the Company should or should not adopt the proposed amendment. The amendment shall become effective only if adopted by a Supermajority Vote of the Members taken at the Special Meeting.

8. Dissolution and Winding Up.

8.1 Dissolution. The Company shall be dissolved on the first of the following events to occur:

- (a) **Vote.** A Supermajority Vote of the Members.
- (b) **Sale.** The sale or other disposition of substantially all of the Suites and the assets of the Company.
- (c) **Court Decree.** The entry of a decree of judicial dissolution.

8.2 Winding Up. On the dissolution of the Company, the Company shall engage in no further business other than that necessary to wind up the business and affairs of the Company and discharge its obligations, including promptly filing a notice of dissolution as required by the California Corporations Code.

9. Indemnification.

9.1 Indemnification of Members. The Company will indemnify, protect, and defend the Members, together with their Owners, directors, officers, members, Members, shareholders, employees and agents (collectively, the “Indemnitees”) against, and hold them harmless from, all claims, demands, obligations, liabilities, losses, expenses, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorneys’ fees, that they shall incur or suffer which, in whole or in part, arise from, result from, or relate to, the Members’ performance or failure to perform under this Agreement, excepting therefrom only the results of the Members’ gross negligence, unauthorized act, intentional misconduct, breach of fiduciary duty or breach of this Agreement. The above described duty to defend will continue despite the allegation of any conduct, which, if proven, would relieve the Company from its

obligation to indemnify the Indemnitees. Should, however, a final adjudication hold that a Member was guilty of gross negligence, an unauthorized act, intentional misconduct, breach of fiduciary duty or breach of this Agreement, then such Member will reimburse the Company for all monies expended by it in the course of the defense of such conduct.

9.2 Indemnification by Individual Members. Each Member will protect, defend, indemnify and hold the Company and the other Members, together with its Owners, directors, officers, Executive Committee Members, employees and agents, harmless against all claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees) and damages of any nature; only to the extent, however, that such claims, demands, liabilities, costs and expenses (including reasonable attorneys' fees) and damages are related to the gross negligence, unauthorized act, intentional misconduct, breach of fiduciary duty or breach of this Agreement by such Member, and further indemnify, protect, defend and hold harmless the other Member for any breach, act of omission to act in connection with any representation, covenant and warranty given in this Agreement by the Member.

10. Insurance. The Executive Committee purchases and maintains insurance on behalf of the Executive Committee Members to provide coverage against certain specified claims asserted against such Committee Member or claims incurred by another Member or Person acting in any such capacity, or arising out of such Person's status as an agent.

11. Representations and Warranties. As of the Effective Date hereof, each of the statements contained herein is true, accurate and fully discloses of all facts relevant to the matters contained herein, and these warranties and representations shall survive the execution of this Agreement. The Members and each of them, represent and warrant that:

11.1 Execution. To the best of each such Member's knowledge, neither the execution and delivery of this Agreement, nor the performance of, or the compliance with, its terms, has resulted (or shall result) in any violation of, or be in conflict with, or invalidate, cancel, or make inoperative, or interfere with, or constitute a default under any mortgage, deed of trust, indenture, contract, agreement, permit, judgment, decree, or order to which such Member is a party.

11.2 No Action Pending. To the best of each such Member's knowledge, there is no action, proceeding or investigation, pending or threatened (nor any basis therefor) which questions, directly or indirectly, the validity or enforceability of this Agreement as to such Member or which would materially and adversely affect the Company.

11.3 Transfer Restrictions. Each Member acknowledges that there are substantial, restrictions on the transferability of the Company Interest pursuant to this Agreement, that there is no public market for a Company Interest and none is expected to develop, and that the Company Interest is solely to affect the Company. Accordingly, it is not possible for such Member, or such Member's heirs or lawful representative, to liquidate his or her investment in the Company business until such time as a Member sells such Member's Suite.

11.4 Waiver of Partition. No Member, either directly or indirectly, may take any action to require partition of the Company or of any of its assets or properties or cause the sale of any Company Property, and notwithstanding any provisions of applicable law to the contrary, each Member (and its/his legal representatives, successors or assigns) hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to its Membership Interest, or with respect to any assets or properties of the Company, except as expressly provided in this Agreement.

12. Miscellaneous.

12.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement must be in writing and will be deemed delivered, given and received for all purposes if delivered personally to the Member or to an officer of the Member to whom the same is directed; by reputable overnight courier (i.e., FedEx or UPS Overnight); or whether or not the same is actually received, if sent by registered or certified mail, postage and charges prepaid, addressed as follows: if to the Company, to the Company at the address set forth in **Section 1.4** hereof, or to such other address as the Company may from time to time specify by notice to the Members; if to a Member, to such Member at the address attached hereto or to such other address as set forth on the Contact List. Any such notice will be deemed delivered, given and received as of the date so delivered, if delivered personally, or as of the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

12.2 Construction. Every covenant, term and provision of this Agreement is being construed simply according to its fair meaning and not strictly for or against any Member.

12.3 Time. Time is of the essence with respect to this Agreement.

12.4 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

12.5 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity or legality of the remainder of this Agreement.

12.6 Additional Documents. Each Member agrees to perform all further acts and execute, acknowledge and deliver any documents which may be reasonably necessary, appropriate or desirable to carry out the provisions of this Agreement.

12.7 Variation of Pronouns. All pronouns and any variations thereof are deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the Person or Persons may require.

12.8 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts will be construed together and shall constitute one agreement.

12.9 Dispute Resolution. With the exception of the resolution of matters pursuant to **Section 4.7(a)(i)** and **Section 6.2(b)**, all disputes between the Members relating to the interpretation and enforcement of their rights and obligations under this Agreement or in relation to their status as Members of the Company shall first be attempted to be resolved by the Executive Committee. If the Members are unable to resolve the matter within thirty (30) days with the Executive Committee, the matter shall be resolved according to the following procedure:

(a) **Meet and Confer.** First, the Members shall use their commercially reasonable efforts for a period of ten (10) days to resolve the dispute by negotiation. To commence the dispute resolution process, any Member may serve written notice on the other Member specifically identifying the dispute and requesting that efforts at resolving the dispute begin. The Members shall attempt in good faith to resolve the dispute using their best efforts to reach agreement on the matters in dispute.

(b) **Mediation.** Second, if the Members are unable to resolve the dispute by negotiation within the time frame set forth in **Section 12.9(a)** above, which time frame may be extended by mutual agreement in writing of the Members, the Members shall thereafter attempt in good faith to resolve such dispute by confidential nonbinding mediation. The party commencing the dispute resolution process hereunder by giving notice as set forth in **Section 12.9(a)** shall choose either Judicial Arbitration and Mediation Services (“JAMS”) or the American Arbitration Association (“AAA”) to conduct the mediation. The mediation shall be initiated upon written request by any Member to the other Member. Within thirty (30) days of such written request, the Members shall jointly select an individual to serve as the mediator. If the Members cannot agree on a mediator, then either JAMS or the AAA will appoint the mediator. The mediation shall be held in Stanislaus County, California.

(c) **Arbitration.** Third and last, if the Members fail to resolve such dispute through the procedures as set forth in **Section 12.9(a)** and **Section 12.9(b)** above, the dispute will be adjudicated by confidential, binding arbitration administered by JAMS or the AAA, as selected by the party initiating the dispute resolution process hereunder, and shall be held in Stanislaus County, California. The provisions of the California Code of Civil Procedure, Section 1283.05, and any successor statute, shall apply to any and all discovery matters in any arbitration proceeding hereunder. No Member waives any attorney-client privilege or any other privilege against disclosure of confidential information by reason of anything contained in or done pursuant to or in connection with this **Section 12.9(c)**. The arbitrator’s fees shall initially be paid in proportion to their respective Percentage Interest by the Members, but the arbitrator shall award recovery of such fees to the prevailing Member.

(d) **Provisional Judicial Remedies.** Nothing contained in this **Section 12.9** shall prevent any Member from obtaining a provisional judicial remedy regarding any such dispute, including enforcement of the notice provisions of this Agreement, if available, under law, including, without limitation, injunctive relief, writs of attachment, temporary protective orders or any similar equitable relief. Provided, however, and notwithstanding such provisional relief, such dispute will continue to be resolved or decided as provided above.

12.10 Attorneys' Fees.

(a) **Attorneys' Fees Recoverable.** Should any Member or the Company acting alone or through the Executive Committee commence or be involved in litigation to enforce or interpret any provision of this Agreement, the court, in its discretion, will include all or any part of the prevailing party's or parties' reasonable attorneys' fees as a recoverable cost against the losing party or parties.

(b) **Post Judgment Attorneys' Fees.** Reasonable attorneys' fees incurred by any party to this Agreement in enforcing any judgment on any action brought to resolve any controversy arising under this Agreement, to enforce any of its terms or for the breach of this Agreement, are recoverable by the prevailing party. Such right to post judgment attorneys' fees is separate and distinct from the right to recover attorneys' fees pursuant to **Section 12.10(a)** above. The provisions of this **Section 12.10(b)** are severable from all other provisions of this Agreement, will survive any judgment and will not be deemed merged into any judgment.

12.11 Governing Law. This Agreement is executed and intended to be performed in the State of California, and the laws of that state will govern its interpretation and effect.

12.12 Successors. This Agreement is binding on and inures to the benefit of the respective successors, assigns and personal representatives of the Members, except to the extent of any contrary provision in this Agreement.

12.13 Waiver. To the extent that any provision of this Agreement is inconsistent with any provision of California's Uniform Membership Act of 1994 (California Corporation's Code §§16100 et seq.), each of the Members hereby waives the inconsistent statutory provision.

12.14 Entire Agreement. This instrument contains the entire agreement of the Members relating to the rights granted and obligations undertaken herein. This Agreement has no effect for any purpose unless it is executed by the Members and spouses in accordance with the terms hereof indicated below.

12.15 Authority. Each Person signing this Agreement on behalf of an entity warrants and represents that such Person is fully authorized and empowered to sign this Agreement on behalf of such entity and that this Agreement is binding on such entity.

12.16 Preparation of Agreement; Independent Counsel. Each Member acknowledges and agrees that (a) this Agreement has been prepared by Sidney A. Israels, Esq., of the law firm of Wendel Rosen Black & Dean LLP in his role as counsel to the Company only and not as counsel to any individual Member; and (b) they each have been advised to consult with independent legal counsel and tax advisors concerning the legal effects and tax implications of this Agreement and their investment in the Company, that each has had ample opportunity to do so, and that whether or not he or she has chosen to obtain the advice of independent professional advisors, he or she understands the legal effects and tax implications of each and

every provision of this Agreement. To the maximum extent permitted by applicable law, each Member hereby waives any and all defenses to enforcement of this Agreement on the basis of lack of understanding or opportunity to consult with independent professional advisors.

12.17 Counting Days. Days shall be counted by excluding the first day and including the last day, unless the last day is a Saturday, a Sunday, or a legal holiday, and then it shall be excluded. Any act required by this Agreement to be performed by a certain day shall be timely performed if completed before 5:00 P.M., Pacific Time, on that date. If the day for performance of any obligation under this Agreement is a Saturday, a Sunday, or a legal holiday, the time for performance of that obligation shall be extended to 5:00 P.M., Pacific Time, on the first following day that is not a Saturday, Sunday, or legal holiday.

12.18 Economic Risk. Each Member is financially able to bear the economic risk of an investment in the Membership Interest, including the total loss thereof.

12.19 Investment. Each Member has acquired the Membership for investment and not with intent to sell or for sale in connection with any distribution of such Membership Interest and no other Person has any interest in or right with respect to such Membership Interest; nor has such Member agreed to give any Person any such interest or right in the future.

12.20 Restricted Security. **The acquisition of Membership Interests in the Company to the initial Members has not been qualified or registered under the securities laws of any state, or registered under the Securities Act of 1933, as amended, in reliance upon exemptions from the registration provisions of those laws. No attempt has been made to qualify the offering and sale of Membership Interests to Members under the California Corporate Securities Laws of 1968, as amended, also in reliance upon an exemption from the requirement that a permit for issuance of securities be procured. Notwithstanding any other provision of this Agreement, Membership Interests may not be transferred or encumbered unless in accordance with the terms of this Operating Agreement, registered or qualified under applicable state and federal securities law or in the opinion of legal counsel satisfactory to the Company, such qualification or registration is not required.**

12.21 No Advertisement or Solicitation. Each Member has not seen or received any advertisement or general solicitation with respect to the purchase or sale of such Membership Interest.

12.22 No Registration of Membership Interest. Each Member acknowledges that the Membership Interest has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or qualified under the California Corporate Securities Law of 1968, as amended, or any other applicable state securities law, in reliance in part, on his or her representations, warranties and agreements.

12.23 Consent of Spouse or Domestic Partner. Each Member (including Substitute Members and Additional Members) shall cause the spouse or domestic partner of such Member (if such Member is an individual) to execute a **Spouse or Domestic Partner Consent** in the form attached hereto as **Exhibit G** upon execution hereof by each such Member, or if a

Member or such Member does not have a spouse or domestic partner at the time of execution, within ten (10) days of acquiring a spouse or domestic partner.

12.24 Exhibits. Every Exhibit and appendix attached to this Agreement and referred to herein is incorporated in this Agreement by this reference and made a part hereof. The Exhibits referenced herein are as follows:

- Exhibit A Parcel Map filed September 20, 1993 (Recital E; Page 2)
- Exhibit B Plan of Conversion (Recital K; Page 3)
- Exhibit C Articles of Organization (Recital K; Page 3)
- Exhibit D Schedule of Interests (Recital L; Page 3)
- Exhibit E Downey Park Complex Map (Recital N; Page 4)
- Exhibit F License (Recital O; Page 4)
- Exhibit G Consent of Spouse or Domestic Partner (Section 12.23; Page 21)

Appendix 1 Definitions

IN WITNESS WHEREOF, the Members have entered into this Agreement as of the day first above set forth.

James M. Carlson

Laurel M. Carlson

Darrel R. Hansen and Betty K. Hansen,
Trustees of The Hansen 2005 Revocable Trust
under instrument dated March 15, 2005

By: _____
Darrell R. Hansen, Trustee

By: _____
Betty K. Hansen, Trustee

James L. Stanton

Joy T. Stanton

Corey R. Acree and Bonnie M. Acree, Trustees of
the C & B Acree Revocable Trust U/T/D February 3, 2006

By: _____
Corey R. Acree, Trustee

By: _____
Bonnie M. Acree, Trustee

Kelly R. Gerber

Hutto, LLC, a California limited liability company

By: _____
_____, Member

By: _____
_____, Member

Lance C. Bautista

Christopher D. Anderson

Patricia Lloyd

David Bauman

Lucinda L. Anderson

Keith Brewer

Charlotte Brewer

Edwin Y. Josephs

Andria Y. Kubo

Lisa P. Lange, Trustee of The Lisa P. Land
Family Trust dated May 1, 2007

By: _____
Lisa P. Lange, Trustee

H.H.H. Properties, LLC

By: _____
_____, Member

By: _____
_____, Member

Kevin Huy Vu

Dennis W. Hobby and Caroline Hobby, Trustees of
The Hobby 2003 Revocable Trust under instrument
dated September 17, 2003

By: _____
Dennis W. Hobby, Trustee

By: _____
Caroline Hobby, Trustee

Wesley J. Ferguson and Lorinda K. Ferguson, as
Trustees of the W & L Ferguson Trust, U/A/D July 6, 2015

By: _____
Wesley J. Ferguson, Trustee

By: _____
Lorinda K. Ferguson, Trustee

~~Dae Hyeon Hong and Grace Kwon Hong, Trustees
of the D & G Hong 2006 Revocable Trust under
instrument dated March 25, 2006~~

~~By: _____
Dae Hyeon Hong, Trustee~~

~~By: _____
Grace Kwon Hong, Trustee~~

Downey Park Professional Center

By: _____

Grace Y. Kwon-Hong Trust
u/d/t September 27, 2017

By _____
Grace Y. Kwon-Hong, Trustee

APPENDIX I - DEFINITIONS

Capitalized terms in this Agreement not otherwise defined in this Appendix I shall have the meanings given them in the section of this Agreement under which such capitalized term is defined.

“**AAA**” has the meaning set forth in **Section 12.9(b)**.

“**Accounting Manager**” has the meaning set forth in **Section 4.8(e)**.

“**Affiliate**” means with respect to any Person: **(i)** any Person directly or indirectly controlling, controlled by or under common control with such Person; **(ii)** any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person; **(iii)** any officer, director, member, general Member, shareholder or employee of such Person; or **(iv)** any Person who is an officer, director, member, general Member, shareholder, trustee or holder of ten percent (10%) or more of the voting interests of any Person described in this **Appendix I**.

“**Agreement**” means collectively the Partnership Agreement entered into on June 12, 1969, first revised and amended on May 30, 1985, and this Agreement, including the exhibits attached hereto and this **Appendix I**, all as amended from time to time and thereafter superseded by this Agreement. Words such as “herein,” “hereinafter,” “hereof,” “hereto,” and “hereunder,” refer to this Operating Agreement as a whole, unless the context otherwise requires.

“**Assign**” or “**Assignment**” or “**Transfer**” means any sale, assignment, transfer, exchange, mortgage, pledge, grant, hypothecation or other transfer, whether voluntary or involuntary and whether absolute or as a security or encumbrance (including any disposition by operation of law) permitted under the terms of this Agreement.

“**Assignee**” means an assignee of a Company Interest who has not been admitted as a Substituted Member.

“**Association**” means Downey Park Professional Center, a California mutual benefit non-profit corporation.

“**Budget**” has the meaning set forth in **Section 4.4**.

“**CAM**” or “**CAMS**”, as defined in **Recital G**, also means the Common Area maintenance charges and other expenses passed through to the Members, pro-rated based upon their Percentage Interest.

“**Capital Accounts**” means the account for each Member determined and maintained in accordance with **Section 2.2**.

“**Capital Contributions**” means any money, property, or services rendered, or a promissory note or other binding obligation to contribute money or property, or to render services as permitted under the LLC Act, contributed by a Member to the Company as capital in that Member’s capacity as a Member, as set forth in **Section 2.2(a)**.

“**City**” has the meaning set forth in **Recital B**.

“**Common Area**” means the areas, excluding the Airspace Unit, as described in the Condominium Plan, which is owned by the Owners as undivided interests in common. The Common Area constitutes the Real Property held in undivided interests as required under [Civil Code §6542\(b\)](#). The undivided interest allocated to each Airspace Unit is and shall be described in the grant deed conveying the Airspace Unit to an Owner.

“**Common Area Interests**” has the meaning set forth in **Recital E**.

“**Company**” means Downey Park Professional Center or DPPC.

“**Company Assets**” means the Property and all other property, if any, of any nature or kind whatsoever owned by the Company from time to time.

“**Corporations Code**” means the California Corporations Code, as amended from time to time, and the provisions of succeeding law.

“**Downey Park Complex**” has the meaning set forth in **Recital O**.

“**DPPC**” has the meaning as set forth in **Recital B**.

“**Economic Interest**” means a Person’s right to share in the Profits, Losses, deductions, credits, gains and similar items of, and to receive Distributions from, the Company, but does not include any other rights of a Member including, without limitation, the right to vote or participate in management, or, except as provided in the GP Act, any right to information concerning the business and affairs of the Company.

“**Effective Date**” has the meaning set forth in the Preamble.

“**Executive Committee Member**” has the meanings set forth in **Section 4.1**.

“**Fiscal Year**” means the Company’s Fiscal Year, which is the calendar year.

“**Governing Documents**” means this Company, the Declaration, Articles, Bylaws, Design Guidelines, Rules and Regulations and any Supplemental Declarations.

“**Indemnitees**” has the meaning set forth in **Section 9.1**.

“**JAMS**” has the meaning set forth in **Section 12.9(b)**.

“**Majority in Interest**” means a specified percentage vote of 51% or greater specified percentage of the Members or Executive Committee Members, depending upon whether the Company or the Executive Committee is voting on a particular matter.

“Member or Members” means any Member, Substitute Member or other additional Member admitted to the Company pursuant to **Section 5**, and who has not resigned, withdrawn, been expelled, or if other than an individual, dissolved and who owns a Suite. The term “Member” is used interchangeably with the term “Owner”.

“Member’s Interest,” “Membership Interest,” or “Interest” shall mean a Member’s entire interest in the Company, including the right to vote on or be selected to participate in management as part of the Executive Committee and the right to receive information concerning the business of the Company as set forth herein and such Member’s Economic Interest.

“Operating Agreement” refers to the governing document executed by the Company Members.

“Owner” or “Owners” is a Member or Members.

“PD” or “PD-32” has the meaning set forth in **Recitals B and C**, respectively.

“Percentage Interest” means the pro-rata share of Interest in the Company (and previously the Partnership) and such Member’s share of profits, losses, and expenses, such as CAM expenses.

“Permitted Assignments” has the meaning set forth in **Section 5.2**.

“Person” means any individual, Membership, corporation, lender, limited liability company, trust or other entity.

“Principal Office” has the meaning set forth in **Section 1.4**.

“Recitals” are those Paragraphs A-Q on Pages 1-4 of this Agreement.

“Regulations” means, except where the context indicates otherwise, the permanent, temporary, proposed, or proposed and temporary Regulations of the United States Department of the Treasury under the Code, as such Regulations may be lawfully changed from time to time.

“Schedule of Percentage Interests” has the meaning set forth in **Recital M**.

“Substituted Member” means a Member who has been admitted to the Company with all the rights of a Member, including the right to vote and as otherwise specified in this Agreement.

“Suite” or “Suites” has the meaning set forth in **Recital C**.

“Supermajority” or “Supermajority Vote” means the vote of sixty-six and two-thirds percent (66 2/3%) or more of the Members.

Exhibit A
(Parcel Map filed September 20, 1993)

Exhibit B
(Plan of Conversion - Format)

**PLAN OF CONVERSION FOR CONVERTING DOWNEY PARK
PROFESSIONAL CENTER, a California General Partnership**

This Plan of Conversion is adopted this ____ day of _____, 2017, to convert Downey Park Professional Center, a California General Partnership (“Converting Entity”) to Downey Park Professional Center, LLC (“Converted Entity”).

1. The Converted Entity is a limited liability company organized under the laws of the State of California.
2. The Converting Entity is a California General Partnership organized under the laws of the State of California.
3. The Converting Entity shall be converted to the Converted Entity.
4. Each outstanding one percent general partnership interest in the Converting Entity shall be converted to a one percent membership interest in the Converted Entity.
5. The Articles of Organization of the Converted Entity are attached hereto as **Exhibit A**.
6. The Operating Agreement of the Converted Entity is attached hereto as **Exhibit B**.
7. The Partners of the Converting Entity shall, from time to time, as and when requested by the Manager of the Converted Entity, execute and deliver all such further documents and instruments and take such other further action necessary or desirable to carry out the intent and purposes of this Plan of Conversion.
8. This Plan of Conversion has been duly approved by the Partners of the Converting Entity.
9. The parties authorize any two (2) members of the Converted Entity’s managing Executive Committee to file the Articles of Organization for the Converted Entity.

IN WITNESS WHEREOF, the undersigned have caused this Plan of Conversion to be executed as of the date first set forth above.

James M. Carlson

Laurel M. Carlson

Darrel R. Hansen and Betty K. Hansen,
Trustees of The Hansen 2005 Revocable Trust
under instrument dated March 15, 2005

By: _____
Darrell R. Hansen, Trustee

By: _____
Betty K. Hansen, Trustee

James L. Stanton

Joy T. Stanton

Corey R. Acree and Bonnie M. Acree, Trustees of
the C & B Acree Revocable Trust U/T/D
February 3, 2006

By: _____
Corey R. Acree, Trustee

By: _____
Bonnie M. Acree, Trustee

Kelly R. Gerber

Hutto, LLC, a California limited liability company

By: _____
_____, Member

By: _____
_____, Member

Lance C. Bautista

Christopher D. Anderson

Patricia Lloyd

David Bauman

Lucinda L. Anderson

Keith Brewer

Charlotte Brewer

Edwin Y. Josephs

Andria Y. Kubo

Lisa P. Lange, Trustee of The Lisa P. Land
Family Trust dated May 1, 2007

By: _____
Lisa P. Lange, Trustee

H.H.H. Properties, LLC

By: _____

By: _____

Kevin Huy Vu

Dennis W. Hobby and Caroline Hobby, Trustees of
The Hobby 2003 Revocable Trust under instrument
dated September 17, 2003

By: _____
Dennis W. Hobby, Trustee

By: _____
Caroline Hobby, Trustee

Wesley J. Ferguson and Lorinda K. Ferguson, as
Trustees of the W & L Ferguson Trust, U/A/D
July 6, 2015

By: _____
Wesley J. Ferguson, Trustee

By: _____
Lorinda K. Ferguson, Trustee

~~Dae Hyeon Hong and Grace Kwon-Hong, Trustees
of the D & G Hong 2006 Revocable Trust under
instrument dated March 25, 2006~~

~~By: _____
Dae Hyeon Hong, Trustee~~

~~By: _____
Grace Kwon-Hong, Trustee~~

Downey Park Professional Center

By: _____

Grace Y. Kwon-Hong Trust
u/d/t September 27, 2017

By _____
Grace Y. Kwon-Hong, Trustee

Exhibit C
(Articles of Organization)

Exhibit D
(Schedule of Percentage Interests)

Exhibit E
(Downey Park Complex Map)

**Exhibit F
(License)**

Exhibit G
(Spouse or Domestic Partner Consent Form)

I certify that:

1. I am the spouse or domestic partner of the Person who signed the foregoing Agreement as a Member.
2. I have read and understand the provisions of the Agreement, and irrespective of whatever marital or community property rights I may have in the Membership Interest, I agree to be bound by its provisions, including, but not limited to, those relating to the Assignment, purchase, sale, or other disposition of a Membership Interest.
3. Without my further approval, my spouse or domestic partner shall have the full Membership Interest rights and powers set forth in the Operating Agreement, including, but not limited to, the right to vote and to execute any future amendments to the Membership Agreement.

I understand that the purpose of this form is to facilitate administration of day-to-day activities to further the Membership objectives. My signing of this Consent shall have no effect upon or waive any community property rights.

Name: _____
Spouse or Domestic Partner of Member:

EXHIBIT A
(Airspace Units Legal Descriptions)

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-002

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 10.73% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot A as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-001

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

AN UNDIVIDED 10.00% INTEREST IN AND TO LOT 1 IN BLOCK 1111 OF "DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM", AS PER MAP FILED FOR RECORD SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, AT PAGE 17, STANISLAUS COUNTY RECORDS.

EXCEPTING THEREFROM ALL UNITS OF LOTS, BEING A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGES 3 AND 4 OF THE PARCEL MAP ABOVE REFERRED TO.

PARCEL TWO:

UNIT OF LOT B AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL ONE ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-003

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1

AN UNDIVIDED 6.23% INTEREST IN AND LOT 1 IN BLOCK 1111 OF THE DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM AS PER MAP FILED SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, PAGE 47, STANISLAUS COUNTY RECORDS.

EXCEPTING THEREFROM: ALL UNITS OR LOTS, BEING UNITS A, B, C, D, E, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGE 3 AND 4 OF THE PARCEL MAP ABOVE REFERED TO.

PARCEL NO. 2

LOT C AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL NO. 1 ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-004

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A CONDOMINIUM COMPRISED OF:

PARCEL ONE:

AN UNDIVIDED 7.68% INTEREST IN AND TO LOT 1 IN BLOCK 1111 OF THE DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM AS PER MAP FILED SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, PAGE 17, STANISLAUS COUNTY RECORDS.

EXCEPTING THEREFROM: ALL UNITS OR LOTS, BEING UNITS A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGES 3 AND 4 OF THE PARCEL MAPS ABOVE REFERRED TO.

PARCEL TWO:

UNIT OR LOT D AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL ONE ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-005

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 5.37% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot E as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-006

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 5.37% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium" as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P and Q as shown and defined upon the Condominium to Plan Recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot F and an undivided 1/2 interest in Unit or Lot EFC, as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-007

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 6.57% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot G as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-008

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A CONDOMINIUM COMPRISED OF:

PARCEL ONE:

AN UNDIVIDED 6.89% INTEREST IN AND TO LOT 1 IN BLOCK 1111 OF THE DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM AS PER MAP FILED SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, PAGE 17, STANISLAUS COUNTY RECORDS. EXCEPTING THEREFROM, ALL UNITS OR LOTS, BEING UNITS A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGES 3 AND 4 OF THE PARCEL MAPS ABOVE REFERRED TO.

PARCEL TWO:

UNIT OR LOT H AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL ONE ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-009

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 7.63% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot J as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-010

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 4.52% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot K as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-011

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 4.63% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot L as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-012

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 4.57% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot M as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-013

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 8.84% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot N as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-014-000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

AN UNDIVIDED 2.22% INTEREST IN AND TO LOT 1 IN BLOCK 1111 OF "DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM", AS PER MAP FILED FOR RECORD SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, AT PAGE 17, STANISLAUS COUNTY RECORDS.

EXCEPTING THEREFROM ALL UNITS OF LOTS, BEING A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGES 3 AND 4 OF THE PARCEL MAP ABOVE REFERRED TO.

PARCEL TWO:

UNIT OF LOT O AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL ONE ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-015-000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL NO.1

AN UNDIVIDED 3.54% INTEREST IN AND TO LOT 1 IN BLOCK 1111 OF THE DOWNEY PARK PROFESSIONAL CENTER CONDOMINIUM AS PER MAP FILED SEPTEMBER 20, 1993 IN BOOK 46 OF PARCEL MAPS, PAGE 17, STANISLAUS COUNTY RECORDS.

EXCEPTING THEREFROM: ALL UNITS OR LOTS, BEING UNITS A, B, C, D, E, F, G, H, J, K, L, M, N, O, P AND Q AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED AS PAGES 3 AND 4 OF THE PARCEL MAP ABOVE REFERRED TO.

PARCEL NO. 2

LOT P AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL NO.1 ABOVE.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-016

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

A condominium comprised of:

PARCEL ONE:

An undivided 5.21% interest in and to Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXCEPTING THEREFROM all Units or Lots, being Units A, B, C, D, E, EFC, F, G, H, J, K, L, M, N, O, P, and Q as shown and defined upon the Condominium Plan recorded as Pages 3 and 4 of the Parcel Map above referred to.

PARCEL TWO:

Unit or Lot Q as shown and defined upon the Condominium Plan referred to in Parcel One above.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-017

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Unit EFC (common area for Units E & F) in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 031-049-018

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MODESTO, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Lot 1 in Block 1111 of "The Downey Park Professional Center Condominium", as per map filed September 20, 1993 in Book 46 of Parcel Maps, at Page 17, Stanislaus County Records.

EXHIBIT B
(Percentage Interest Schedule)

Schedule of Interests

Unit	APN	Owner(s)	Percentage Interest/ Share of CAMS*
A	031-049-002	James M. and Laurel M. Carlson, H&W/CP, 1/3%; Darrel R. Hansen and Betty K. Hansen, Trustees of The Hansen 2005 Revocable Trust, 1/3%; James L. and Joy T. Stanton, H&W/CP, 1/3%	Collectively 11.232%
B	031-049-001	Corey R. Acree and Bonnie M. Acree, Trustees of the C & B Acree Revocable Trust	11.35%
C	031-049-003	Kelly R. Gerber	7.50%
D	031-049-004	Hutto, LLC, California Limited Liability Company	7.19%
E	031-049-005	Lance C. Bautisa, a married man, sole/separate property	4.48%
F	031-049-006	Lance C. Bautisa, a married man, sole/separate property	5.30%
G	031-049-007	Christopher D. Anderson, unmarried man, 1/2% and David Bauman and Lucinda L. Anderson, H&W/CP, 1/2% of an undivided 37.5%; Christopher D. Anderson and Patricia Lloyd, H&W/CP, 1/2% and David Bauman & Lucinda L. Anderson, H&W/CP, 1/2%, of an undivided 62.5%	Collectively 5.25%
H	031-049-008	Keith and Charlotte Brewer, H&W/CP	8.92%
J	031-049-009	Edwin Y. Josephs & Andria Y. Kubo, H&W/JT	6.21%
K	031-049-010	Lisa P. Lang, Trustee of The Lisa P. Lang Family Trust	4.02%
L	031-049-011	H.H.H. Properties, LLC, a California Limited Liability Company	6.14%
M	031-049-012	Kevin Huy Vu, a single man	4.94%
N	031-049-013	Dennis W. Hobby and Caroline Hobby, Trustees of The Hobby 2003 Revocable Trust	7.88%
O	031-049-014	Corey R. Acree and Bonnie M. Acree, Trustees of the C & B Acree Revocable Trust	2.23%
P	031-049-015	Wesley J. Ferguson and Lorinda K. Ferguson, as Trustees of the W & L Ferguson Trust	3.05%
Q	031-049-016	James M. Carlson, married man, sole/separate property, 1/3%; Darrel R. Hansen and Betty K. Hansen, Trustees of The Hansen 2005 Revocable Trust, 1/3%; and Grace Y. Kwon-Hong, Trustee of The Grace Y. Kwon-Hong Trust, 1/3%	Collectively 4.311%
EFC	031-049-017 & 031-049-018	Downey Park Professional Center, Partnership	

*Subject to Amendment as Ownership Interests Change

EXHIBIT C
(Association Maintenance)

About The CAMS and what they cover as of 7/1/17

The CAM's at DPPCOA, at present, cover all the maintenance, repairs and replacements to all the hardscape and softscape of the common area surrounding each building. It also includes the exterior surfaces and facilities outside of each suite. Since 1996, by agreement with the owners, it also has included the suite roofs and heating and air conditioning units located thereon.

There are two full time employees, one part time employee and various outside vendors. All oversight is by the DPCOA Board and via the onsite call contact person.

There is a semiannual maintenance and repair to all the 31 air conditioning units including unit side filter changes by an assigned vendor. They also are on call for events in between and repair or replace units beyond their useful life.

The employees care for the landscaping and all it entails, the valves, sprinkler controls, roof blowing and maintenance, lighting repair and operations, building exterior painting to maintain uniformity of appearance. Vector control, graffiti control and monthly outside window washing, daily bagged garbage removal. They are our eyes and ears every day as they go about their duties. They are creative, self starters who work well with minimum supervision. They are dependable, reliable and together have 50 years of experience on our property. The complex is kept clean with frequent cleaning, annual color plants are planted semi- annually, storm drains, on site, are seasonally cleaned. They buy supplies as needed such as fertilizer, sprays, light bulbs, repair parts, annual plants, etc and are accountable.

Vendors handle road repairs, resurfacing and stripping and major repairs to the building surfaces on the exteriors, sewer and water line repairs and replacement, concrete work to sidewalks, curbs. Electrical work to breaker centers etc in the common area or grounds. Large trees also require care from an outside vendor.

The annual budget list shows the entire list of things the CAMS cover and is provided at the annual meeting and in the monthly status reports to owners.

Exhibit C
(Articles of Organization)



**State of California
Secretary of State**

**Limited Liability Company
Articles of Organization - Conversion**

LLC-1A

File #

201733410153

FILED
Secretary of State
State of California

NOV 27 2017

IMPORTANT — Read all instructions before completing this form.

This Space For Filing Use Only

Converted Entity Information

1. Name of Limited Liability Company (The name must include the words Limited Liability Company or the abbreviations LLC or L.L.C. The words Limited and Company may be abbreviated to Ltd. and Co., respectively.)

Downey Park Professional Center, LLC

2. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

3. The limited liability company will be managed by (check only one):

One Manager

More Than One Manager

All Limited Liability Company Member(s)

4. Initial Street Address of Limited Liability Company's Designated Office in CA

1213 Coffee Road, Suite B, Modesto

City

State

Zip Code

CA

95355

5. Initial Mailing Address of Limited Liability Company, if different from Item 4

City

State

Zip Code

6. Initial Agent for Service of Process: Item 6a: List the name of an individual or a corporation registered in CA under California Corporations Code section 1505 that agrees to be your agent for service of process. You may not list the converted entity as the agent. Item 6b: If the agent is an individual, list the agent's CA business or residential street address. Item 6c: If the agent is an individual and the converting entity is a CA corporation, limited partnership or general partnership, list the the agent's mailing address. Do not list an address if the agent is a CA registered corporate agent as the address for service of process is already on file.

a. Name of Agent For Service of Process

Corey R. Acree

b. If an individual, Street Address of Agent for Service of Process - Do not list a P.O. Box

1213 Coffee Road, Suite B, Modesto

City

State

Zip Code

CA

95355

c. If an individual, Mailing Address of Agent for Service of Process

1213 Coffee Road, Suite B, Modesto, CA 95355

City

State

Zip Code

Converting Entity Information

7. Name of Converting Entity

Downey Park Professional Center

8. Form of Entity

General Partnership

9. Jurisdiction

California

10. CA Secretary of State File Number, if any

11. The principal terms of the plan of conversion were approved by a vote of the number of interests or shares of each class that equaled or exceeded the vote required. If a vote was required, the following was required for each class:

The class and number of outstanding interests entitled to vote.

AND

The percentage vote required of each class.

23 general partners

51%

Additional Information

12. Additional information set forth on the attached pages, if any, is incorporated herein by this reference and made part of this certificate.

13. I certify under penalty of perjury that the contents of this document are true. I declare I am the person who executed this instrument, which execution is my act and deed.

Signature of Authorized Person

Corey R. Acree General Partner

Type or Print Name and Title of Authorized Person

Signature of Authorized Person

CARDLINE HUTTU General Partner

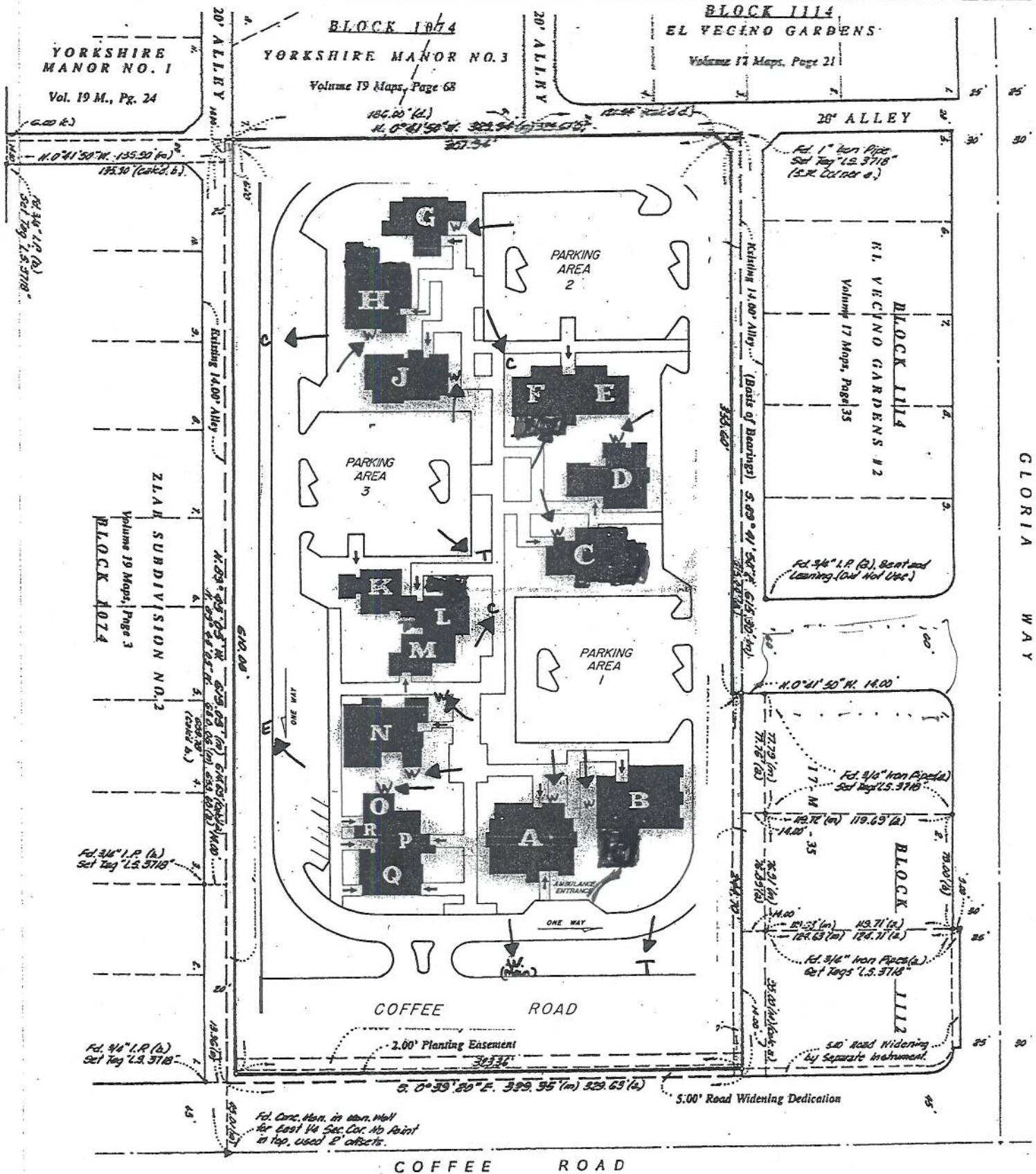
Type or Print Name and Title of Authorized Person

Exhibit E
(Downey Park Complex Map)

(Site Map of Downey Park Complex)

MULTNOMAH DRIVE

GLORIA WAY



COFFEE ROAD

**Exhibit F
(License)**

Recording Requested By:

DOWNEY PARK PROFESSIONAL
CENTER OWNER'S ASSOCIATION

When Recorded, Return to:

DOWNEY PARK PROFESSIONAL
CENTER OWNER'S ASSOCIATION
1213 Coffee Road, Suite L
Modesto, California 95355

PARKING LICENSE AGREEMENT
(DOWNEY PARK)

THE LICENSE AGREEMENT ("Agreement" or "License" herein) is made this 28 day of 12/93 ("Execution Date" herein) by and between DOWNEY PARK PROFESSIONAL CENTER, A California General Partnership ("Owner" herein) and DOWNEY PARK PROFESSIONAL CENTER OWNERS' ASSOCIATION, A California Corporation ("Association" herein).

RECITALS

A. Owner owns certain real property in the City of Modesto, County of Stanislaus, State of California, fronting on Coffee Road and Gloria Way, including that portion of an abandoned alley way originally located behind the two (2) original parcels acquired by Owner, and including the alley right-of-way previously owned by Grant and Martino, which was abandoned by the City of Modesto, all more particularly described on Exhibit "A" which is attached to this Agreement and made a part of this contract by this reference (the "Real Property" herein).

B. The Association currently owns and operates the common area known as "Downey Park Professional Center" pursuant to that certain "Declaration of Covenants, Conditions and Restrictions for the Creation and Maintenance of a Commercial Office Condominium Project" recorded _____ ("the Premises").

C. Currently, Owner has constructed upon the Real Property a parking lot consisting of forty-nine (49) parking spaces, landscaping and lighting facilities adjoining the Premises as more particularly described on Exhibit "B" (collectively the "Parking Lot" herein).

D. The Association desires to utilize the Parking Lot to serve the Premises, and the Owner is only willing to permit the use of same by and according to the terms and conditions of this Agreement.

NOW, THEREFORE, it is agreed as follows:

1. GRANT OF LICENSE. For valuable consideration, consisting of the Association's obligations as more specifically described hereinafter, Owner hereby grants the Association the exclusive nonassignable license to use the Parking Lot by visitors, members, invitees, guests and employees of the Association for parking purposes as hereinafter described in Paragraph 5.

2. DEFAULT; REVOCABILITY; NOTICE. This License shall be effective for as long as the Association performs its obligations under the terms and conditions set forth in this

Agreement. Should the Association fail to perform these obligations, and/or be in default thereof, the Owner shall have the right to revoke this License upon the Association's failure to cure its default within ten (10) days after written notice from Owner in accordance with Paragraph 11 of this Agreement.

3. INSURANCE. The Association shall, at its own expense, obtain and keep in force during the term of this License a policy of comprehensive public liability, property damage and fire insurance insuring Owner and the Association against any liability arising out of the ownership, use, occupancy or maintenance of the Parking Lot and all areas appurtenant thereto. The limits of said insurance policy shall not, however, limit the liability of the Association hereunder. The Association may carry said insurance under a blanket policy, provided, however, said insurance by the Association shall have an Owner's protective liability endorsement attached thereto. If the Association fails to procure and maintain this insurance, Owner may, but shall not be required to, procure and maintain same, but at the expense of the Association. Insurance required hereunder shall be with companies rated A+ AAA or better in the "Best's Insurance Guide". The Association shall deliver to Owner, prior to utilization of the Property, copies of policies of liability insurance required herein or certificates evidencing the existence and amounts of such insurance, naming Owner as an additional insured with loss payable clauses satisfactory to

Owner. No policy shall be cancelable or subject to reduction of coverage except after ten (10) days' prior written notice to Owner. All insurance policies mentioned in this Paragraph shall be in amounts satisfactory to and annually reviewed by the Owner.

4. MAINTENANCE. The Association shall maintain the Parking Lot, including, but not limited to, repairs to the surface, striping, gardening, replacement of lights, and maintenance of lighting facilities. If at any time the Association fails to maintain the Parking Lot or to make any repairs or replacements as herein required, the Owner may, but shall not be required to, enter the Parking Lot and perform the maintenance or make the repairs or replacements for the account of the Association. Any sums expended by Owner in so doing, together with interest at ten percent (10%) per annum, shall be deemed additional consideration and shall be immediately due and payable from the Association on demand of the Owner.

5. USE. Unless preapproved by the Owner in writing, the Association, and any subsidiaries or concessionaires as the Association may desire, will use the Parking Lot for parking purposes only, and all other operations incident thereto, and the Association agrees not to use the Parking Lot for any other purpose. Owner agrees that subject to the prior reasonable review and approval by Owner, and compliance with all applicable governmental requirements, the Association may erect and maintain on the Parking Lot and signs as the Association deems necessary.

The Association shall not commit any acts on the Parking Lot nor use the Parking Lot in any manner that will increase the existing rates for, or cause the cancellation of, any fire, liability, or other insurance policy insuring the Parking Lot. The Association shall not commit any waste or any public or private nuisance or permit car washes or public benefits upon the Parking Lot. The Association shall comply with all laws, rules, and orders of all federal, state and municipal governments or agencies that may be applicable to the use of the Parking Lot.

6. TAXES. The Association shall pay to the public authorities charged with the collection on or before the last day on which payment may be made without penalty or interest as additional rent, all taxes, fees, and other public charges of whatever nature that are assessed against the Parking Lot (including, but not limited to, taxes on any rents or rental income whether assessed against the Association or Owner). Owner agrees to give appropriate written instructions to public authorities for taxes, assessments, and public charges payable by the Association to reasonably assure that any statements and billings will be mailed directly by the public authorities to the Association at the address set forth in Paragraph 12(b). The Association shall deliver to Owner, on demand, original receipts or photocopies evidencing payment of all taxes, assessments and public charges payable by the Association. If the Association fails to pay taxes, assessments and charges on or before the last

day on which payment may be made without penalty or interest, other than as provided for in this section, Owner may, but shall not be obligated to, pay those taxes, assessments or charges, together with interest and penalties. Any amounts that the Owner may pay pursuant to this provision, together with interest at the rate of ten percent (10%) annum, shall be repaid to Owner by the Association on demand as additional consideration. All real estate taxes levied on the Parking Lot for the tax year in which the Execution Date falls shall be appropriately prorated between the Owner and the Association so that the Association's share will reflect the portion of that tax year in which the Association had possession of the Parking Lot under this License. The Association may pay the Association's share of the taxes directly to the Owner and not the public authorities charged with the collection. A payment made directly to the Owner shall constitute full performance by the Association and Owner shall pay from those funds and Owner's own funds all of the taxes for that tax year. Taxes levied on the Parking Lot for the tax year in which this License terminates shall be similarly prorated between Owner and Association to reflect the period of the Association's share of those taxes to Owner directly rather than to the public authorities, and that payment shall constitute full performance under this License with respect to this tax liability.

7. UTILITIES. The Association shall pay, before delinquency, all charges or assessments for any water, sewer, electricity, garbage disposal, trash disposal, and all other utilities and services of any kind that may be used on the Parking Lot.

8. CONDEMNATION. If during the term of this License, the whole of the Parking Lot shall be taken pursuant to any condemnation proceeding, this License shall terminate as of 12:01 A.M. on the date that actual physical possession of the Parking Lot is taken, by the condemning authority, and after that, both Owner and the Association shall be released from all obligations under this License. Any condemnation award shall belong to Owner.

9. ENTRY. In addition to the right to enter to make repairs as described above in Paragraph 4, the Association agrees to indemnify the Association and shall permit Owner or Owner's agents, representatives, or employees to enter the Parking Lot at all reasonable times and upon reasonable notice to inspect the Parking Lot to determine whether the Association is complying with the terms of this License and to do other lawful acts that may be necessary to protect Owner's interest in the Parking Lot under this License or to perform the Association's duties under this License.

10. INUREMENT; COVENANTS TO RUN WITH THE LAND. This Agreement may only be assigned with the advanced written approval

of Owner which shall not be unreasonably withheld. Each and all of the covenants, agreements, obligations, conditions and provisions of this Agreement shall inure to the benefit of and shall bind (as the case may be) not only the parties hereto, but each and all of the heirs, executors, administrators, successors and assigns of the respective parties hereto, or any of them, and shall be deemed to run with the Real Property. Wherever a reference is made to the Owner or the Association, such reference shall be deemed to include the respective heirs, administrators, executors, successors and assigns of Owner or the Association as the case may be.

11. MISCELLANEOUS.

a. Interpretation. This Agreement shall be construed, interpreted and applied in accordance with the internal laws of the State of California.

b. Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be effective upon personal delivery or upon three (3) days after deposit in the United States Mail, postage prepaid, return receipt requested, and addressed as follows:

To OWNER: Downey Park Professional Center
1213 Coffee Road
Modesto, California 95355

To THE ASSOCIATION: Downey Park Professional Center
Owners' Association
Attn: Donald R. Swatman, D.D.S.
1213 Coffee Road, Suite L
Modesto, California 95355

c. Waiver. The waiver by any party to this License of a breach of any provision of this License, shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or another provision of the License.

d. Construction. As used in this License, the masculine, feminine or neuter gender and the singular or plural numbers shall each be deemed to include the other whenever the context so indicates. This License shall be construed as a whole and in accordance with its fair meaning, the captions being for the convenience of the parties only, and not intended to describe or define the provisions in the portions of the License to which they pertain.

e. Attorneys' Fees - Disputes. In any dispute between the parties regarding amounts to be reimbursed to Owner, the enforcement or declaration of any rights under this License (regardless of whether or not litigation is commenced between the parties), the prevailing party shall be entitled to receive from the non-prevailing party any and all of the costs and expenses incurred by the prevailing party in connection with the dispute, including, without limitation, reasonable attorneys' fees and consultants' fees and expenses. This provision for costs and expenses incurred in litigation between the parties (including, without limitation, attorneys' and consultants' fees and expenses) shall be interpreted such that the prevailing party in connection with an appeal, is to receive from the non prevailing

party any and all costs and expenses incurred by the prevailing party in connection with the appeal, including, without limitation, reasonable attorneys' and consultants' fees and expenses.

The "prevailing party" shall be the party whose position was most nearly adopted in the settlement of the dispute. Should there be litigation, the costs and expenses of the prevailing party shall be awarded by the court hearing the trial or appeal of the matter or by any court of competent jurisdiction in a separate action brought for the purpose of recovery of the costs and expenses under this paragraph of this License.

Costs and expenses incurred in enforcing any judgment, to include, without limitation, attorneys' fees, are recoverable as a separate item. In no case shall the right to post-judgment costs and expenses incurred to enforce a judgment under this paragraph be merged into any judgment obtained. This paragraph, and the right it confers, shall be deemed severable from the other provisions of this Agreement.

f. Duplicate Counterparts. This License may be executed in any number of counterparts, and each such counterpart, executed telecopy, facsimile ("fax") or photocopy shall be deemed to be an original instrument.

g. Independent Counsel. Owner has been fully advised that Sidney A. Israels, Esq. of Israels, Brink & Griffith, a Professional Law Corporation, is representing the Association in connection with this transaction. Owner is represented by Jack Jones, Esq. of Jones, Conway, Cochrane and Hollenback.

Furthermore, all parties are advised and acknowledge having had an adequate opportunity to consult independent tax advice regarding the implications of this transaction.

h. Days Defined. Unless otherwise specified in this License, any reference to days shall mean calendar days.


i. Recordation. The Association and Owner shall record this document upon the execution of same in the office of the County Recorder of Stanislaus County.

IN WITNESS WHEREOF, the parties have entered into this License on the Execution Date.

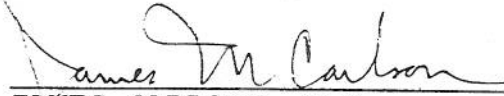
"OWNER"

DOWNEY PARK PROFESSIONAL CENTER
A California General Partnership


By The "EXECUTIVE COMMITTEE"




DONALD SWATMAN, D.D.S.



JAMES CARLSON, M.D.



DARRELL HANSEN, M.D.



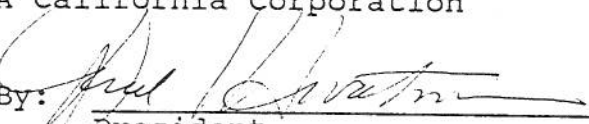
DENNIS HOBBY, D.D.S.



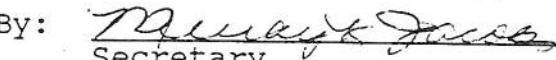
MURRAY JACOBS, D.D.S.

"ASSOCIATION"

DOWNEY PARK OWNERS' ASSOCIATION,
A California Corporation

By: 

President

By: 

Secretary