

ENABLING DECLARATION

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SHARON GLEN

ENABLING DECLARATION

ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP

THIS DECLARATION, made on the date hereinafter set forth, by SHARON GLEN ASSOCIATES, a California limited partnership, hereinafter referred to as "Declarant," is made with reference to the following facts:

A. Declarant is the owner of certain real property located in the City of Menlo Park ("City"), County of San Mateo, State of California, more particularly described on that certain map entitled "Sharon Glen" filed for record in the Office of the Recorder of San Mateo County, California, on June 22, 1988, in Book 118 of Maps, page 39.

B. Declarant intends to convert the fifty-seven (57) residential dwellings located on the property into condominiums, consisting of separate interests in air space units and undivided interests in the remaining property.

C. The development shall be referred to as the "project" as defined in section 1.26.

D. Declarant intends by this document to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the the condominiums and the owners thereof.

NOW, THEREFORE, Declarant hereby declares that the property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are imposed as equitable servitudes pursuant to a general plan for the development of the property for the purpose of enhancing and protecting the value and attractiveness of the property, and the project, and every part thereof, in accordance with the plan for the improvements of the property and the division thereof into condominiums. All of the limitations, covenants, conditions, restrictions and easements shall constitute covenants which shall run with the land and shall be binding upon Declarant and its successors and assigns, and all parties having or acquiring any right, title or interest in or to any part of the property or the project.

ARTICLE I DEFINITIONS

1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association, as amended from time to time.

1.2 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the property which is to be paid by each owner as determined by the Association.

1.3 "Association" shall mean and refer to the SHARON GLEN ASSOCIATION, a California nonprofit mutual benefit corporation, the members of which shall be the owners of condominiums in the project.

1.4 "Board" or "Board of Directors" shall mean and refer to the governing body of the Association.

1.5 "Bylaws" shall mean and refer to the Bylaws of the Association, as amended from time to time.

1.6 "Common area(s)" shall mean and refer to all of the property (excepting the individual condominium units) title to which is held by all of the owners in common. The common area includes, without limitation, land, pool, and other amenities, parking and driveway areas, trash enclosures, garage and parking areas, exterior stairs, decks, balconies, patios and storage areas, basements, bearing walls, columns, girders, ceiling joists, subfloors, unfinished floors, roofs, and foundations, central heating, solar heating equipment, water heaters, central air conditioning equipment, reservoirs, tanks, pumps, motors, ducts, flues and chutes, conduits, pipes, plumbing, wires and other utility installations (except the outlets thereof when located within the unit), exterior sprinklers and sprinkler pipes, and central television antenna or cable television installation.

1.7 "Common expenses" means and includes the actual and estimated expenses of operating the common area and any reasonable reserve for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the condominium documents.

1.8 "Common interest" means the proportionate undivided interest in the common area that is part of each condominium as set forth in this Declaration.

1.9 "Condominium" shall mean an estate in real property as defined in California Civil Code §§783 and 1351(f), consisting of an undivided interest in common in a portion of the property and a separate interest in space called a unit.

1.10 "Condominium building" shall mean a residential structure containing condominium units.

1.11 "Condominium documents" shall mean the same as "project documents".

1.12 "Condominium Plan" shall mean and refer to the recorded three-dimensional floor plan of the condominiums built or to be built on the property which identifies the common area and each separate interest pursuant to Civil Code §1351, a copy of which is attached hereto as Exhibit "A" and incorporated by reference herein.

1.13 "Declarant" shall mean and refer to SHARON GLEN ASSOCIATES, a California limited partnership, and any successor or assign that expressly assumes the rights and duties of the Declarant hereunder.

1.14 "Declaration" shall mean and refer to this Enabling Declaration, as amended or supplemented from time to time.

1.15 "Eligible holder mortgages" shall mean mortgages held by "eligible mortgage holders".

1.16 "Eligible mortgage holder" shall mean a first lender who has requested notice of certain matters from the Association in accordance with section 8.6C.

1.17 "Eligible insurer or guarantor" shall mean an insurer or governmental guarantor of a first mortgage who has requested notice of certain matters from the Association in accordance with section 8.6C.

1.18 "First lender" shall mean any person, entity, bank, savings and loan association, insurance company, or financial institution holding a recorded first mortgage on any condominium.

1.19 "Map" shall mean and refer to that Subdivision Map entitled "Sharon Glen", filed for record the 22nd day of June, 1988, in Book 118 of Maps at page 39, in the records of San Mateo County.

1.20 "Member" shall mean and refer to a person entitled to membership in the Association as provided herein.

1.21 "Mortgage" shall include a deed of trust as well as a mortgage.

1.22 "Mortgagee" shall include a beneficiary or a holder of a deed of trust as well as a mortgagee.

1.23 "Mortgagor" shall include the trustor of a deed of trust as well as a mortgagor.

1.24 "Owner" or "owners" shall mean and refer to the record holder, or holders if more than one (1), of title to a condominium in the project. This shall include any person having a fee simple title to any unit, but shall exclude persons or entities having any interest merely as security for the performance of an obligation. If a unit is sold under a contract of sale and the contract is recorded, the purchaser, rather than the fee owner, shall be considered the "owner" from and after the date the Association receives written notice of the recorded contract.

1.25 "Person" means a natural person, a corporation, a partnership, a trust, or other legal entity.

1.26 "Project" shall mean and refer to the real property described on the Map and all improvements thereon.

1.27 "Project documents" shall mean this Declaration, as amended from time to time, the exhibits, if any, attached hereto, together with the other basic documents used to create and govern the project, including the Map, the Articles, the Bylaws, and the Condominium Plan (but excluding unrecorded rules and regulations adopted by the Board or the Association).

1.28 "Property" or "properties" means and includes the real property described on the Map and all improvements thereon.

1.29 "Restricted common area" shall mean and refer to those portions of the common area set aside for exclusive use of a unit owner or owners, pursuant to

section 2.2C, and shall constitute "exclusive use common area" within the meaning of Civil Code § 1351(i).

1.30 "Share" means the percentages in and to the common area attributed to and appurtenant to each unit as set forth in Exhibit "B".

1.31 "Unit" shall mean and refer to the elements of the condominium, as defined in section 2.2A, which are not owned in common with the owners of other condominiums in the project.

1.32 "Unit designation" means the number, letter, or combination thereof or other official designation(s) shown on the Condominium Plan. Each unit is identified by separate number on the Condominium Plan.

ARTICLE II DESCRIPTION OF PROJECT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS

2.1 **Description of Project:** The project is a condominium project consisting of the land, the fifty-seven (57) condominiums and all other improvements thereon. Reference is made to the Condominium Plan for further details.

2.2 **Division of Property:** The property is divided as follows:

A. **Units:** Each of the units as separately shown, numbered and designated in the Condominium Plan, consists of the space bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors and door frames and trim, of each unit, each of such spaces being defined and referred to herein as a "unit". Bearing walls located within the interior of a unit are common area, not part of the unit, except for the finished surfaces thereof. Each unit includes the utility equipment located within its boundaries that the owner has exclusive use of, including, without limitation, lighting and plumbing fixtures. Each unit includes both the portions of the building so described and the airspace so encompassed. The unit does not include those areas and those things which are defined as "common area" in section 1.6. Each unit is subject to such encroachments as are contained in the building, whether the same now exist or may be later caused or created in any manner referred to in section 8.5. In interpreting deeds and the condominium plan, the then existing physical boundaries of a unit, when the boundaries of the unit are contained within a building, or of a unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or condominium plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building. Each unit shall have appurtenant to it nonexclusive rights for ingress, egress and support through the common area subject to the rights of each owner in the restricted common area appurtenant to that owner's condominium.

B. **Common Areas:** The remainder of the property constitutes "common area" as defined in section 1.6.

Each condominium owner shall have, as appurtenant to his or her unit, an undivided interest in the common area in the percentage set forth in Exhibit "B" attached hereto and incorporated by reference herein. The common interest appurtenant to each unit is declared to be permanent in character and cannot be altered without the consent of all the owners affected, as expressed in an amended Declaration. The undivided common interest cannot be separated from the unit, and any conveyance or transfer of the unit shall include the undivided common interest, the owner's membership in the Association,

and any other benefits or burdens appurtenant to that owner's condominium. Each owner may use the common areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of any other owners subject to the rights of each owner in the restricted common area appurtenant to that owner's condominium.

C. Restricted Common Areas: The following described portions of the common area, referred to as "restricted common areas", are set aside and allocated for the exclusive use of the owner of the condominium to which they are attached or assigned as shown on the Condominium Plan, and are appurtenant to that condominium:

- (1) Garage space designated "G", followed by the number of the unit;
- (2) Patio designated "PT", followed by the number of the unit;
- (3) Parking space designated "P", followed by the number of the unit;
- (4) Balcony designated "B", followed by the number of the unit;
- (5) Storage area designated "S", followed by the number of the unit.

As shown on the Condominium Plan, access to the restricted common area storage areas appurtenant to certain condominiums is across restricted common area garages appurtenant to other condominiums. As a result, reserved from these restricted common area garages is the right of ingress and egress across this area for access to and from the restricted common area storage area adjacent to the restricted common area garage, provided that such access shall not interfere with the use of the garage area as a parking space.

Except as described herein, no other portion of the common areas shall be restricted common area.

2.3 Parking: All common area parking spaces (except restricted common area spaces) shall remain primarily available for guest parking on a first-come, first-serve basis. Subject to the foregoing, the Association may establish rules and regulations from time to time for the parking of vehicles in the common area.

2.4 Rights of Entry and Use: The units and common area (including restricted common area) shall be subject to the following rights of entry and use:

A. The right of the Association's agents or employees to enter any unit to cure any violation of this Declaration or the Bylaws, provided that the owner has received notice and a hearing as required by the Bylaws (except in the case of an emergency) and the owner has failed to cure the violation or take steps necessary to cure the violation within thirty (30) days after the finding of a violation by the Association.

B. The access rights of the Association to maintain, repair or replace improvements or property located in the common area as described in section 5.2E.

C. The rights of the owners, the Association, and the Declarant to install, maintain, repair or replace utilities as described in Article VI.

D. The encroachment rights described in section 8.5.

E. The rights of the Declarant during the construction period as described in section 8.10.

F. The rights of owners to make improvements or alterations authorized by Civil Code § 1360(a)(2), subject to the provisions of section 7.9.

2.5 Partition Prohibited: The common areas shall remain undivided as set forth above. Except as provided by California Civil Code §1359 or authorized under section 8.8, no owner shall bring any action for partition of the common area, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the project. Judicial partition by sale of a single condominium owned by two (2) or more persons and division of the sale proceeds is not prohibited hereby.

ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

3.1 Association to Manage Common Areas: The management of the common area shall be vested in the Association in accordance with its Bylaws. The owners of all the condominiums covenant and agree that the administration of the project shall be in accordance with the provisions of this Declaration, and the Articles and Bylaws.

3.2 Membership: The owner of a condominium shall automatically, upon becoming the owner of same, be a member of the Association, and shall remain a member thereof until such time as the ownership ceases for any reason, at which time the membership in the Association shall automatically cease. Membership shall be held in accordance with the Articles and Bylaws.

3.3 Transferred Membership: Membership in the Association shall not be transferred, encumbered, pledged, or alienated in any way, except upon the sale or encumbrance of the condominium to which it is appurtenant, and then only to the purchaser, in the case of a sale, or mortgagee, in the case of an encumbrance of such condominium. On any transfer of title to an owner's condominium, including a transfer on the death of an owner, the membership passes automatically along with title to the transferee. A mortgagee does not have membership rights until it obtains title to the condominium by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. No member may resign his or her membership. On notice of a transfer, the Association shall record the transfer on its books.

3.4 Membership Classes and Voting Rights: The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each condominium owned. When more than one (1) person holds an interest in any condominium, all such persons shall be members. The vote for such condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any condominium.

Class B. The Class B member shall be the Declarant whose voting rights shall be the same as for Class A memberships, except that the Class B member may triple its

votes for each unit owned. The Class B membership shall cease and be irreversibly converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) The total votes outstanding in the Class A membership equal the total votes (tripled as stated above) outstanding in the Class B membership; or

(b) On the second anniversary date of the original issuance of the final subdivision public report for the project.

Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of a majority of each class of membership during the time that there are two (2) outstanding classes of membership. Where the vote or written assent of each class of membership is required, any requirement that the vote of Declarant be excluded is not applicable, except as provided in section 8.14 hereof. After the conversion of Class B membership to Class A membership, any provision herein requiring the approval of members other than Declarant, except as provided in section 8.14, shall mean the vote or written assent of a majority of the total voting power of the Association (including Declarant's vote(s)) and the vote or written assent of a majority of the total voting power of members other than the Declarant. Voting rights attributable to condominiums shall not vest until assessments have been levied against those condominiums by the Association.

ARTICLE IV MAINTENANCE AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each condominium within the project, hereby covenants, and each owner of any condominium by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees: (1) to pay to the Association annual assessments or charges, and special assessments for purposes permitted herein, such assessments to be established and collected as hereinafter provided, and (2) to allow the Association to enforce any assessment lien established hereunder by nonjudicial proceedings under a power of sale or by any other means authorized by law. The annual and special assessments, together with interest, late charges, collection costs and reasonable attorneys' fees, shall be a charge on the condominium and shall be a continuing lien upon the condominium against which each such assessment is made, the lien to become effective upon recordation of a notice of delinquent assessment. Each such assessment, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the owner of such condominium at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. No owner shall be exempt from liability for payment of assessments by waiver of the use or enjoyment of any of the common areas or by the abandonment of the owner's condominium.

4.2 Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the economic interests, recreation, health, safety, and welfare of all the residents in the project and to enable the Association to perform its obligations hereunder.

4.3 Assessment:

A. Annual Assessment: The Board shall establish and levy annual assessments in an amount that the Board estimates will be sufficient to raise the funds needed to perform the duties of the Association during each fiscal year.

The annual assessment shall include a portion for reserves in such amounts as the Board in its discretion considers appropriate to meet the costs of the future repair, replacement or additions to the major improvements and fixtures that the Association is obligated to maintain and repair. Reserve funds shall be deposited in a separate account and the signatures of at least two (2) persons who shall either be members of the Board or one officer who is not a member of the Board and a member of the Board shall be required to withdraw monies from the reserve account. Reserve funds may not be expended for any purpose other than repairing, replacing or adding to the major improvements or fixtures that the Association is obligated to maintain without the consent of owners holding a majority of the voting power either at a duly held meeting or by written ballot.

B. Special Assessments: The Board, at any time, may levy a special assessment in order to raise funds for unexpected operating or other costs, insufficient operating or reserve funds, or such other purposes as the Board in its discretion considers appropriate. Except as otherwise directed by the Board, special assessments shall be allocated among the units in the same manner as regular assessments provided that any special assessments against owners to raise funds for the repair, replacement or addition of that portion of the common area that contains the units shall be levied on the basis of the ratio of the square footage of the floor area of the unit to be assessed to the total square footage of floor area of all the units to be assessed.

4.4 Restrictions on Annual or Special Assessments: The Board may not impose an annual assessment on any condominium which is more than 20% greater than the annual assessment for the immediate preceding fiscal year or levy a special assessment to defray the cost of any action or undertaking on behalf of the Association which in the aggregate exceeds 5% of the budgeted gross expenses of the Association for that fiscal year, without the vote or written assent of members casting a majority of the votes at a meeting of the Association at which a quorum is present. For purposes of this section 4.4, a "quorum" means more than fifty percent (50%) of the members of the Association. Any meeting of the Association for purposes of complying with this section 4.4 shall be conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3, Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code.

Notwithstanding the foregoing, the Board, without membership approval, may increase annual assessments or levy special assessments necessary for an emergency situation. For purposes of this section, an emergency situation is one of the following:

- (1) an extraordinary expense required by an order of a court,
- (2) an extraordinary expense necessary to repair or maintain the property or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered, or

(3) an extraordinary expense necessary to repair or maintain the property or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget, provided, however that prior to the imposition or collection of the assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process and the resolution shall be distributed to the members with the notice of the assessment.

This section 4.4 incorporates the statutory requirements of Civil Code § 1366(b). If this section of the Civil Code is amended in any manner, this section 4.4 automatically shall be amended in the same manner without the necessity of amending this Declaration.

4.5 Notice and Quorum for Any Action Authorized Under Section 4.4: Any action authorized under section 4.4, which requires a vote of the membership, shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than ten (10) nor more than ninety (90) days in advance of the meeting specifying the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. The action may also be taken without a meeting pursuant to the provisions of California Corporations Code §7513.

4.6 Division of Assessments: All assessments, both annual and special, shall be levied equally among the condominiums except as provided in section 4.3 and except for that portion of the assessments allocated to meet the cost of insurance, painting and any commonly metered domestic water and gas, and roof, shingle siding, hot water heaters and solar water heater reserves. These specially allocated items shall be levied among the condominiums in the proportion that the square footage of living space of each unit bears to the square footage of all the units subject to the Declaration as determined by the plans prepared by Declarant and set forth in the budget submitted to the California Department of Real Estate. Annual assessments shall be collected on a monthly basis unless the Board directs otherwise. Special assessments may be collected in one (1) payment or periodically as the Board shall direct.

4.7 Date of Commencement of Annual Assessment; Due Dates: The regular assessments provided for herein shall commence as to all condominiums covered by this Declaration on the first day of the month following the first conveyance of a condominium to an individual owner under authority of a public report.

Subject to the provisions of section 4.3 hereof, the Board of Directors shall use its best efforts to fix the amount of the annual assessment against each condominium and send written notice thereof to every owner at least forty-five (45) days in advance of each annual assessment period, provided that failure to comply with the foregoing shall not affect the validity of any assessment levied by the Board. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified condominium have been paid. Such a certificate shall be conclusive evidence of such payment.

4.8 Effect of Nonpayment of Assessments: Any assessment not paid within fifteen (15) days after the due date shall be delinquent, shall bear interest at the rate of twelve percent (12%) per annum commencing thirty (30) days after the due date until paid, and shall incur a late payment penalty in an amount to be set by the Board from time to time, not to exceed the maximum permitted by applicable law.

4.9 Transfer of Condominium by Sale or Foreclosure: Sale or transfer of any condominium shall not affect the assessment lien. However, the sale of any condominium pursuant to mortgage foreclosure of a [first] mortgage shall extinguish the lien of such assessments (including attorneys fees, late charges, or interest levied in connection therewith) as to payments which became due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such condominium from liability for any assessments thereafter becoming due or from the lien thereof.

Where the mortgagee of a first mortgage of record or other purchaser of a condominium obtains title to the same as a result of foreclosure of any such first mortgage, such acquirer of title, his successor and assigns, shall not be liable for the assessment by the Association chargeable to such condominium which became due prior to the acquisition of title to such condominium by such acquirer (except for assessment liens recorded prior to the mortgage). (No amendment of the preceding sentence may be made without the consent of owners of units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, and the consent of the eligible mortgage holders holding first mortgages on units comprising fifty-one percent (51%) of the units subject to first mortgages.) The unpaid share of such assessments shall be deemed to be common expenses collectible from all of the condominium owners including such acquirer, his successors or assigns.

If a condominium is transferred, the grantor shall remain liable to the Association for all unpaid assessments against the condominium through and including the date of the transfer. The grantee shall be entitled to a statement from the Association, dated as of the date of transfer, setting forth the amount of the unpaid assessments against the condominium to be transferred and the condominium shall not be subject to a lien for unpaid assessments in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any assessments that become due after the date of the transfer.

4.10 Priorities; Enforcement; Remedies: If an assessment is delinquent, the Association may record a notice of delinquent assessment and establish a lien against the condominium of the delinquent owner prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deeds of trust with first priority over other mortgages or deed of trust) made in good faith and for value. The notice of delinquent assessment shall state the amount of the assessment, collection costs, attorneys' fees, late charges and interest, a description of the condominium against which the assessment and other sums are levied, the name of the record owner, and the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice shall be signed by any officer of the Association or any management agent retained by the Association.

An assessment lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Civil Code § 2934(a). Any sale by the trustee

shall be conducted in accordance with the provisions of §§2924, 2924b, 2924c, 2924f, 2924g and 2924h of the Civil Code, including any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. Nothing herein shall preclude the Association from bringing an action directly against an owner for breach of the personal obligation to pay assessments.

Fines and penalties for violation of restrictions are not "assessments", and are not enforceable by assessment lien.

The Association, acting on behalf of the condominium owners, shall have the power to bid for the condominium at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Where the purchase of a foreclosure condominium will result in a five percent (5%) or greater increase in assessments, the purchase shall require the vote or written consent of a majority of the total voting power of the Association, including a majority of members other than Declarant. During the period a condominium is owned by the Association, following foreclosure: (1) no right to vote shall be exercised on behalf of the condominium; (2) no assessment shall be assessed or levied on the condominium; and (3) each other condominium shall be charged, in addition to its usual assessment, its share of the assessment that would have been charged to such condominium had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses, and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

After acquiring title to the condominium at foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the condominium which deed shall be binding upon the owners, successors, and all other parties.

The Board may temporarily suspend the voting rights and right to use recreational facilities of a member who is in default in payment of any assessment, after notice and hearing, as provided in the Bylaws.

4.11 Unallocated Taxes: In the event that any taxes are assessed against the common area, or the personal property of the Association, rather than against the condominiums, said taxes shall be included in the assessments made under the provisions of section 4.1 and, if necessary, a special assessment may be levied against the condominiums in an amount equal to said taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

ARTICLE V DUTIES AND POWERS OF THE ASSOCIATION

5.1 Duties: In addition to the duties enumerated in the Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

A. Maintenance: The Association shall maintain, repair, replace (when necessary), restore, operate and manage all of the common area and all facilities (including utility facilities to the extent described in section 6.3), improvements, furnishings, equipment and landscaping thereon, and all property that may be acquired by the Association provided that each owner shall maintain the restricted common area appurtenant to that owner's condominium in a neat and clean condition. Maintenance shall include, without limitation, painting, maintaining, cleaning, repairing and replacing

of all common areas, including roofs, fences (except the repainting of the interior side of the patio fencing), landscaping (except for private patio areas) and recreational facilities. The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or omission of an owner, or his guests, tenants or invitees, the cost of which is not covered by insurance carried by the Association. Such repairs shall be made by the responsible owner, provided the Board approves the person actually making the repairs and the method of repair. If the responsible owner fails to take the necessary steps to make the repairs within a reasonable time under the circumstances, the Association shall make the repairs and charge the cost thereof to the responsible owner, which cost shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate authorized by law) until paid in full. If an owner disputes his or her responsibility for the repairs, the owner shall be entitled to notice and a hearing as provided in the Bylaws before any charge may be imposed.

The Association shall have the common area periodically inspected for termites and shall take appropriate corrective measures therefor.

The Association shall be responsible for the periodic maintenance and testing of all built-in fire detection and protection devices and equipment other than smoke detectors located in the units.

B. Insurance: The Association shall maintain such policy or policies of insurance as are required by section 8.8 of this Declaration.

C. Discharge of Liens: The Association shall discharge by payment, if necessary, any lien against the common area, and charge the cost thereof to the member or members responsible for the existence of the lien (after notice and a hearing, as provided in the Bylaws).

D. Assessments: The Association shall fix, levy, collect and enforce assessments as set forth in Article IV hereof.

E. Payment of Expenses: The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

F. Enforcement: The Association shall enforce this Declaration.

5.2 Powers: In addition to the powers enumerated in the Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

A. Utility Service: The Association shall have the authority (but not the obligation) to obtain, for the benefit of all of the condominiums, all water, gas and electric service and refuse collection, and janitorial or window cleaning service and CATV.

B. Easements: The Association shall have authority, by document signed or approved by two-thirds (2/3) of the total voting power of the Association, including two-thirds (2/3) of the members other than Declarant, to grant easements in addition to those shown on the Map, where necessary for utilities, cable television, and sewer facilities over the common area to serve the common and open space areas and the condominiums.

C. Manager: The Association may employ a manager or other persons and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, except for the responsibility to levy fines, impose discipline, hold hearings, file suit, record or foreclose liens, or make capital expenditures, provided that any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term, shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association, and to terminate the same for cause on thirty (30) days' written notice, or without cause or payment of a termination fee on ninety (90) days' written notice.

D. Adoption of Rules: The Association or the Board may adopt reasonable rules not inconsistent with this Declaration relating to the use of the common area and all facilities thereon, and the conduct of owners and their tenants and guests with respect to the property and other owners.

E. Access: For the purpose of performing construction, maintenance or emergency repair for the benefit of the common area or the owners in common, the Association's agents or employees shall have the right, after reasonable notice (not less than twenty-four (24) hours except in emergencies) to the owner thereof, to enter any unit or to enter any portion of the common area at reasonable hours. Such entry shall be made with as little inconvenience to the owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association.

F. Assessments, Liens and Fines: The Association shall have the power to levy and collect assessments in accordance with the provisions of Article IV hereof. The Association may impose fines or take disciplinary action against any owner for failure to pay assessments or for violation of any provision of the condominium documents. Penalties may include, but are not limited to; fines, temporary suspension of voting rights, rights to the use of recreational facilities or other appropriate discipline, provided the member is given notice and a hearing as provided in the Bylaws before the imposition of any fine or disciplinary action.

G. Enforcement: The Association shall have the authority to enforce this Declaration as per Article VIII hereof.

H. Acquisition and Disposition of Property: The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of property shall be by document signed or approved by two-thirds (2/3) of the total voting power of the Association which shall include two-thirds (2/3) of the members other than Declarant, or where the two (2) class voting structure is still in effect, shall include two-thirds (2/3) of the voting power of each class of members.

I. Loans: The Association shall have the power to borrow money, and, only with the assent (by vote or written consent) of two-thirds (2/3) of the total voting power of the Association including two-thirds (2/3) of the members other than Declarant, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

J. Dedication: The Association shall have the power to dedicate all or any part of the common area to any public agency, authority, or utility for such purposes and

subject to such conditions as may be agreed to by the members. No such dedication shall be effective unless an instrument has been signed by two-thirds (2/3) of the total voting power of the Association including two-thirds (2/3) of the members other than Declarant, or where the two (2) class voting structure is still in effect, two-thirds (2/3) of the voting power of each class of members, agreeing to such dedication.

K. Contracts: The Association shall have the power to contract for goods and/or services for the common area(s), facilities and interests or for the Association, subject to limitations set forth in the Bylaws, or elsewhere herein.

L. Delegation: The Association, the Board, and the officers of the Association shall have the power to delegate their authority and powers to committees, officers or employees of the Association, or to a manager employed by the Association, provided that the Board shall not delegate its responsibility:

(1) To make expenditures for capital additions or improvements chargeable against the reserve funds;

(2) To conduct hearings concerning compliance by an owner or his tenant, lessee, guest or invitee with the Declaration, Bylaws or rules and regulations promulgated by the Board;

(3) To make a decision to levy monetary fines, impose special assessments against individual condominiums, temporarily suspend an owner's rights as a member of the Association or otherwise impose discipline;

(4) To make a decision to levy regular or special assessments; or

(5) To make a decision to bring suit, record a claim of lien or institute foreclosure proceedings for default in payment of assessments.

M. Use of Recreational Facilities: The Association shall have the power to limit the number of an owner's tenants or guests who may use the recreational facilities, provided that all limitations apply equally to all owners, unless imposed for disciplinary reasons, after notice and hearing.

N. Appointment of Trustee: The Association, or the Board acting on behalf of the Association, has the power to appoint or designate a trustee to enforce assessment liens by sale as provided in section 4.10 and Civil Code § 1367(b).

O. Other Powers: In addition to the powers contained herein, the Association may exercise the powers granted to a nonprofit mutual benefit corporation under California Corporations Code § 7140.

5.3 Commencement of Association's Duties and Powers: Until incorporation of the Association, all duties and powers of the Association as described herein, including all rights of consent and approval, shall be and remain the duties and powers of Declarant. From and after the date of incorporation of the Association, the Association shall assume all duties and powers, and Declarant shall be relieved of any further liability therefor.

ARTICLE VI UTILITIES

6.1 Owners' Rights and Duties: The rights and duties of the owners of condominiums within the project with respect to sanitary sewer, water, drainage, electric, gas, television receiving, telephone equipment, cables and lines, exhaust flues, and heating and air conditioning facilities (hereinafter referred to, collectively, as "utility facilities") shall be as follows:

A. Whenever utility facilities are installed within the property, which utility facilities or any portion thereof lie in or upon condominiums owned by other than the owner of a condominium served by said utility facilities, the owners of any condominium served by said utility facilities shall have the right of reasonable access for themselves or for utility companies to repair, replace and generally maintain said utility facilities as and when necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

B. Whenever utility facilities are installed within the property which utility facilities serve more than one (1) condominium, the owner of each condominium served by said utility facilities shall be entitled to the full use and enjoyment of such portions of said utility facilities as service his condominium.

C. In the event of a dispute between owners with respect to the repair or rebuilding of said utility facilities, or with respect to the sharing of the cost thereof, then, upon written request of one (1) of such owners addressed to the Association, the matter shall be submitted to arbitration pursuant to the rules of the American Arbitration Association, and the decision of the arbitrator(s) shall be final and conclusive on the parties.

6.2 Easements for Utilities and Maintenance: Easements over and under the property for the installation, repair, and maintenance of electric, telephone, water, gas, and sanitary sewer lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping as shown on the recorded Map of the property, and as may be hereafter required or needed to service the property, are hereby reserved by Declarant and its successors and assigns, until the sale of the first unit and thereafter the Association, together with the right to grant and transfer the same. The easements shall be in favor of Declarant, and its successors and assigns, and in favor of the Association.

6.3 Association's Duties: The Association shall maintain all utility facilities located in the common area except for those facilities maintained by utility companies, public, private, or municipal and those maintained by the owners as described in section 8.7. The Association shall pay all charges for utilities supplied to the project except those metered or charged separately to the condominiums.

ARTICLE VII USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the property and each condominium therein is subject to the following:

7.1 Condominium Use: No condominium shall be occupied and used except for residential purposes by the owners, their tenants, and social guests, and no trade or

business shall be conducted therein, except that Declarant, its successors or assigns, may use any condominium or condominiums in the project owned by Declarant for a model home site or sites and display and sales office during construction and until the last condominium is sold by Declarant, or until three (3) years from the date of closing of the first sale in the project, whichever occurs first. No tent, shack, trailer, basement, garage, outbuilding or structure of a temporary character shall be used at any time as a residence, either temporarily or permanently.

Residents shall be limited as follows: No more than two (2) persons per bedroom in any condominium shall be permitted as permanent residents. (A "permanent resident" means any person residing in a condominium more than ninety (90) days out of any twelve (12) consecutive month period).

No health care facilities operating as a business or charity and serving the sick, elderly, disabled, handicapped or retarded shall be permitted in the project.

7.2 Nuisances: No noxious, illegal, or seriously offensive activities shall be carried on in any condominium, or in any part of the property, nor shall anything be done thereon which may be or may become a serious annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners' condominiums or which shall in any way increase the rate of insurance for the project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

7.3 Vehicle Restrictions and Towing: No trailer, camper, mobile home, commercial vehicle, truck (other than standard size pickup truck or standard size van), boat, inoperable automobile, or similar equipment shall be permitted to remain upon any area within the property, other than on a temporary basis and provided it is parked within an enclosed garage. Commercial vehicles shall not include sedans (or standard size vans or pickup trucks) which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No vehicle shall be parked in any common area guest parking space for more than twenty-four (24) hours in any seventy-two (72) hour period. No noisy or smoky vehicles shall be operated on the property. No unlicensed motor vehicles shall be operated upon the property. The occupants of a condominium shall not park more than two vehicles on the project at any one time. The Association may install a sign at each vehicular entrance to the project containing a statement that public parking is prohibited and that all vehicles not authorized to park on the project will be removed at the owner's expense. The sign shall contain the telephone number of the local traffic law enforcement agency and shall not be less than 17 x 22 inches in size with lettering not less than one (1) inch in height.

The Association may cause the removal of any vehicle wrongfully parked on the property, including a vehicle owned by an occupant. If the identity of the registered owner of the vehicle is known or readily ascertainable, the President of the Association or his or her designee shall, within a reasonable time thereafter, notify the owner of the removal in writing by personal delivery or first-class mail. In addition, notice of the removal shall be given to the local traffic law enforcement agency immediately after the vehicle has been removed. The notice shall include a description of the vehicle, the license plate number and the address from where the vehicle was removed. If the identity of the owner is not known or readily ascertainable and the vehicle has not been returned to the owner within one hundred twenty (120) hours after its removal, the Association immediately shall send or cause to be sent a written report of the removal by mail to the California Department of Justice in Sacramento, California and shall file a copy of the notice with the proprietor of the public garage in which the vehicle is

stored. The report shall be made on a form furnished by the Department of Justice and shall include a complete description of the vehicle, the date, time and place from which the vehicle was removed, the amount of mileage on the vehicle at the time of removal, the grounds for removal and the name of the garage or place where the vehicle is stored. Notwithstanding the foregoing, the Association may cause the removal, without notice, of any vehicle parked in a marked fire lane, within fifteen (15) feet of a fire hydrant, in a parking space designated for handicapped without proper authority or in a manner which interferes with any entrance to, or exit from, the project or any lot, parking space or garage located thereon. The Association shall not be liable for any damages incurred by the vehicle owner because of the removal in compliance with this section or for any damage to the vehicle caused by the removal, unless such damage resulted from the intentional or negligent act of the Association or any person causing the removal of or removing the vehicle. If requested by the owner of the vehicle, the Association shall state the grounds for the removal of the vehicle.

No garage or parking space shall be converted into any use (such as a recreational room or storage) that would prevent its use as parking space for the number of vehicles the space was designed to contain. Owners are to use their assigned parking spaces for parking of their vehicles so that any unassigned common area parking will be available primarily for guest parking. The Association may establish rules and regulations from time to time for the parking of vehicles in the common areas.

7.4 Signs: No signs shall be displayed to the public view on any units or on any portion of the property except such signs as are approved by the Board or committee appointed by the Board.

7.5 Animals: No animals of any kind shall be raised, bred, or kept in any condominium, or on any portion of the property, except birds or fish.

7.6 Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the property, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. All equipment, garbage cans, woodpiles, or storage piles shall be kept screened and concealed from view of other condominiums, streets and common areas. The Association shall be responsible for removal of garbage from the central pick-up point(s).

7.7 Radio and Television Antennas: No alteration to or modification of a central radio and/or television antenna system or cable television system, whichever is applicable, if developed by Declarant or a cable television franchisee and as maintained by the Association or said franchisee, shall be permitted, and no owner may be permitted to construct and/or use and operate his own external radio and/or television antenna, satellite dish or related equipment without the consent of the Board.

If cable television service is available to the project, condominium owners may select any duly licensed cable television franchise to provide service to the owners unit, provided that unless the cable lines have previously been installed at the direction of the Declarant or the Association, the installation of any additional lines shall be subject to the prior approval of the Board or Architectural Control Committee.

All fees for the use of any cable television system shall be borne by the respective owners, and not by the Association.

7.8 Right to Lease: No owner shall be permitted to lease his or her condominium for any period less than ninety (90) days. A lease must be for the entire condominium; no lease, rent or license agreements for any room or rooms within a condominium shall be permitted. Any lease shall be subject in all respects to the provisions of the Declaration and the Bylaws and to all house rules and regulations adopted by the Board and any failure of the tenant to comply with the terms of such documents shall be a default under the lease regardless of whether the lease so provides. On demand from the Association, the owner of leased condominium immediately shall take such steps as may be necessary to cure any defaults including if necessary eviction of the tenant. All owners leasing their condominiums shall promptly notify the Secretary of the Association in writing of the names of all tenants and members of tenant's family occupying such unit and of the address and telephone number where such owner can be reached. All leases shall be in writing.

7.9 Architectural Control: No building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement or structure of any kind shall be commenced, installed, erected, painted, repainted or maintained upon the property, nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Board, or by an Architectural Control Committee appointed by the Board. Approval shall require the applicant to submit to the Committee plans and specifications that adequately describe the proposed changes in a manner and form satisfactory to the Committee. In determining whether to approve the changes, the Committee shall consider the affect on the design and harmony of the project, the market value of the project or any condominiums therein, the use and enjoyment of any other condominium in the project, and such other matters as the Committee considers relevant.

Notwithstanding the foregoing, owners may improve or alter any improvements within the interior boundaries of the owner's unit provided such improvement or alteration does not impair the structural integrity of any common area, the utilities or other systems servicing the common area or other condominiums, and does not involve altering any common area (including bearing walls). No approval shall be required to repaint in accordance with Declarant's original color or in accordance with a color scheme previously approved by the Board or the Committee, or to rebuild in accordance with Declarant's original plans and specifications previously approved by the Board or by the Committee. Nothing contained herein shall be construed to limit the right of an owner to paint the interior of his or her unit any color desired.

No landscaping of patios or yards visible from the street or from the common area shall be undertaken by any owner until plans and specifications showing the nature, kind, shape and location of the materials shall have been submitted to and approved in writing by the Board or by an Architectural Control Committee appointed by the Board.

Notwithstanding anything herein to the contrary, owners of any units that are located on the floor immediately above the restricted common area garage and storage space that is appurtenant to that unit may, at that owner's expense, install an interior staircase that provides direct access between the unit and the restricted common area on satisfaction of each of the following conditions prior to the commencement of any work:

A. The plans and specifications for the staircase, the location of the staircase, the party that will install the staircase, and an itemized description of the total cost of the installation of the staircase have been submitted to and approved by the Board or the Architectural Control Committee;

B. The owner has posted such security as the Board directs in order to ensure lien free completion of the staircase;

C. The installation of the staircase shall not in any manner adversely affect the structural integrity of any common area improvement; and

D. The owner has complied with such other guidelines as the Board or Architectural Control Committee may adopt with respect to the installation of the staircase.

The Architectural Control Committee shall consist of three (3) members. Declarant may appoint all of the original members of the Committee and all replacements until the first anniversary of the issuance of the original final public report for the project. The Declarant reserves to itself the power to appoint a majority of the members to the Committee until ninety percent (90%) of all the condominiums in the project have been sold or until the fifth anniversary of the issuance of the final public report for the project, whichever occurs first. After one (1) year from the date of issuance of the original public report for the project, the Board shall have the power to appoint one (1) member to the Architectural Control Committee until ninety percent (90%) of all the condominiums in the project have been sold or until the fifth anniversary of the issuance of the final public report for the project, whichever first occurs. Thereafter, the Board shall have the power to appoint all of the members of the Architectural Control Committee. Members appointed to the Architectural Control Committee by the Board shall be from the membership of the Association. Members appointed to the Architectural Control Committee by the Declarant need not be members of the Association. A majority of the Architectural Control Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the successor shall be appointed by the person, entity or group which appointed such member until Declarant no longer has the right to appoint any members to the Committee, and thereafter the Board shall appoint such a successor. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. In the event the Committee fails to approve or disapprove plans and specifications within thirty (30) days after the same have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.

Before commencement of any alteration or improvements approved by the Architectural Control Committee, including the staircases described above, the owner shall comply with all appropriate governmental laws and regulations. Approval by the Committee does not satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction.

7.10 Drapes: All drapes, curtains, window coverings, shutters, or blinds visible from the street or common areas shall be beige, white or off-white in color or lined in beige, white or off-white, or as the case may be, of colors, materials and patterns which are approved by the Board or its authorized committee.

7.11 Clothes Lines: There shall be no outside laundering or drying of clothes. No draping of towels, carpets, or laundry over railings shall be allowed.

7.12 Power Equipment and Car Maintenance: No power equipment, hobby shops, or car maintenance (other than emergency work) shall be permitted on the property except with prior written approval of the Board. Approval shall not be unreasonably

withheld and in deciding whether to grant approval the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections.

7.13 Liability of Owners for Damage to Common Area: The owner of each condominium shall be liable to the Association for all damage to the common area or improvements to the extent described in section 5.1A.

7.14 Basketball Standards: No basketball apparatus shall be attached to the building exterior, or affixed to any portion of the common area.

7.15 Commonly Metered Utilities: The Board may establish restrictions regarding the individual use of any utility on a common meter, and may impose reasonable charges for the individual use thereof.

ARTICLE VIII GENERAL PROVISIONS

8.1 Enforcement: The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration, the Articles and the Bylaws, and in such action shall be entitled to recover reasonable attorneys' fees as are ordered by Court. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

8.2 Invalidity of Any Provision: Should any provision or portion hereof be declared invalid or in conflict with any law of the jurisdiction where this project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

8.3 Term: The covenants and restrictions of this Declaration shall run with and bind the property, and shall inure to the benefit of and shall be enforceable by the Association or the owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then owners of the condominiums, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

8.4 Amendments: Prior to close of escrow on the sale of the first condominium, Declarant may amend this Declaration. After sale of the first condominium, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Association and a majority of the affirmative votes or written consent of members other than the Declarant, or where the two (2) class voting structure is still in effect, a majority of each class of membership. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be certified in a writing executed and acknowledged by the President or Vice President of the Association and recorded in the Recorder's Office of the County of San Mateo.

8.5 Encroachment Rights: If any portion of the common area encroaches on any unit or any part thereof or any portion of a unit encroaches on any common area due to minor engineering errors, minor errors or adjustments in original construction, reconstruction, repair, settlement, shifting, or movement of the building, or any other cause, the owner of the encroachment shall have the right to maintain, repair or replace the encroachment, as long as it exists, and the rights and obligations of owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that no right shall be created in favor of an owner or owners if said encroachment occurred due to the intentional conduct of said owner or owners other than minor adjustments in the original construction. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the owners agree that minor encroachments over adjoining condominiums or common area shall be permitted and that there shall be appropriate rights for the maintenance of said encroachments so long as they shall exist.

8.6 Rights of First Lenders: No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) on any condominium made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise. Notwithstanding any provision in the condominium documents to the contrary, first lenders shall have the following rights:

A. Copies of Project Documents: The Association shall make available to condominium owners and first lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Bylaws, Articles or other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

B. Audited Statement: Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request, to an audited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting. Such statement shall be furnished within a reasonable time following such request.

C. Notice of Action: Upon written request to the Association, identifying the name and address of the eligible mortgage holder or eligible insurer or guarantor, and the condominium number or address, such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of: (1) any condemnation loss or any casualty loss which affects a material portion of the project or any condominium on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable; (2) any default in performance of obligations under the project documents or delinquency in the payment of assessments or charges owed by an owner of a condominium subject to a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days; (3) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (4) any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in section 8.6D. The Association shall discharge its obligation to notify eligible holders or eligible insurers or guarantors by sending written notices required herein to such parties, at the address given on the current request for notice, in the manner prescribed by section 8.13.

D. Consent to Action:

(1) Except as provided by statute or by other provision of the project documents in case of substantial destruction or condemnation of the project, and further excepting any reallocation of interests in the common area(s) which might occur pursuant to any plan of expansion or phased development contained in the original project documents:

(a) The consent of owners of condominiums to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible mortgage holders holding mortgages on condominiums which have at least sixty-seven percent (67%) of the votes of condominiums subject to eligible holder mortgages, shall be required to terminate the legal status of the project as a condominium project;

(b) The consent of owners of condominiums to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible mortgage holders holding mortgages on units which have at least fifty-one percent (51%) of the votes of the condominiums subject to eligible holder mortgages, shall be required to add or amend any material provisions of the project documents which establish, provide for, govern or regulate any of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the common area(s) (or units if applicable); (iv) insurance or fidelity bond; (v) rights to use of common areas; (vi) responsibility for maintenance and repair of the several portions of the project; (vii) expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project (except as provided in paragraph D(1) above); (viii) boundaries of any condominium; (ix) the interests in the general or restricted common areas; (x) convertability of units into common areas or of common areas into units; (xi) leasing of condominiums; (xii) imposition of any right of first refusal or similar restriction on the right of an owner to sell, transfer, or otherwise convey his or her condominium; (xiii) any provisions which are for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of first mortgages on condominiums;

(c) An addition or amendment to such document shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(2) Except as provided by statute in case of condemnation or substantial loss to the condominiums and/or common elements of the condominium project, unless the holder(s) of at least two-thirds (2/3) of the first mortgages (based upon one (1) vote for each first mortgage owned), or owners of the individual condominium units have given their prior written approval, the Association and/or the owners shall not be entitled to:

(a) By act or omission, seek to abandon or terminate the condominium project (except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain);

(b) Change the pro rata interest or obligations of any individual condominium for the purpose of: (i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or (ii) determining the pro rata share of ownership of each condominium in the common area;

(c) Partition or subdivide any condominium unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the common area by the condominium project shall not be deemed a transfer within the meaning of this clause);

(e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common area) for other than the repair, replacement or reconstruction of such condominium property.

E. Right of First Refusal: The right of a condominium owner to sell, transfer, or otherwise convey his or her condominium shall not be subject to any right of first refusal or similar restriction.

F. Contracts: Any agreement for professional management of the condominium project, or lease or any other contract providing for services of the developer, sponsor, or builder, may not exceed one (1) year. Any agreement, contract, or lease, including a management contract entered into prior to passage of control of the Board of Directors of the Association to unit purchasers, must provide for termination by either party for cause on thirty (30) days' written notice, or without cause and without payment of a termination fee or penalty on ninety (90) days' or less written notice.

G. Reserves: Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs, and replacement of those improvements which the Association is obligated to maintain that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.

H. Priority of Liens: Each holder of a first mortgage lien on a condominium who comes into possession of the condominium by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale under a first deed of trust, will take the condominium free of any claims for unpaid assessments and fees, late charges, fines or interest levied in connection therewith, against the condominium which accrue prior to the time such holder takes title to the condominium, except for claims for a pro rata share of such assessments or charges to all project condominiums including the mortgaged condominium, and except for assessment liens recorded prior to the mortgage.

I. Distribution of Insurance or Condemnation Proceeds: No provision of the condominium documents gives an owner, or any other party, priority over any rights of first mortgagees in the case of a distribution to owners of insurance proceeds or condemnation awards for losses to or taking of condominiums and/or common area.

J. Restoration or Repair: Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by eligible mortgage holders holding mortgages on

condominiums which have at least fifty-one percent (51%) of the votes of condominiums subject to eligible holder mortgages.

K. Termination: Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property must require the approval of eligible mortgage holders holding mortgages on condominiums which have at least fifty-one percent (51%) of the votes of condominiums subject to eligible holder mortgages.

L. Reallocation of Interests: No reallocation of interests in the common areas resulting from a partial condemnation or partial destruction of the project may be effected without the prior approval of eligible mortgage holders holding mortgages on all remaining condominiums whether existing in whole or in part, and which have at least fifty-one percent (51%) of the votes of such remaining condominiums subject to eligible holder mortgages.

M. Termination of Professional Management: When professional management has been previously required by any eligible mortgage holder or eligible insurer or guarantor, whether such entity became an eligible mortgage holder or eligible insurer or guarantor at that time or later, any decision to establish self management by the Association shall require the prior consent of owners of condominiums to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible mortgage holders holding mortgages on condominiums which have at least fifty-one percent (51%) of the votes of condominiums subject to eligible holder mortgages.

8.7 Owner's Right and Obligation to Maintain and Repair: Except for those portions of the project which the Association is required to maintain and repair, each unit owner shall, at his or her sole cost and expense, maintain and repair the unit, keeping the same in good condition. Each owner shall bear the cost of maintenance, repair and replacement of the following items within or serving such owner's unit: Patio landscaping, windows, interior surfaces of all perimeter and interior walls, ceilings and floors (including carpeting, tile, wall paper, paint or other covering); garbage disposals, ranges, refrigerators, dishwashers, washing machines, dryers, light fixtures, smoke detectors and any and all other appliances of any nature whatsoever; interior doors, including all hardware thereon; light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; and decorative features, and any furniture and furnishings. Each owner at that owner's expense shall maintain and repair the furnace that services that owner's unit, wherever located. All electric utilities serving individual units shall be separately metered and shall be the expense of each individual unit owner. Electric utilities serving the general common elements shall be a common expense of the Association. Each owner shall keep the restricted common area appurtenant or assigned to the owner's condominium in a clean and neat condition at all times, and shall at the owner's cost periodically repaint the interior side of the fencing around the restricted common area patio that is appurtenant to the owner's lot. Each owner shall have the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, and doors bounding his unit. In the event an owner fails to maintain the interior of his unit or the landscaping within his private patio area in a manner which the Board deems necessary to preserve the appearance and value of the property, the Board may notify owner of the work required and request it be done within sixty (60) days from the giving of such notice. In the event owner fails to carry out such maintenance within said period, the Board may, following notice and hearing as provided in the Bylaws, cause such work to be done and the cost

thereof shall immediately be paid by such owner to the Association and until paid shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate authorized by law).

8.8 Insurance; Damage or Destruction:

A. Insurance: The Association shall obtain and maintain the following insurance:

- (1) A master hazard policy insuring all improvements and fixtures on the property (including the residences);
- (2) A comprehensive public liability policy insuring the Association, its agents, and the owners and their respective family, members against any liability incident to the ownership or use of the common area or any other Association owned or maintained real or personal property;
- (3) Workers' compensation insurance to the extent required by law;
- (4) Fidelity bonds or insurance covering officers, directors, and employees that have access to any Association funds;
- (5) Flood insurance if the project is located in an area designated by an appropriate governmental agency as a special flood hazard area;
- (6) Officers and directors liability insurance; and
- (7) Such other insurance as the Board in its discretion considers necessary or advisable.

The amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard mortgage clauses, notices of changes or cancellations, and the insurance company rating) shall satisfy the minimum requirements imposed for this type of project by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") or any successor thereto. If the FNMA or FHLMC requirements conflict, the more stringent requirement shall be met. If FNMA and FHLMC do not impose requirements on any policy required hereunder, the term, amount and coverage of such policy shall be no less than that which is customary for similar policies on similar projects in the area.

Each owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including without limitation, representing the owners in any proceeding, negotiation, settlement or agreement.

Any insurance maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, directors and members, the owners and occupants of the condominiums (including Declarant) and mortgagees, and, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The Association shall periodically (and not less than once every three (3) years) review all insurance policies maintained by the Association to determine the adequacy of the coverage and to adjust the policies accordingly.

All individually owned insurance shall contain a waiver of subrogation as to the Association and its officers, directors and members, the owners and occupants of the condominiums (including Declarant) and mortgagees.

No condominium owner shall separately insure his or her condominium against loss by fire or other casualty covered by any insurance carried by the Association. If any owner violates this provision, any diminution in insurance proceeds otherwise payable under the Association's policies that results from the existence of such other insurance will be chargeable to the owner who acquired other insurance. The insurance maintained by the Association does not cover the personal property in the residences and does not cover personal liability for damages or injuries occurring in the units. Any owner can insure his or her personal property against loss and obtain any personal liability insurance that he or she desires. In addition, any improvements made by an owner within his or her unit may be separately insured by the owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements".

Each buyer of a condominium shall pay the portion of the premium(s) attributable to the buyer's condominium (prorated to the date of close of escrow) for the policy or policies purchased by Declarant for the Association.

The Association, and its directors and officers, shall have no liability to any owner or mortgagee if, after a good faith effort, it is unable to obtain the liability insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the members fail to approve any assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each member and any mortgagee entitled to notice that the liability insurance will not be obtained or renewed.

B. Damage or Destruction: If project improvements are damaged or destroyed by fire or other casualty, the improvements shall be repaired or reconstructed substantially in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction and subject to such alterations or upgrades as may be approved by the Architectural Control Committee, unless either of the following occurs: (1) the cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all project improvements, available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstruction, and three-fourths (3/4) of the total voting power of the Association residing in members and their first lenders vote against such repair and reconstruction; or (2) available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Board, a special assessment levied to supplement the insurance fails to receive the requisite approval (if such approval is required) as provided in section 4.4, and the Board, without the requirement of approval by the owners, is unable to supplement the insurance by borrowing on behalf of the Association sufficient monies to enable the improvements to be substantially repaired or reconstructed within a reasonable time.

If the improvement is to be repaired or reconstructed and the cost for repair or reconstruction is in excess of \$20,000, the Board shall designate a construction consultant, a general contractor, and an architect for the repair or reconstruction. All insurance proceeds, Association monies allocated for the repair or reconstruction, and any borrowings by the Association for the repair or reconstruction shall be deposited

with a commercial lending institution experienced in the disbursement of construction loan funds (the "depository") as selected by the Board. Funds shall be disbursed in accordance with the normal construction loan practices of the depository that require as a minimum that the construction consultant, general contractor and architect certify within ten (10) days prior to any disbursement substantially the following:

(1) That all of the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specifications;

(2) That such disbursement request represents monies which either have been paid by or on behalf of the construction consultant, the general contractor or the architect and/or are justly due to contractors, subcontractors, materialmen, engineers, or other persons (whose name and address shall be stated) who have rendered or furnished certain services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the respective amounts paid or due to each of said persons in respect thereof and stating the progress of the work up to the date of said certificate;

(3) That the sum then requested to be disbursed plus all sums previously disbursed does not exceed the cost of the work insofar as actually accomplished up to the date of such certificate;

(4) That no part of the cost of the services and materials described in the foregoing paragraph (1) has been or is being made the basis for the disbursement of any funds in any previous or then pending application; and

(5) That the amount held by the depository, after payment of the amount requested in the pending disbursement request, will be sufficient to pay in full the costs necessary to complete the repair or reconstruction.

If the cost of repair or reconstruction is \$20,000 or less, the Board shall disburse the available funds for the repair and reconstruction under such procedures as the Board deems appropriate under the circumstances.

The repair or reconstruction shall commence no later than ninety (90) days after the date of such damage or destruction and shall be completed no later than one hundred eighty (180) days after such date, subject to delays that are beyond the control of the party responsible for making the repairs. The owner of the damaged or destroyed improvement immediately shall take such steps as may be reasonably necessary to secure any hazardous condition and to screen any unsightly views resulting from the damage or destruction.

If the improvements are not repaired or reconstructed in accordance with the foregoing, all available insurance proceeds shall be disbursed among all owners and their respective mortgagees in proportion to the respective fair market values of their condominiums as of the date immediately preceding the date of damage or destruction as determined by a qualified independent appraiser selected by the Board, after first applying the proceeds to the cost of mitigating hazardous conditions on the property, making provision for the continuance of public liability insurance to protect the interests of the owners until the property can be sold, and complying with all other applicable requirements of governmental agencies. In the event of a failure to agree upon an appraiser, the appraiser shall be appointed by the then President of the San Mateo County Bar Association.

If the failure to repair or reconstruct results in a material alteration of the use of the project from its use immediately preceding the damage or destruction as determined by the Board (a material alteration shall be conclusively presumed if repair or reconstruction costs exceed twenty-five percent (25%) of the current replacement cost of all project improvements), the project shall be sold in its entirety under such terms and conditions as the Board deems appropriate. If any owner or first lender disputes the Board's determination as to a material alteration, the dispute shall be submitted to arbitration pursuant to the rules of the American Arbitration Association, and the decision of the arbitrator shall be conclusive and binding on all owners and their mortgagees.

If the project is sold, the sales proceeds shall be distributed to all owners and their respective mortgagees in proportion to their respective fair market values of their condominiums as of the date immediately preceding the date of damage or destruction as determined by the independent appraisal procedure described above. For the purpose of effecting a sale under this section 8.8, each owner grants to the Association an irrevocable power of attorney to sell the entire project for the benefit of the owners, to terminate the Declaration and to dissolve the Association. In the event the Association fails to take the necessary steps to sell the entire project as required hereunder within sixty (60) days following the date of a determination by the Board or arbitrator of a material alteration, or if within one hundred twenty (120) days following the date of damage or destruction the Board has failed to make a determination as to a material alteration, any owner may file a partition action as to the entire project under Civil Code §1359, or any successor statute, and the court shall order partition by sale of the entire project and distribution of the sale proceeds as provided herein.

Notwithstanding anything herein to the contrary, any owner or group of owners shall have a right of first refusal to match the terms and conditions of any offer made to the Association in the event of a sale of the project under this section 8.8, provided this right is exercised within ten (10) days of receipt by the owners of a notice from the Association containing the terms and conditions of any offer it has received. If the owner or group of owners subsequently default on their offer to purchase, they shall be liable to the other owners and their respective mortgagees for any damages resulting from the default. If more than one (1) owner or group elects to exercise this right, the Board shall accept the offer that in its determination is the best offer.

8.9 Condemnation: The Association shall represent the owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common area(s), or part thereof. In the event of a taking or acquisition of part or all of the common area(s) by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee appointed by the Association, for the use and benefit of the owners and their mortgagees as their interests may appear. In the event of an award for the taking of any condominium in the project by eminent domain, the owner of such condominium shall be entitled to receive the award for such taking and after acceptance thereof he and his mortgagee shall be divested of all interest in the project if such owner shall vacate his condominium as a result of such taking. The remaining owners shall decide by majority vote whether to rebuild or repair the project, or take other action. The remaining portion of the project shall be resurveyed, if necessary, and the Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining owners in the project. In the event of a taking by eminent domain of any part of the common area, the Association shall participate in the negotiations, and shall propose the method of division of the proceeds of condemnation,

where condominiums are not valued separately by the condemning authority or by the court. Proceeds of condemnation shall be distributed among owners of condominiums and their respective mortgagees according to the relative values of the condominiums affected by the condemnation, said values to be determined by the method provided in section 8.8.

If there is a substantial taking of the project's property (more than fifty percent (50%)), the owners may terminate the legal status of the project and, if necessary, bring a partition action under Civil Code §1359 or any successor statute, on the election to terminate by fifty-one percent (51%) of the total voting power of the Association residing in members other than Declarant and the approval of eligible mortgage holders holding mortgages on condominiums which have at least fifty-one percent (51%) of the votes of condominiums subject to eligible holder mortgages. The proceeds from the partition sale shall be distributed to the owners and their respective mortgagees in proportion to the fair market values of their condominiums as determined under the method described in section 8.8.

8.10 Limitation of Restrictions on Declarant: Declarant is undertaking the conversion of a rental apartment project to a residential condominium and is making some improvements to the property. The completion of conversion and the sale, rental, and other disposal of the condominiums is essential to the establishment and welfare of the property as a residential condominium community. In order that said conversion may be completed as rapidly as possible, nothing in this Declaration shall be understood or construed to:

A. Prevent Declarant, its contractors, or subcontractors from doing on the property or any condominium, whatever is reasonably necessary or advisable in connection with the completion of said conversion; or

B. Prevent Declarant or its representatives from erecting, constructing and maintaining on the property (except upon units owned by others), such structures as may be reasonable and necessary for the conduct of its business of completing said conversion and establishing said property as a residential condominium community and disposing of the same in parcels by sale, lease or otherwise; or

C. Prevent Declarant from conducting on property (except upon units owned by others) its business of completing the conversion and of establishing a plan of condominium ownership and of disposing of said property as condominiums by sale, lease or otherwise (including use of one (1) or more units as a sales office) (use of the recreation room or existing office by Declarant as a sales office after close of escrow on the first sale of a unit shall require payment of a reasonable rental fee by Declarant to the Association); or

D. Prevent Declarant from maintaining such sign or signs on the property (except upon units owned by others) as may be necessary for the sale, lease or disposition thereof.

The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the project, or three (3) years after the date of recordation of the deed of the first condominium to be sold in the project, whichever occurs first.

So long as Declarant, its successors and assigns, owns one (1) or more of the condominiums established and described herein, Declarant, its successors and assigns,

shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of their units (and the common area) by owners, while completing any work necessary to said units or common area.

8.11 Termination of any Responsibility of Declarant: In the event Declarant shall convey all of its right, title and interest in and to the property to any person, then and in such event, Declarant shall be relieved of the performance of any further duty or obligation hereunder, and such partnership, individual or individuals, corporation or corporations, shall be obligated to perform all such duties and obligations of the Declarant.

8.12 Owners' Compliance: Each owner, tenant or occupant of a condominium shall comply with the provisions of this Declaration, and (to the extent they are not in conflict with the Declaration) the Articles and Bylaws, the decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Failure to comply with any such decisions, or resolutions shall be grounds for an action (1) to recover sums due, (2) for damages, (3) for injunctive relief, (4) for costs and attorneys fees, or (5) any combination of the foregoing.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Articles or the Bylaws, shall be deemed to be binding on all owners, their successors and assigns.

8.13 Notice: Any notice permitted or required by the Declaration, Articles or Bylaws may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, first class or registered, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the unit of such person if no address has been given to the Secretary.

8.14 Special Provisions Relating to Enforcement of Declarant's Obligation to Complete Common Area Improvements: Where the project includes common area improvements which have not been completed prior to the close of escrow on the sale of the first condominium, and where the Association is obligee under a bond or other arrangement (hereafter "bond") to secure performance of the commitment of Declarant to complete said improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for that improvement in the planned construction statement appended to the bond. If the Association has given an extension in writing for the completion of any common area improvement, the Board shall consider and vote on the aforesaid question if a notice of completion has not been filed within thirty (30) days after the expiration of the extension. A special meeting of members of the Association for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the bond or on the failure of the Board to consider and vote on the question shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by members representing five percent (5%) or more of the total voting power of the Association. At such special meeting a vote of a majority of members of the Association other than the Declarant shall be required to take action to enforce the obligations under the bond and a vote of a majority of the voting power of the Association, excluding Declarant, shall be deemed to be the decision of the Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

On satisfaction of the Declarant's obligation to complete the common area improvements, the Association shall acknowledge in writing that it approves the release of the bond and shall execute any other documents as may be necessary to effect the release of the bond. The Association shall not condition its approval of the release of the bond on the satisfaction of any condition other than the completion of the common area improvements as described on the planned construction statement. Any dispute between the Declarant and the Association regarding the completion of the common area shall be submitted to binding arbitration under the commercial rules of the American Arbitration Association and the prevailing party shall be entitled to recover costs, including reasonable attorneys' fees.

8.15 Fair Housing. No owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, or mortgaging, or occupancy of his unit to any person of a specified race, sex, adulthood, marital status, color, religion, ancestry, physical handicap, or national origin.

8.16 Rights of the City of Menlo Park: Notwithstanding anything herein to the contrary, if the City of Menlo Park (the "City") determines that the Association is not maintaining the common area, including exterior maintenance of the buildings, the City may by mail or personal delivery notify the Association of this failure and demand that such failure be corrected. If, within forty-five (45) days after receipt by the Association of this notice, the Association has not corrected the failure or has not satisfied the City that it is taking the necessary steps to correct the failure within a reasonable time, the City shall have the right, but not the obligation, to commence an action in a court of appropriate jurisdiction for an order compelling the Association to perform the required maintenance, and the City shall be entitled to recover the cost of such action, including reasonable attorneys' fees. Alternatively, the City may conduct a hearing to be held no later than fifteen (15) days after the City has given written notice to the Association of its failure to adequately maintain the common area. If at the hearing the City determines additional maintenance is required, the City may, but without obligation, perform the maintenance. The cost thereof shall be a lien against the common area and the Association's maintenance fund, and the obligation to reimburse the City shall be the joint obligation of all the lot owners. The foregoing shall not limit any other right or remedy that the City has under its ordinances or by state law.

Neither this section nor section 5.1A regarding the Association's maintenance responsibilities over the common area, including exterior building maintenance, may be amended without the prior written approval of the Director of Community Resources of the City.

8.17 Singular and Plural: The singular and plural number and masculine, feminine and neuter gender shall each include the other where the context requires.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 24th day of June, 1988 and hereby certifies that Declarant consents to the recordation of the Condominium Plan attached hereto as Exhibit "A" pursuant to the requirements of California Civil Code §§ 1350-1372.

SHARON GLEN ASSOCIATES,
a California limited partnership

By: SHARON GLEN, INC.
a California corporation
The Sole General Partner

By: [Signature]
Ebad S. Abu-Zayyad,
President

88080500

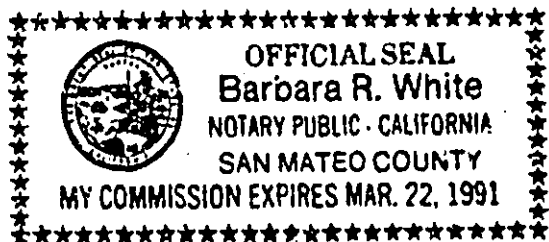
STATE OF CALIFORNIA)

COUNTY OF San Mateo) ss.

On this 24th day of June, 1988, before me, the undersigned, a Notary Public of State of California, duly commissioned and sworn, personally appeared Ebad S. Abu-Zayyad, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as President of the corporation therein named and acknowledged to me that such corporation executed this instrument on behalf of the partnership and acknowledged to me that the partnership executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of San Mateo the day and year in this certificate first above written.

[Signature]
Notary Public, State of California



Home Savings of America, under deed of trust dated May 13, 1985, recorded May 28, 1985, Serial No. 85052053, Official Records, San Mateo County, hereby approves and consents to the recording of this Declaration, subordinates the beneficial interest under said deed of trust to said Declaration and certifies that it consents to the recordation of the condominium plan attached as Exhibit "A" hereto pursuant to the requirements of California Civil Code §§ 1350-1372.

HOME SAVINGS OF AMERICA, F.A.

By: Gary H. Tharpe
Gary H. Tharpe, Vice President

By: Barbee Gentry
Barbee Gentry, Vice President

STATE OF CALIFORNIA

COUNTY OF _____

)
) ss.
)

On this _____ day of _____, 19____, before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared _____, personally known to me
executed the
ation therein

STATE OF CALIFORNIA Los Angeles)
COUNTY OF _____) ss.

On June 8, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Gary H. Tharpe and Barbee Gentry, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as _____
Vice President and Vice President, on behalf of _____
Home Savings of America, F.A.

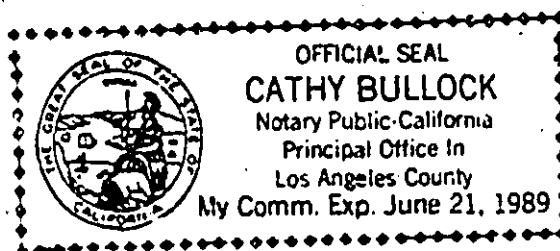
Official seal in
ificate first

the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Cathy Bullock

SF-425-9 (REV. C-7/82) (CA) (CORPORATION)



(This area for official notarial seal)

ore me, the
and sworn,
nown to me
executed the
ation therein

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of _____ the day and year in this certificate first above written.

Notary Public, State of California

88080500

EXHIBIT A
CONDOMINIUM PLAN
FOR
SHARON GLEN

BEING A 57 UNIT CONDOMINIUM CONVERSION
OF SHARON GLEN APARTMENTS
LOT 1 AS SHOWN ON THAT CERTAIN MAP
ENTITLED "SHARON GLEN FINAL MAP
FOR CONDOMINIUM PURPOSES"
FILED IN VOLUME 118 OF MAPS AT PAGE 39
RECORDS OF SAN MATEO COUNTY

SITUATE IN THE CITY OF MENLO PARK
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

NOVEMBER 1987

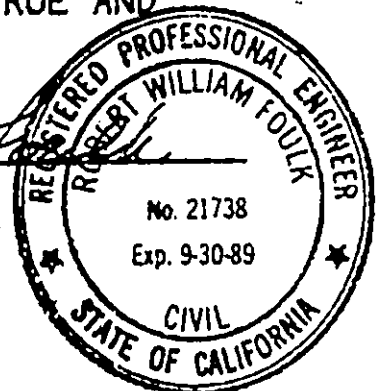
BRIAN KANGAS FOULK
CONSULTING ENGINEERS * PLANNERS * SURVEYORS
540 PRICE AVENUE : REDWOOD CITY, CA 94063
TELEPHONE 415/365-0412 : FAX 415/365-1260

ENGINEER'S CERTIFICATE

I, ROBERT W. FOULK, A REGISTERED CIVIL ENGINEER IN THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THIS CONDOMINIUM PLAN CONSISTING OF 20 SHEETS, WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CORRECTLY REPRESENTS A SURVEY OF THE PERIMETER OF THE PROJECT AND THE LOCATIONS OF ALL AIRSPACES AND BUILDINGS BUILT THEREON; SAID CONDOMINIUM CONVERSION AS BUILT SURVEY WAS MADE UNDER MY DIRECTION DURING THE MONTH OF AUGUST, 1987 AND IS TRUE AND COMPLETE AS SHOWN.

DATED: JUNE 23, 1988

Robert W. Foulk
ROBERT W. FOULK
R.C.E. NO. 21738
EXPIR. 9-30-1989



CONDOMINIUM NOTES

THIS CONDOMINIUM PLAN CONSISTS OF THE FOLLOWING: (1) A DESCRIPTION OR SURVEY MAP OF A CONDOMINIUM PROJECT WHICH REFERS TO OR SHOWS MONUMENTATION ON THE GROUND; AND (11) A 3-DIMENSIONAL DESCRIPTION OF THE PROJECT IN SUFFICIENT DETAIL TO IDENTIFY THE COMMON AREAS AND EACH SEPARATE INTEREST.

ALL DISTANCES, DIMENSIONS AND ELEVATIONS ARE IN FEET AND DECIMALS THEREOF. ALL INTERIOR DIMENSIONS SHOWN AND ELEVATIONS NOTED ARE MEASURED TO THE UNFINISHED INTERIOR SURFACES OF THE WALLS, FLOORS AND CEILINGS. FLOOR AND CEILING ELEVATIONS SHOWN HEREON ARE SUBJECT TO A VERTICAL TOLERANCE OF (PLUS OR MINUS) SIX INCHES. THE LOCATION OF THE PERIMETER AND INTERIOR WALLS OF EACH UNIT SHOWN HEREON IS SUBJECT TO A HORIZONTAL TOLERANCE OF (PLUS OR MINUS) SIX INCHES. ALL BUILDING WALLS AND ALL WALLS OF UNITS ARE AT RIGHT ANGLES TO EACH OTHER UNLESS SHOWN OTHERWISE. ALL WALL THICKNESSES ARE AS NOTED ON THE BUILDING BLOCK PLANS.

88080500

BASIS OF BEARINGS

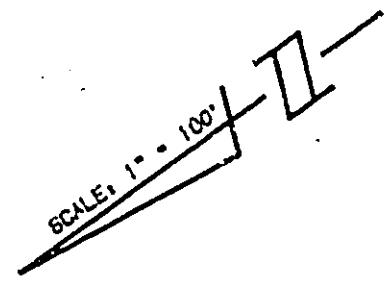
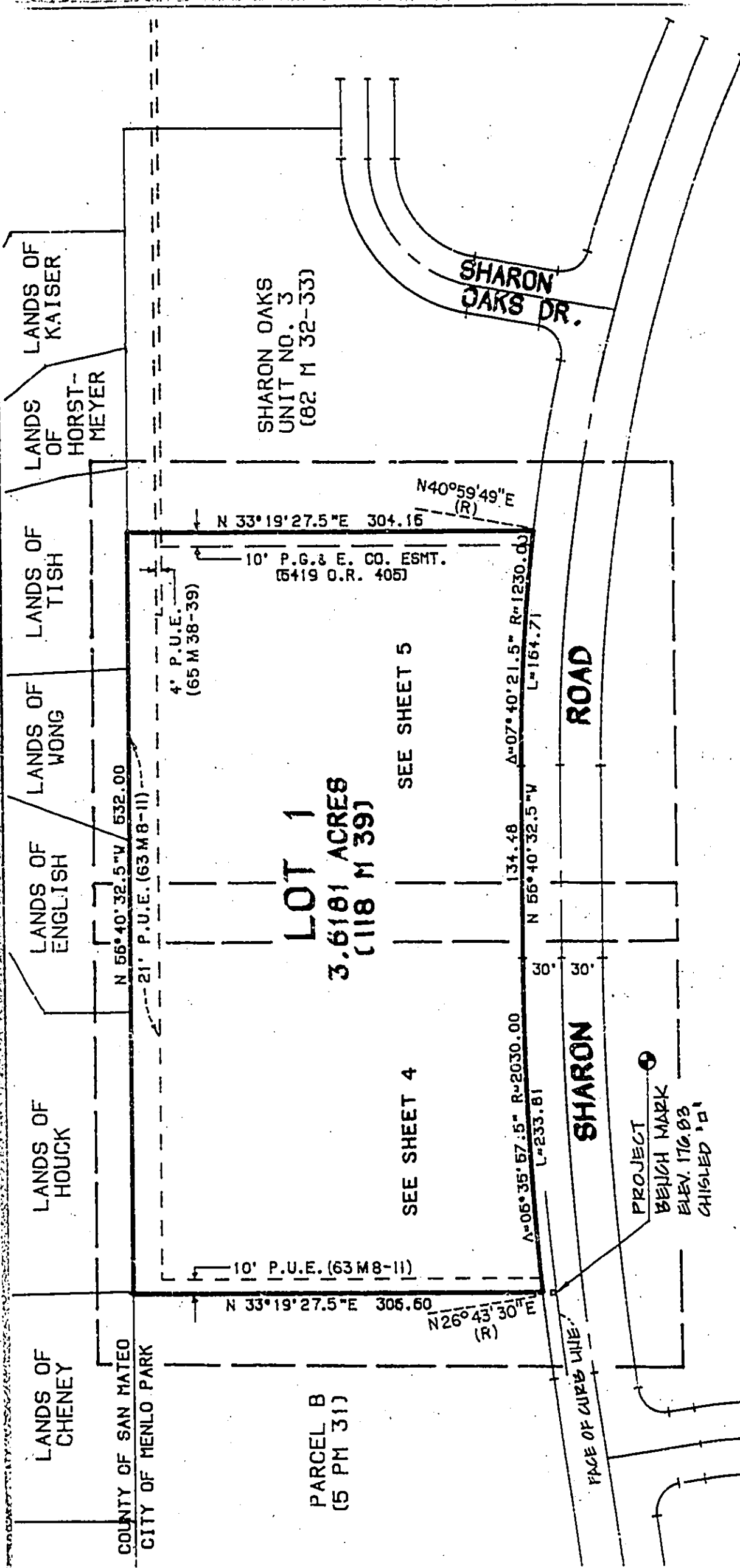
BEARINGS AS SHOWN ON THAT CERTAIN MAP ENTITLED "SHARON GLEN, FINAL MAP FOR CONDOMINIUM PURPOSES", CONSISTING OF ONE SHEET, FILED IN VOLUME 118 OF MAPS AT PAGE 39, RECORDS OF SAN MATEO COUNTY, STATE OF CALIFORNIA.

PROJECT BENCHMARK

CHISELED "□" ON TOP OF CURB AT FACE OF CURB, ELEVATION 176.83 FEET, LOCATED AT THE INTERSECT OF THE NORTHWESTERLY BOUNDARY LINE OF LOT 1 (118 M 39) AND THE NORTHERLY FACE OF CURB LINE OF SHARON ROAD. SEE SHEET 3 FOR BENCHMARK LOCATION.

LEGEND AND ABBREVIATIONS

	LOT 1 BOUNDARY (118 M 39)
	INTERIOR UNFINISHED
	SURFACE OF WALL, FLOOR & CEILING
	SKYLIGHT LOCATION
# 2327	UNIT DESIGNATION, CONDOMINIUM ADDRESS: 2327 SHARON ROAD, MENLO PARK, CA 94025
P 2327	PARKING SPACE (OPEN)
G 2327	GARAGE SPACE (COVERED)
S 2327	STORAGE ROOM
PT 2327	PATIO (FIRST FLOOR)
B 2327	BALCONY (SECOND FLOOR)
ELEV.	ELEVATION
P.U.E.	PUBLIC UTILITIES EASEMENT
P.G. & E.	PACIFIC GAS AND ELECTRIC
O.R.	OFFICIAL RECORDS
M	INDICATES VOLUME OF MAPS
PM	INDICATES PARCEL MAPS



LOCATION MAP

1" = 100'

SHARON GLEN
MENLO PARK, CALIFORNIA

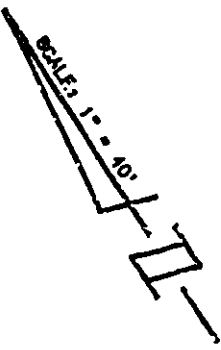
00508088

LANDS OF CHENEY

LANDS OF HOUCK

LANDS OF ENGLISH

N 56°40'32.5"W 532.00

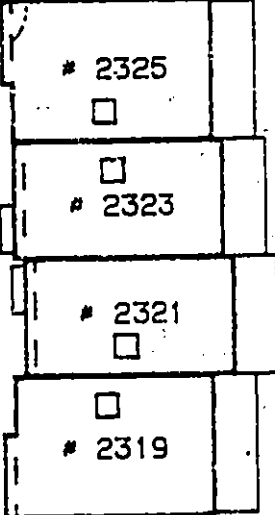


PARCEL B (5 PM 31)

N 33°19'27.5"E 306.60

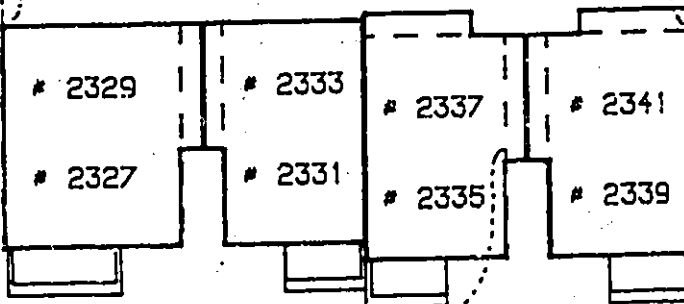
10' P.U.E. (63 M 8-11)

BLDG BLOCK 10
SEE SHEET 15

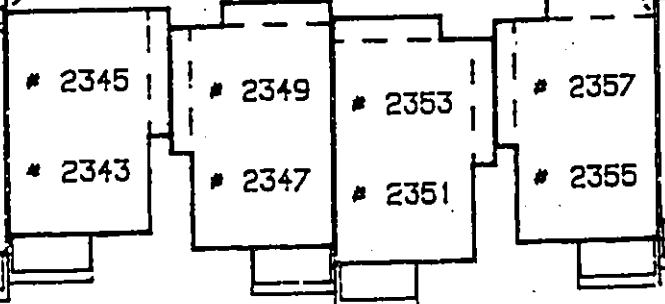


GROUND FLOOR BUILDING
LINE (TYPICAL)

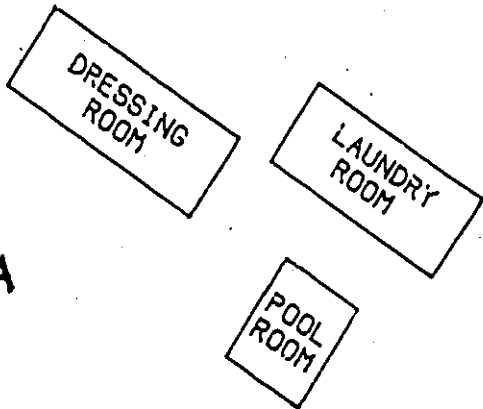
BLDG BLOCK 1
SEE SHEET 6



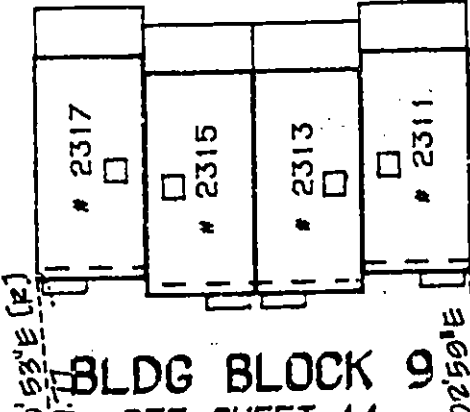
BLDG BLOCK 2
SEE SHEET 7



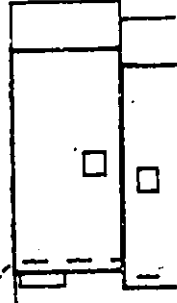
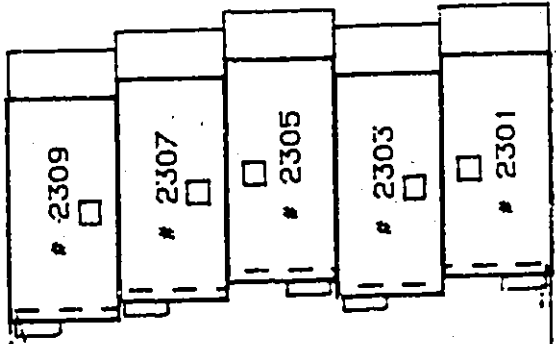
LOT 1
COMMON AREA



BLDG BLOCK 9
SEE SHEET 14



BLDG BLOCK 8
SEE SHEET 13



SHARON ROAD

SHARON GLEN
MENLO PARK, CALIFORNIA

88080500

SHEET 4

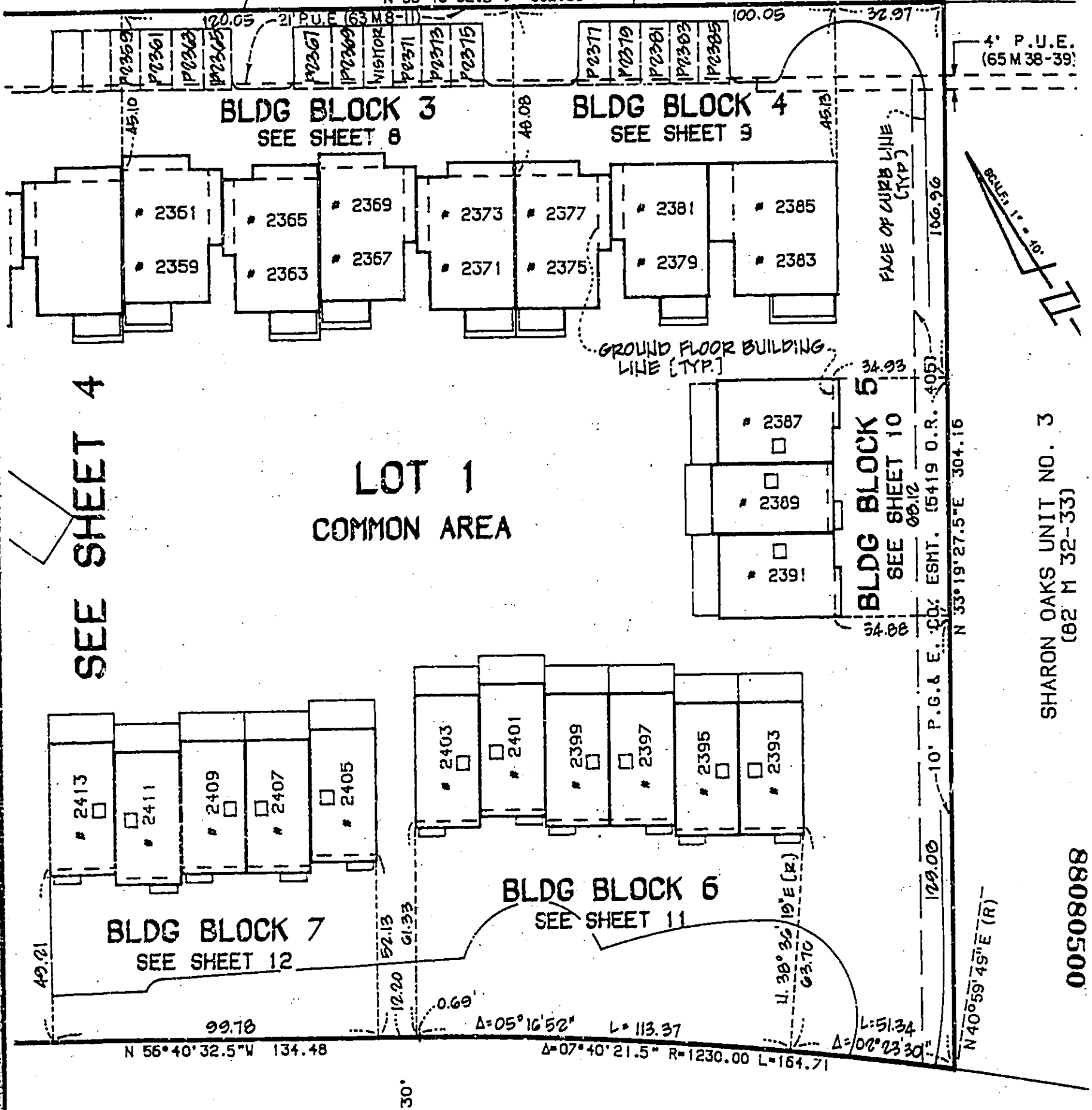
SEE SHEET 5

LANDS OF ENGLISH

LANDS OF WONG

LANDS OF TISH

N 56°40'32.5"W 532.00

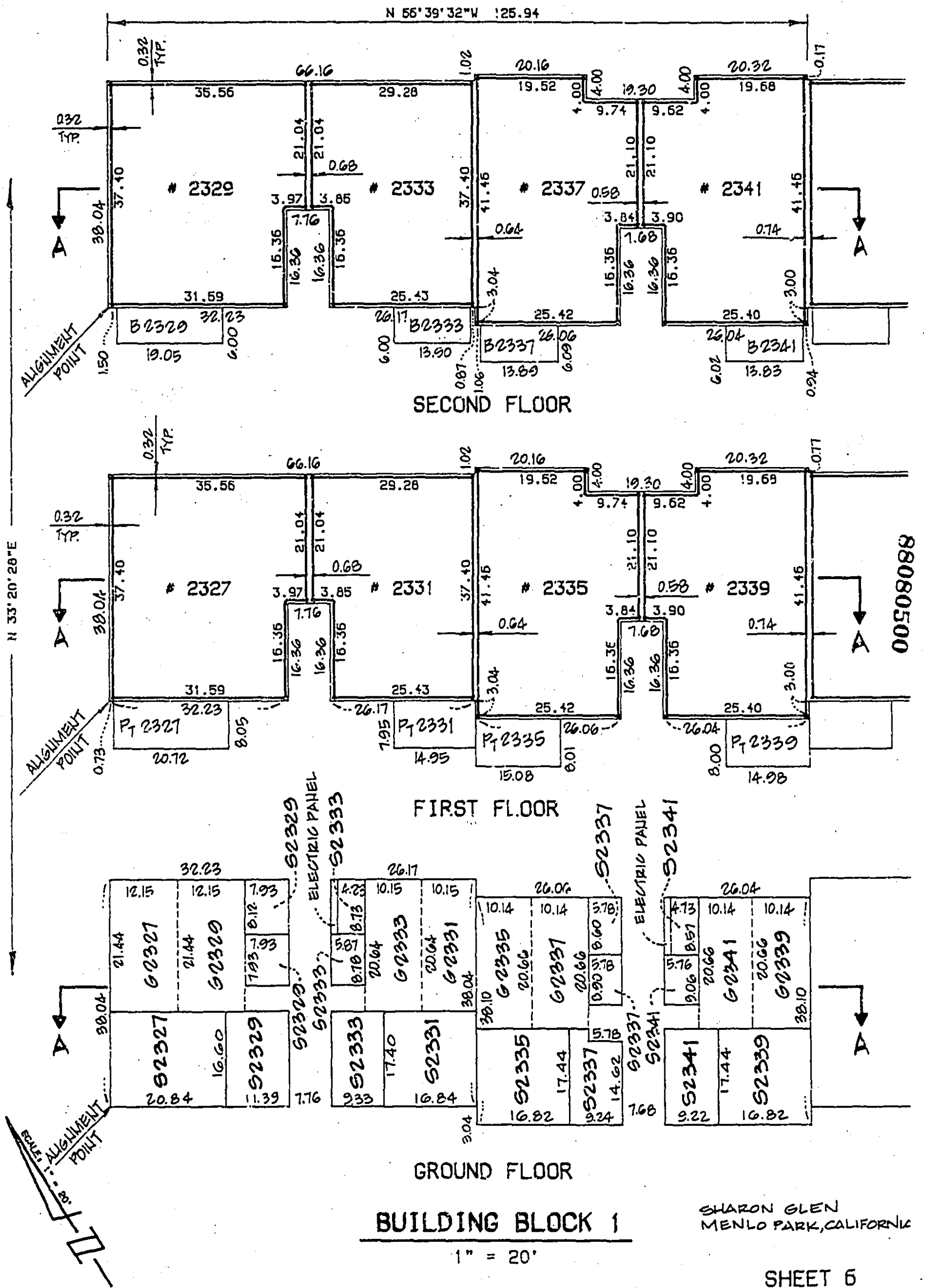


SHARON GLEN
MENLO PARK, CALIFORNIA

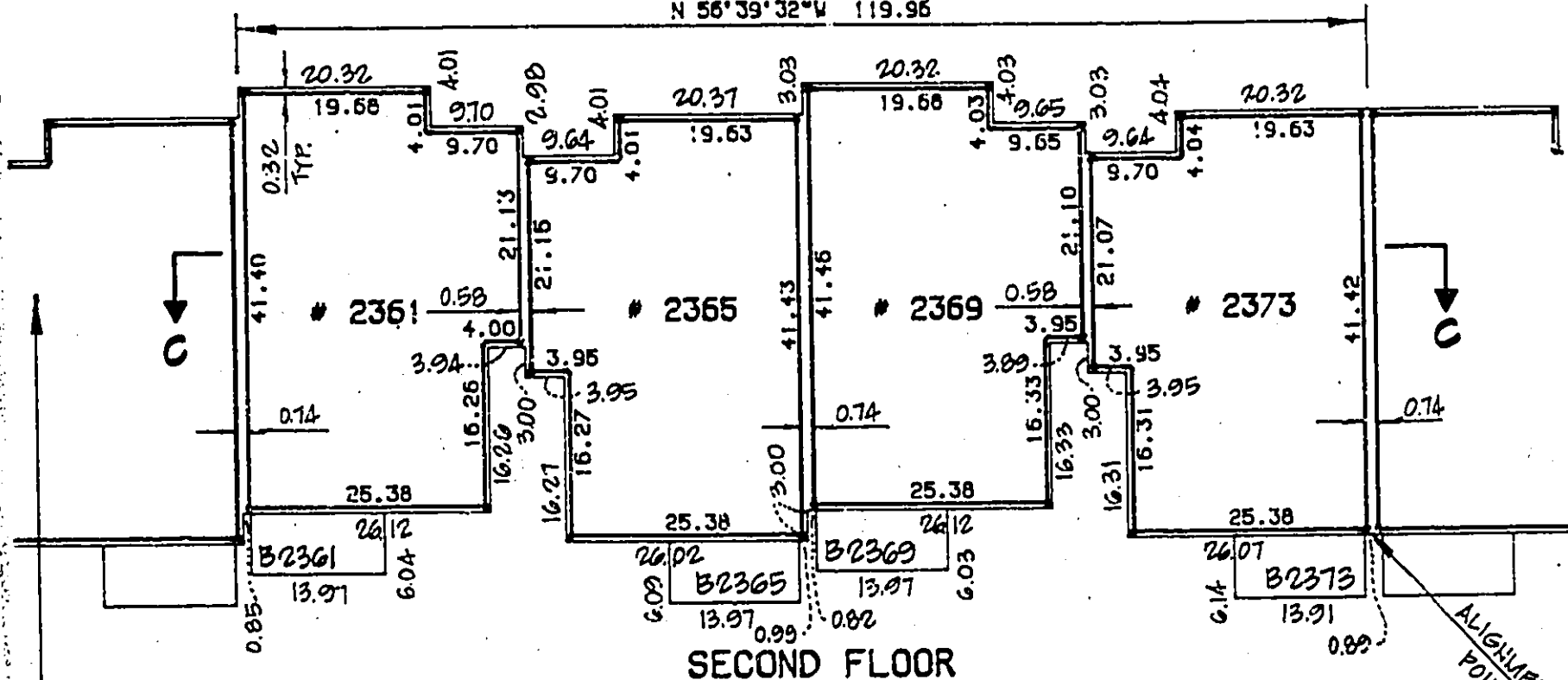
SHEET 5

SHARON OAKS UNIT NO. 3
(82 M 32-33)

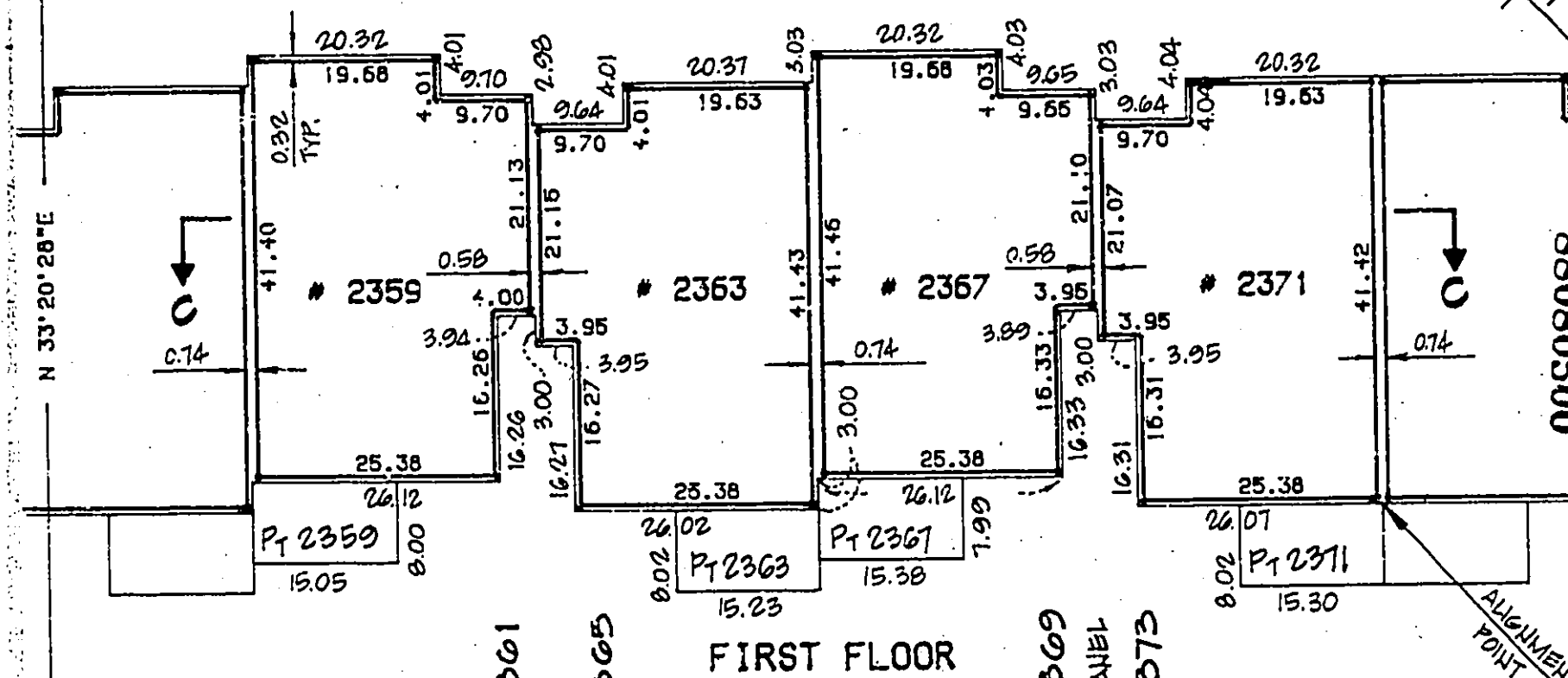
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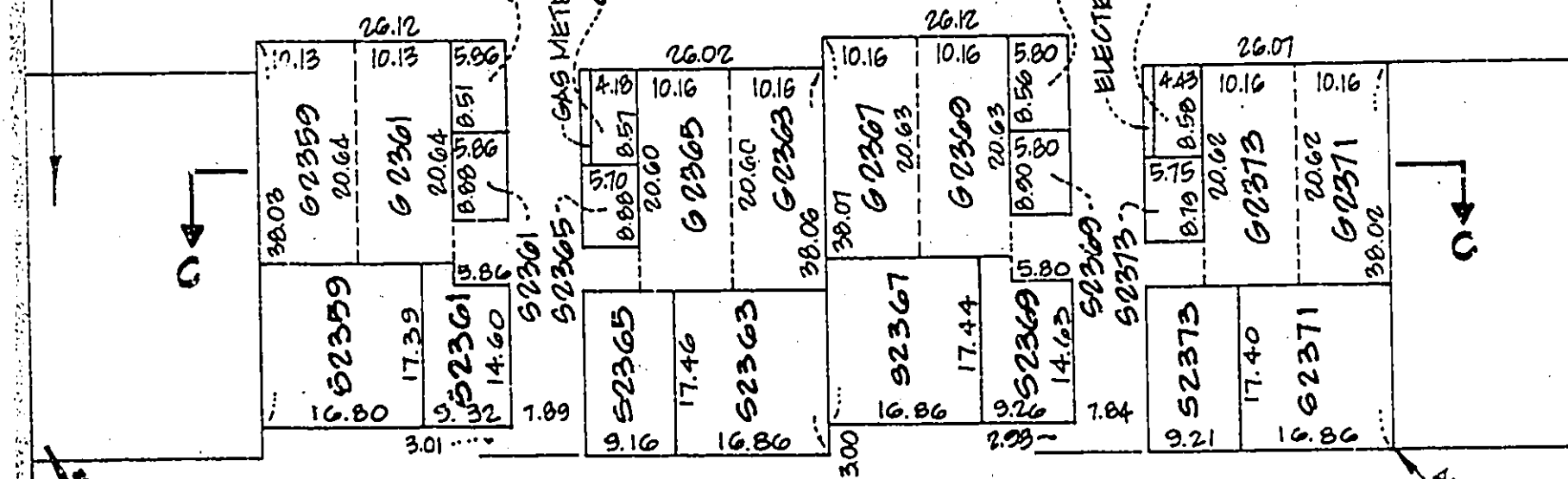
N 56°39'32"W 119.95



SECOND FLOOR



FIRST FLOOR

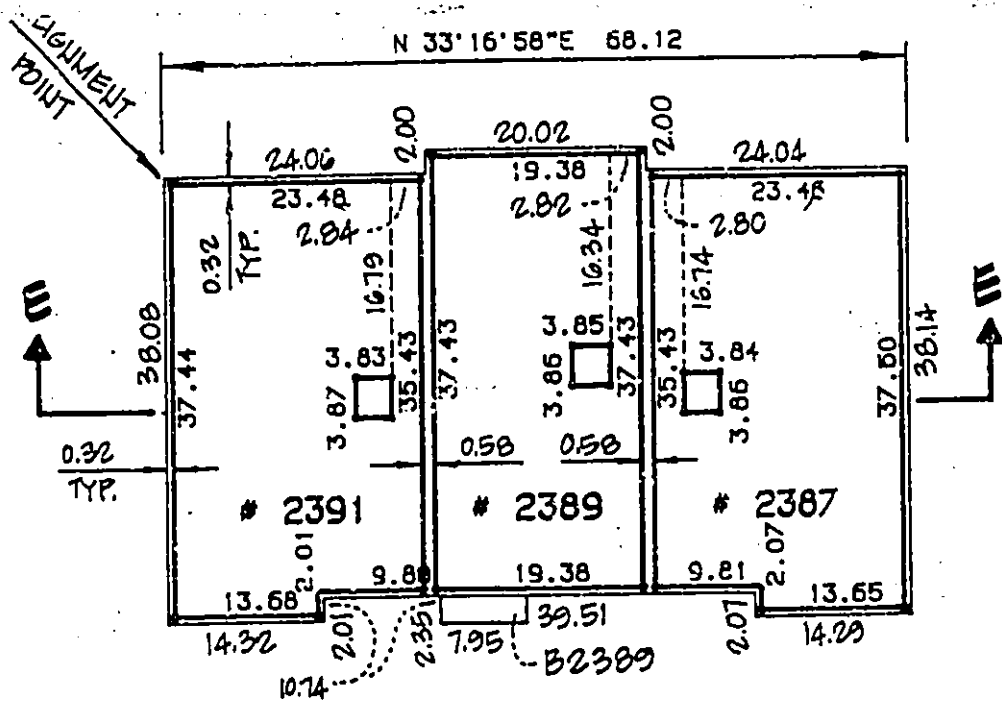


GROUND FLOOR

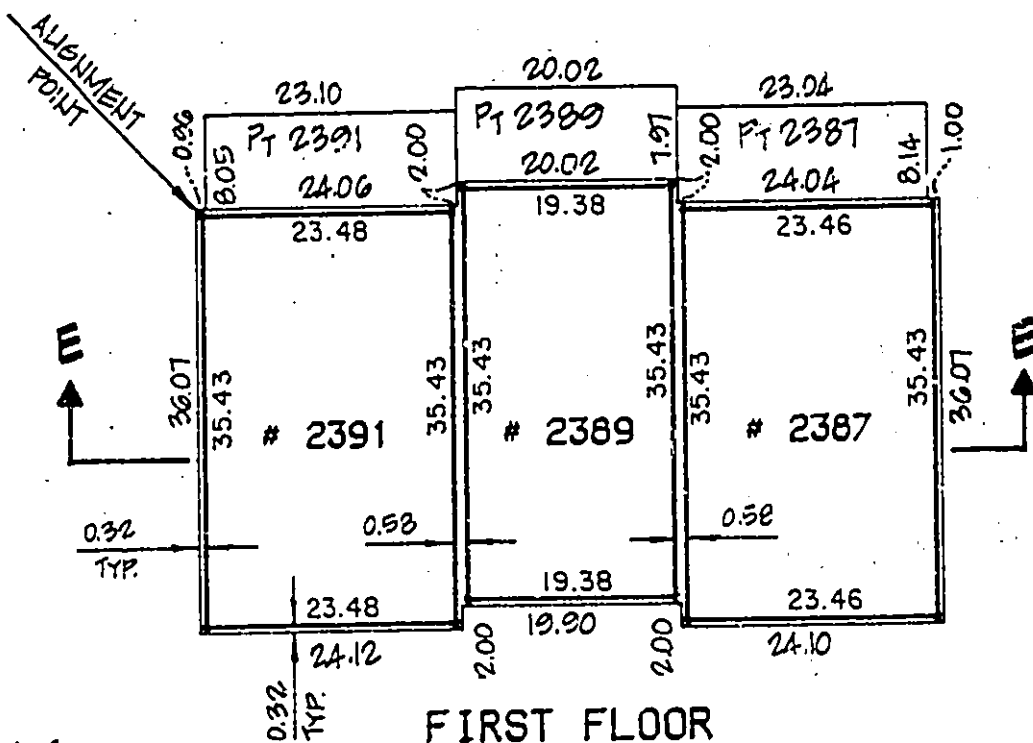
BUILDING BLOCK 3

SHARON GLEN
MENLO PARK, CALIFORNIA

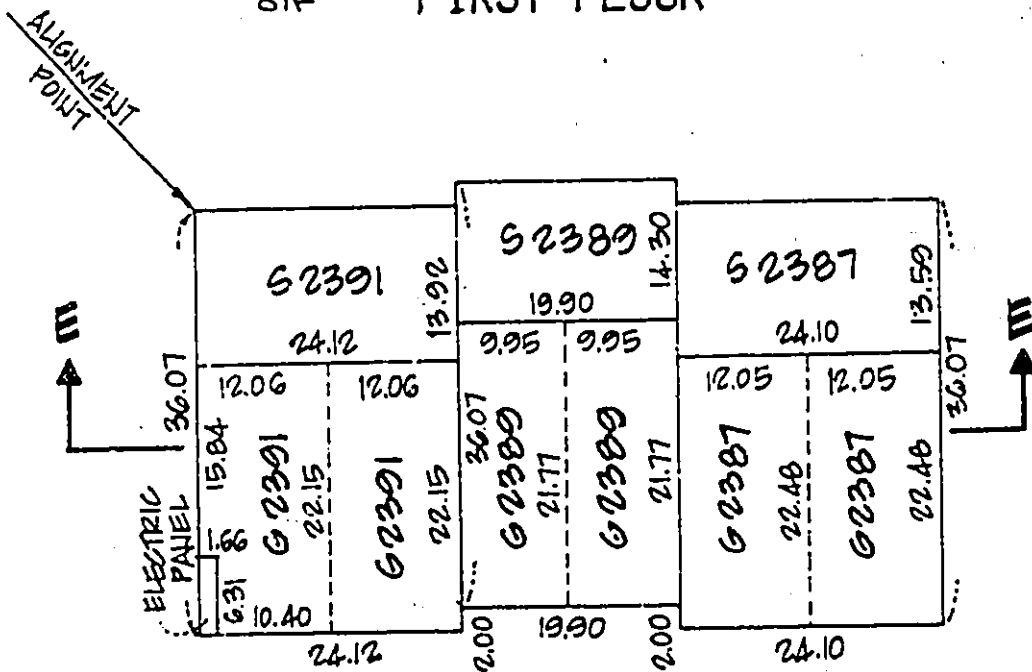
1" = 20'



SECOND FLOOR



FIRST FLOOR



GROUND FLOOR

BUILDING BLOCK 5

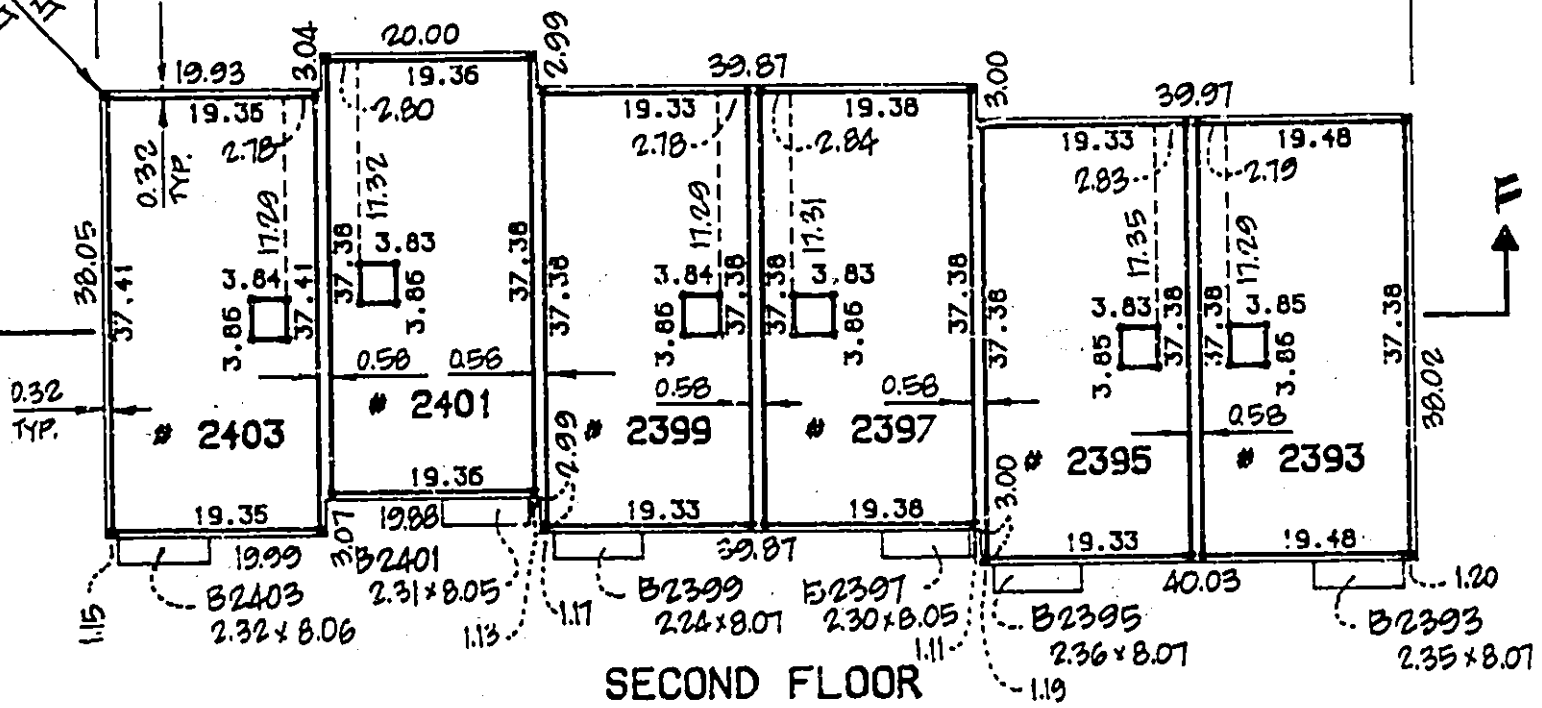
1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

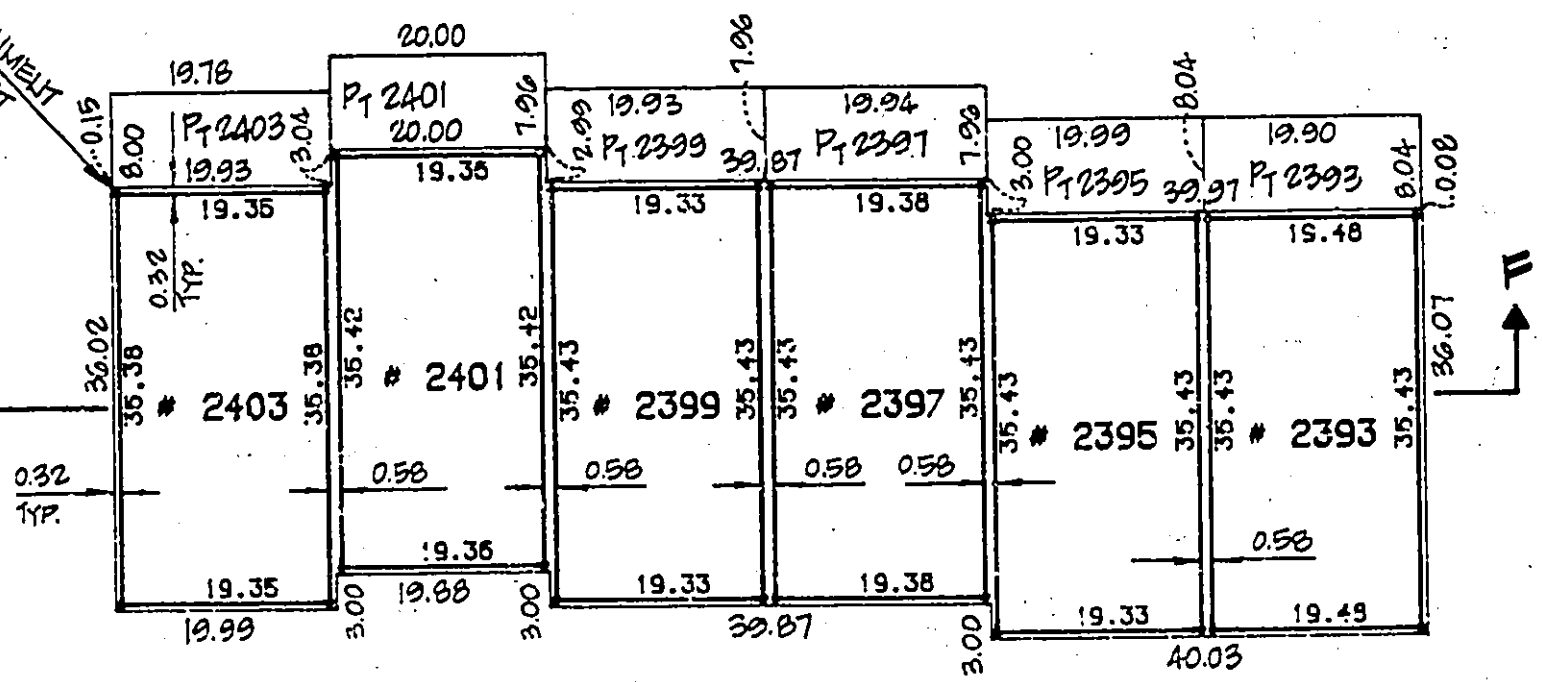
88080500

N 55° 35' 59" W 119.77

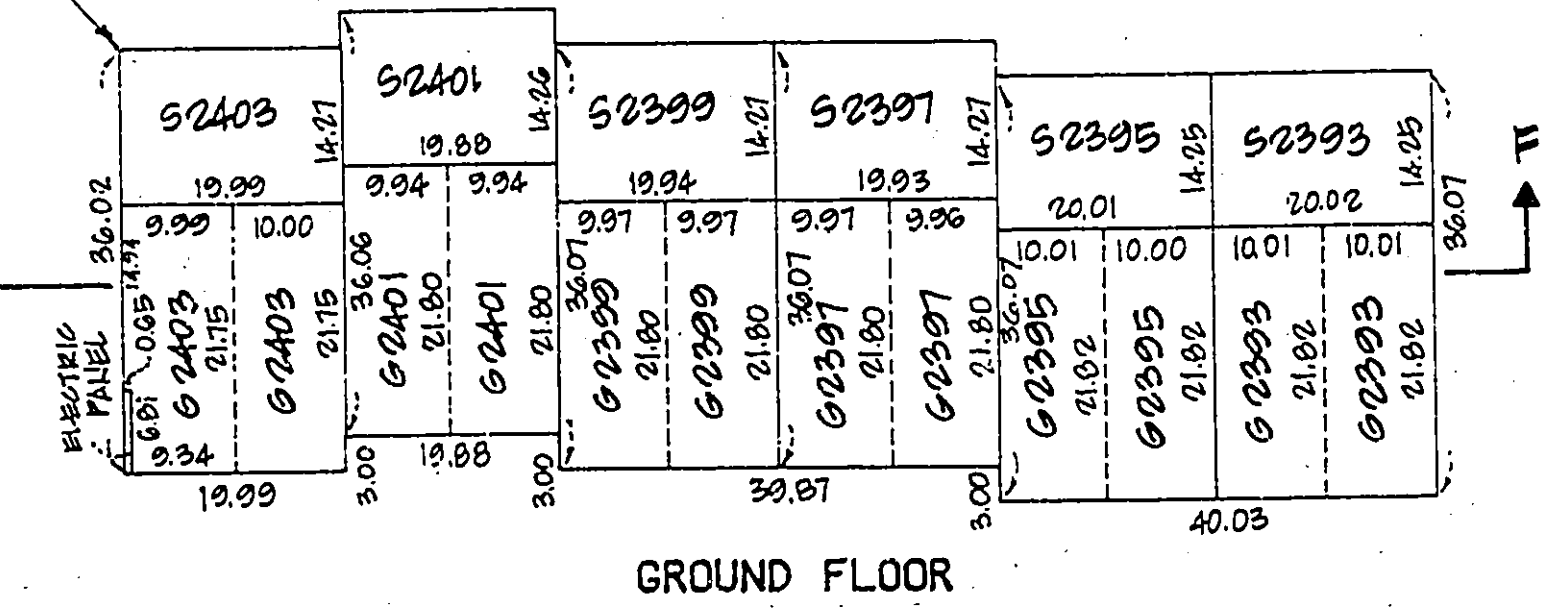
ALIGNMENT
POINT



ALIGNMENT
POINT



ALIGNMENT
POINT

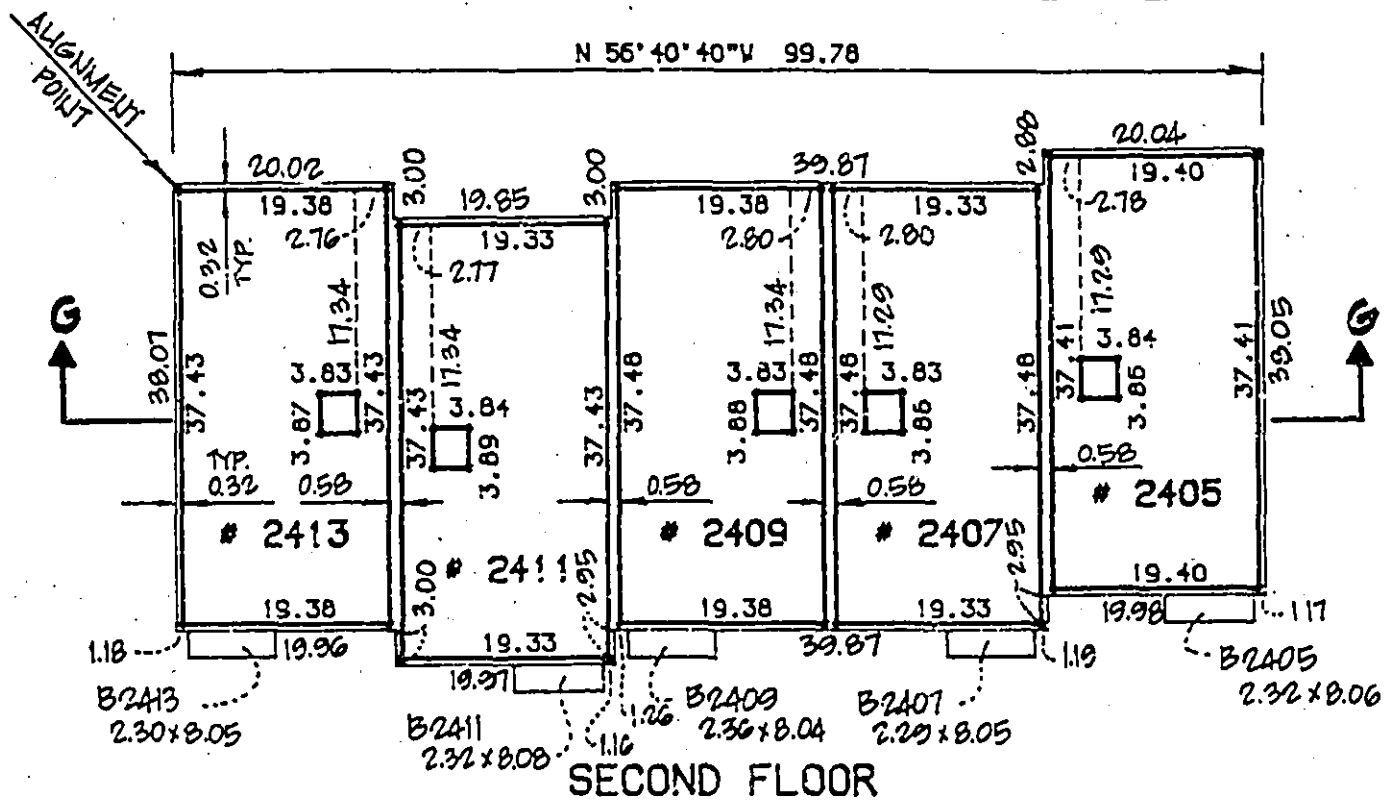


BUILDING BLOCK 6

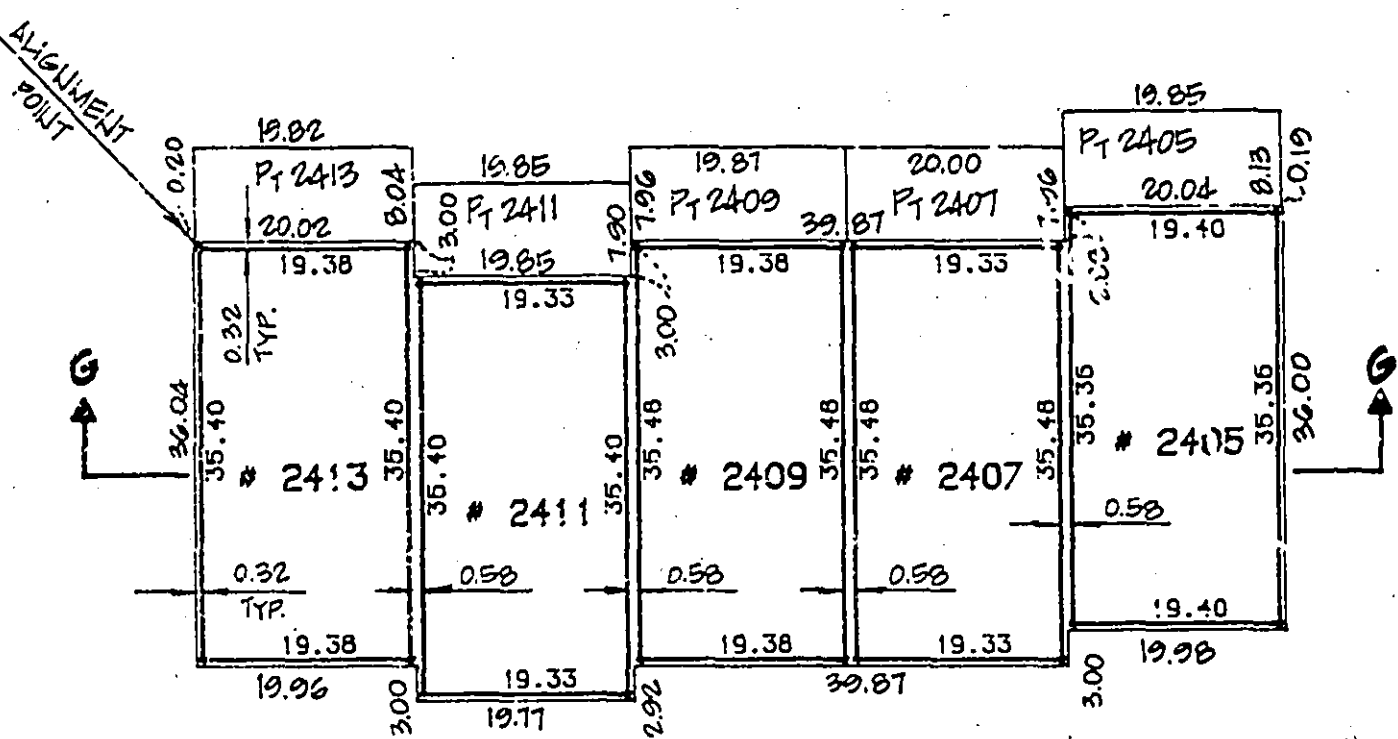
1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

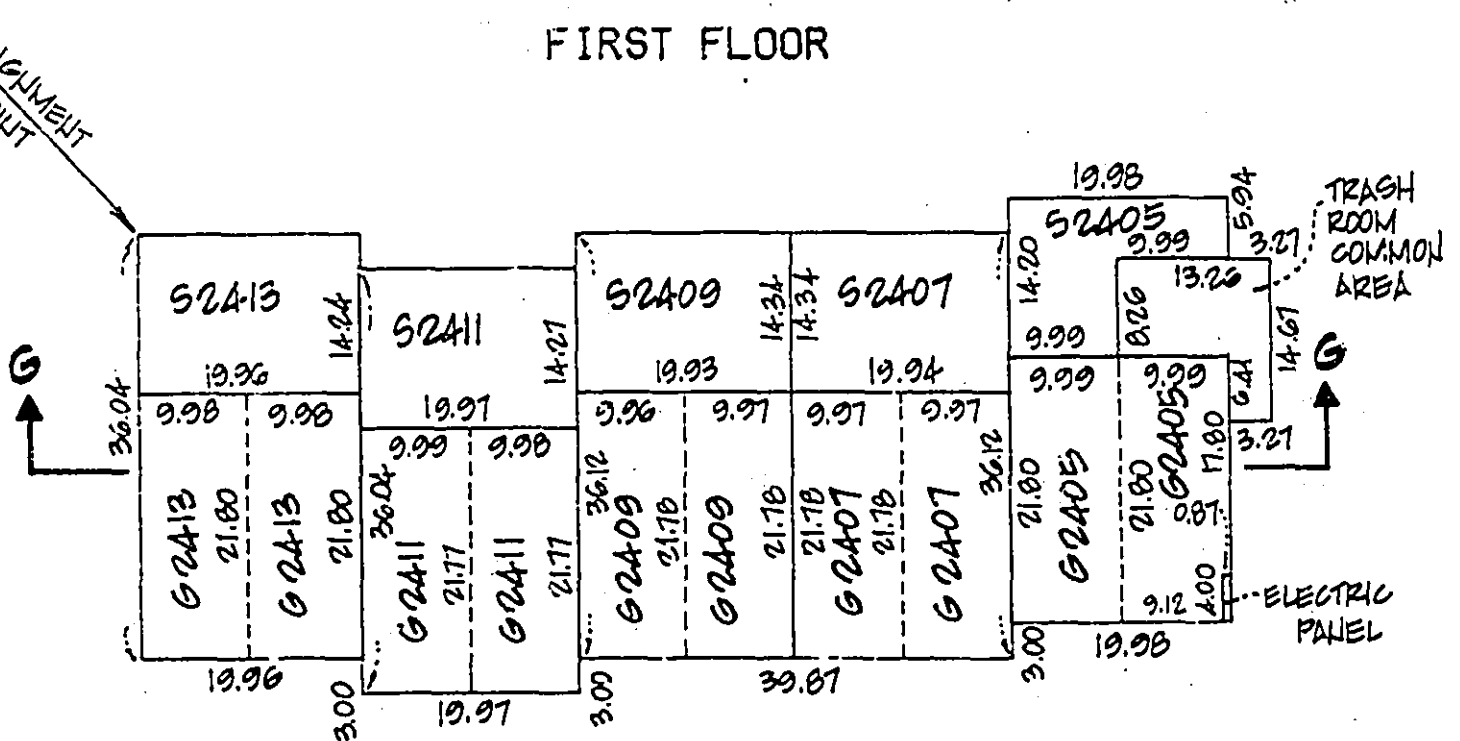
005080500



SECOND FLOOR



FIRST FLOOR



GROUND FLOOR

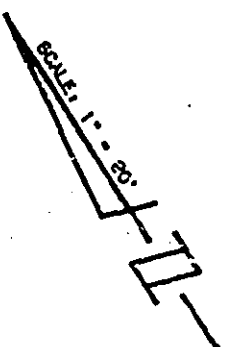
BUILDING BLOCK 7

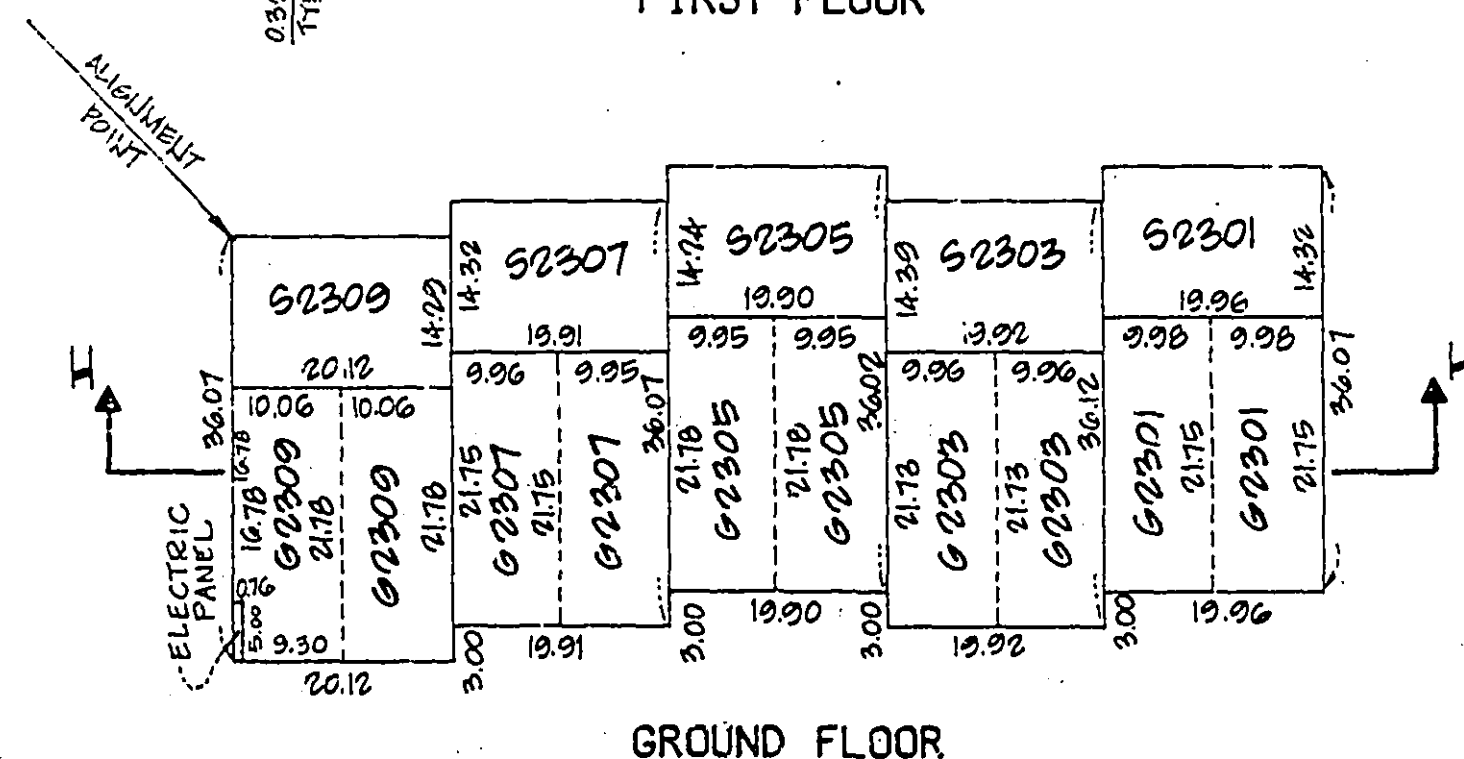
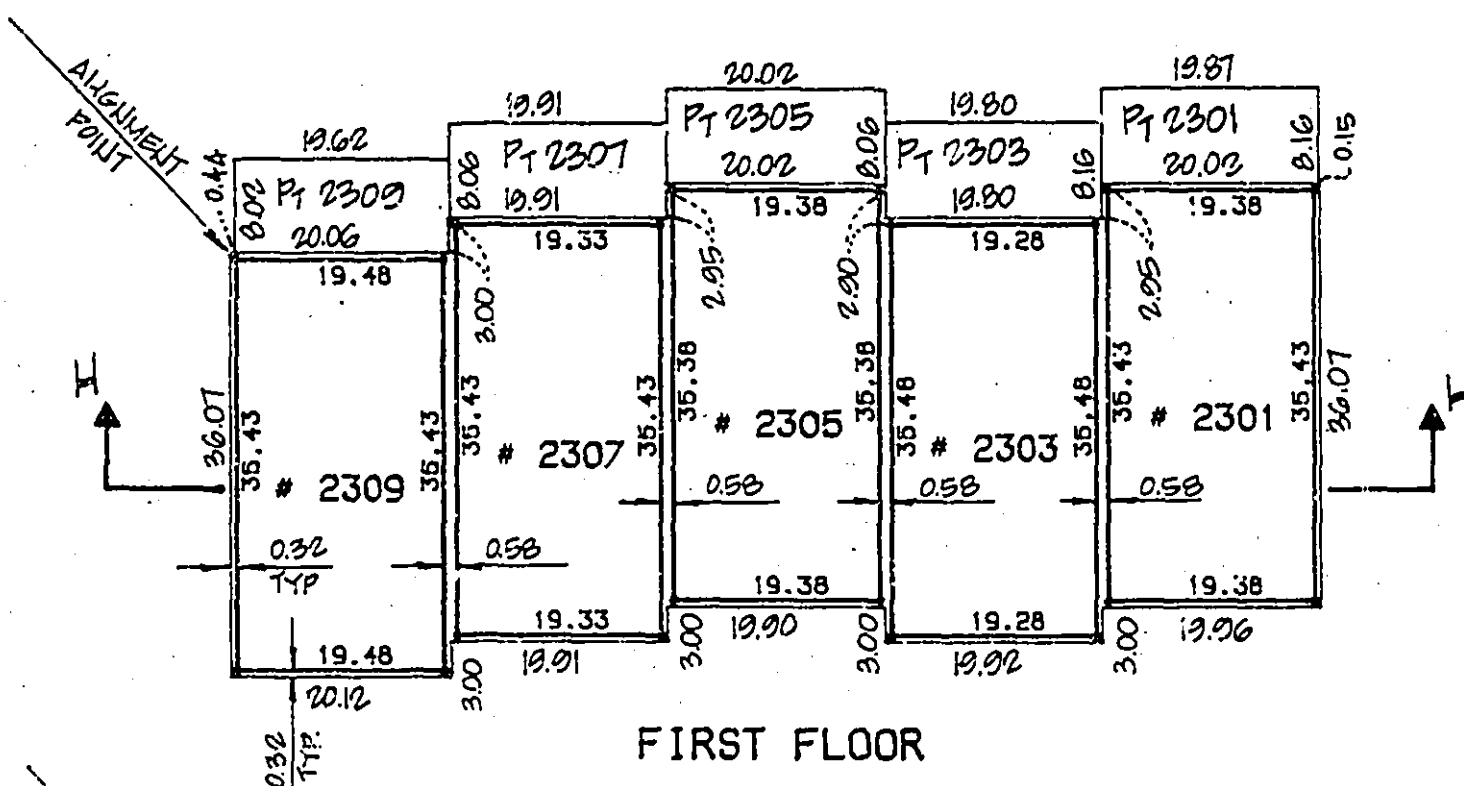
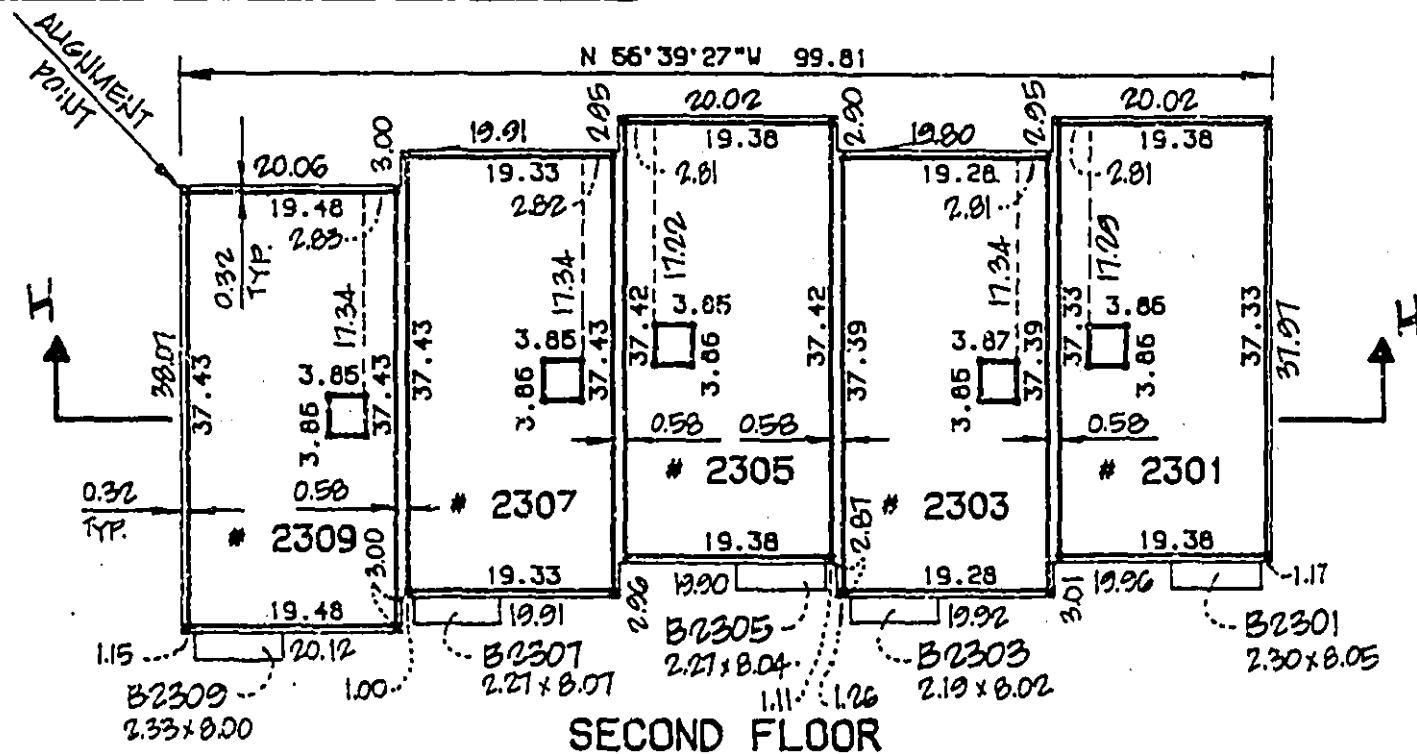
1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

88080500

N 33' 19' 20" E





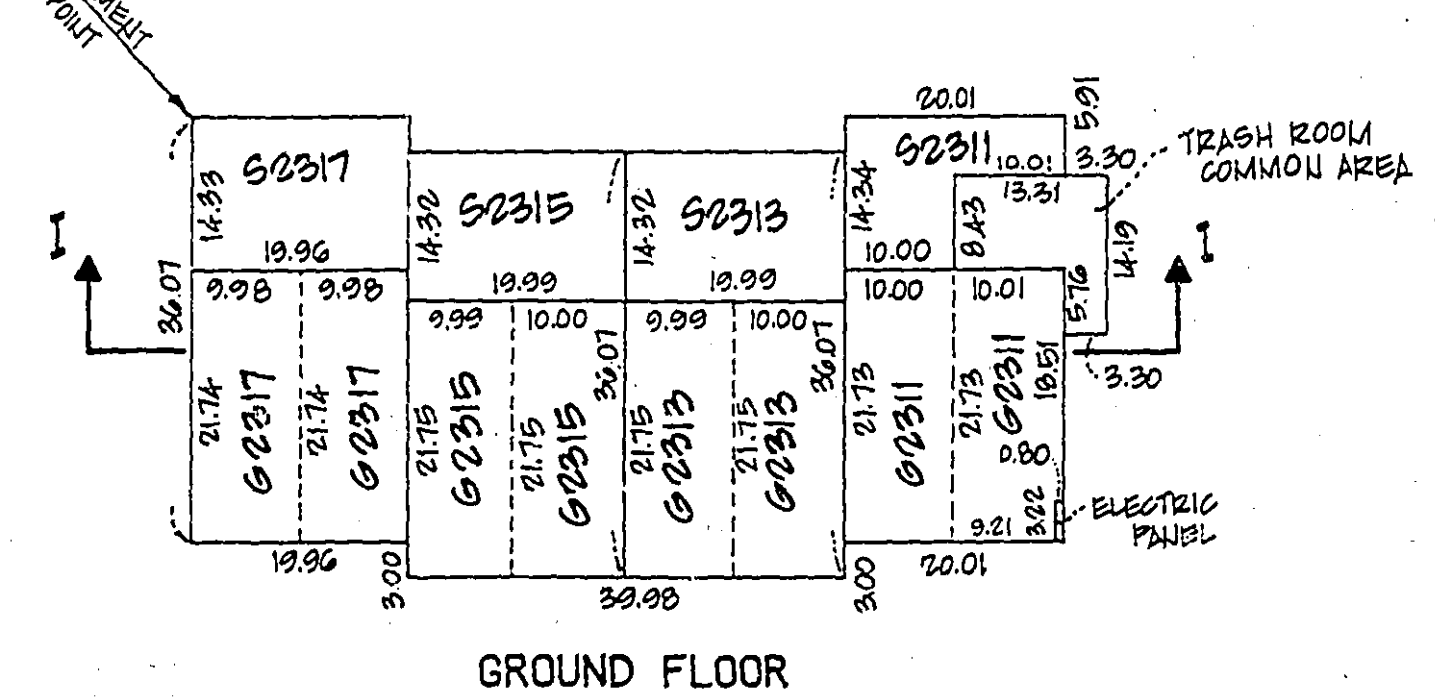
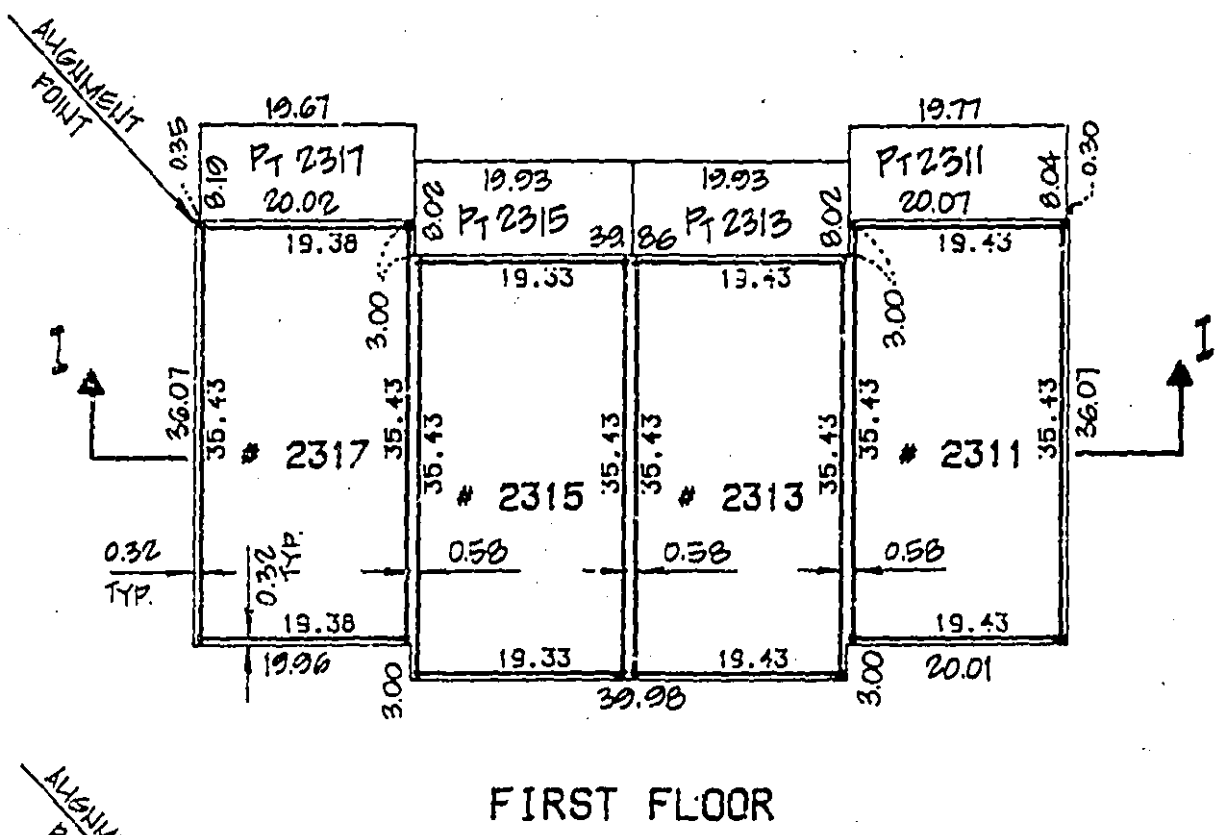
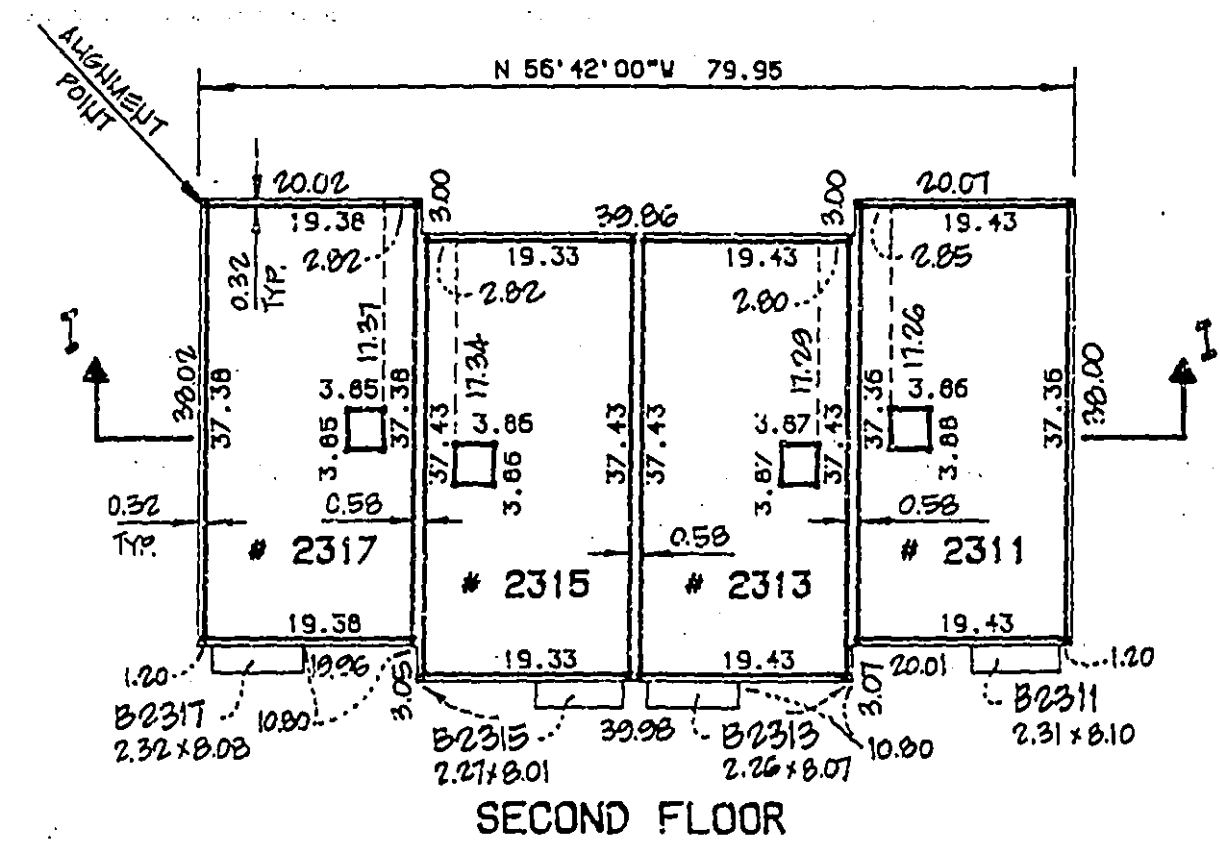
BUILDING BLOCK 8

1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

N 33° 20' 33" E

00508088



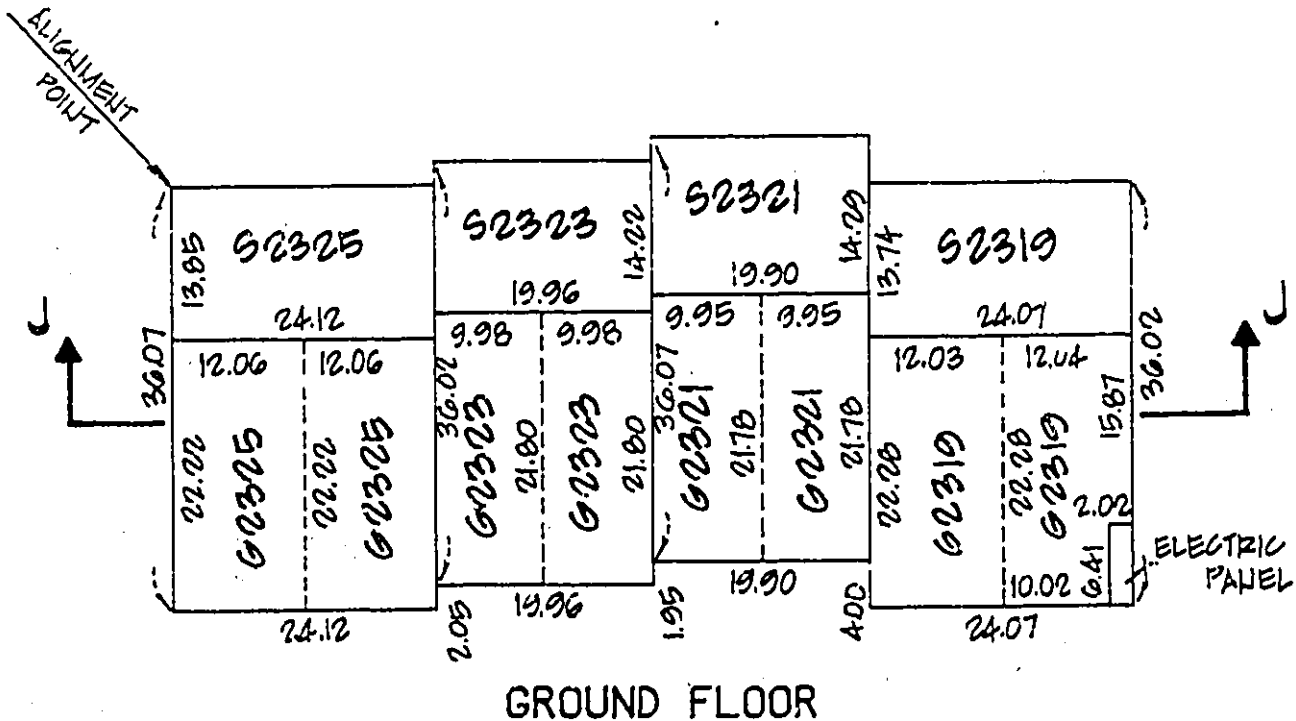
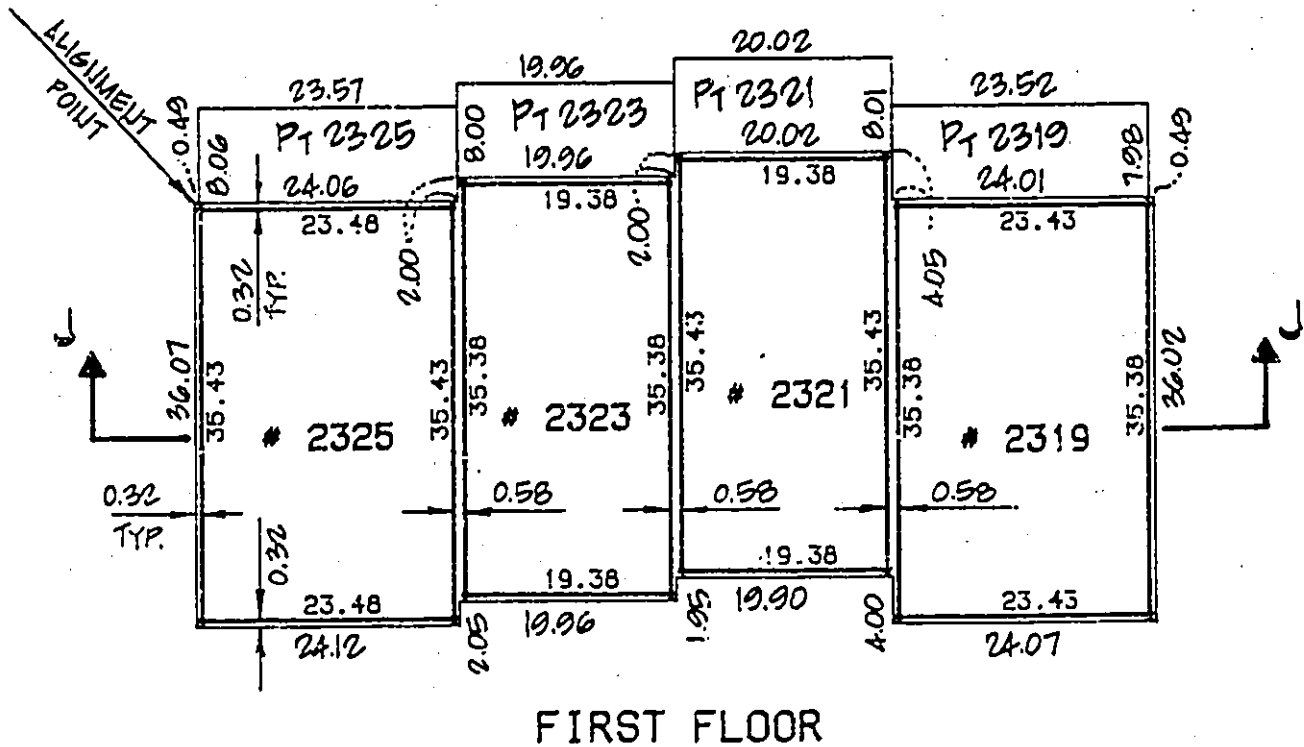
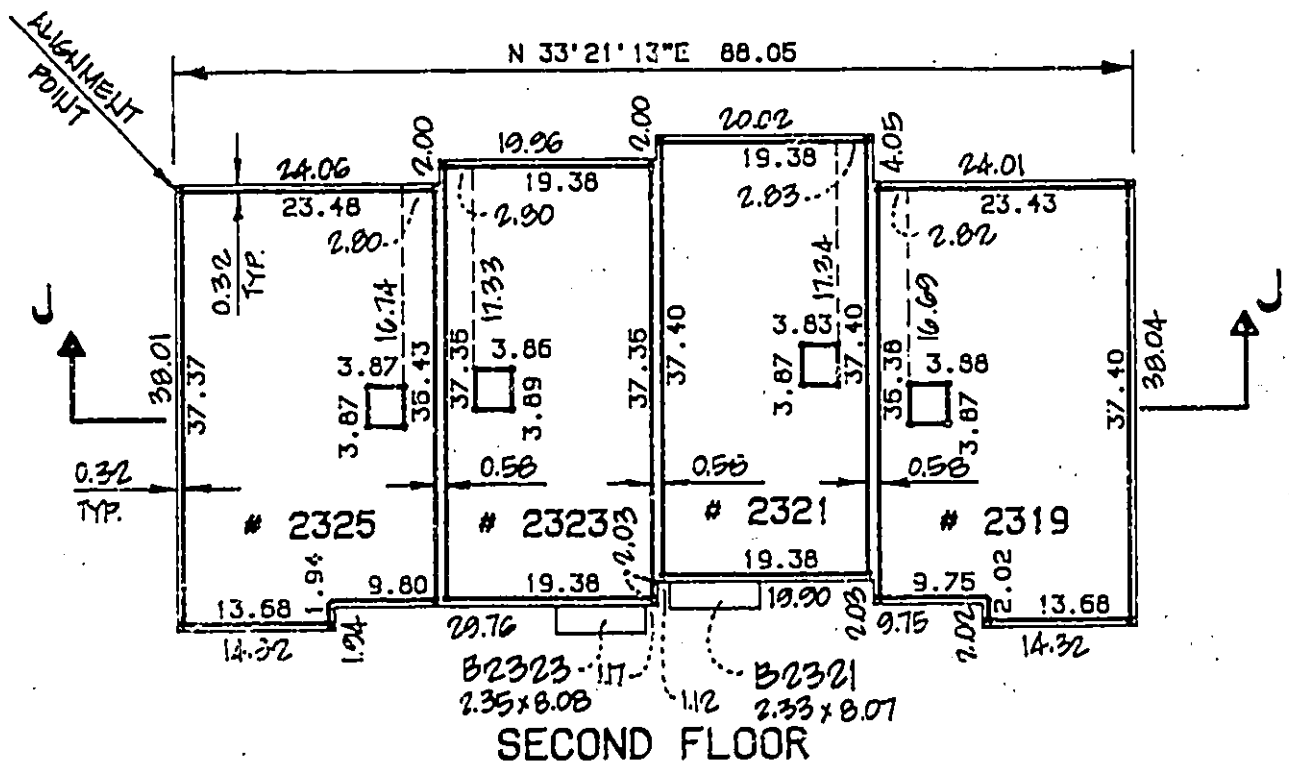
BUILDING BLOCK 9

1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

N 33°18'00"E

88080500



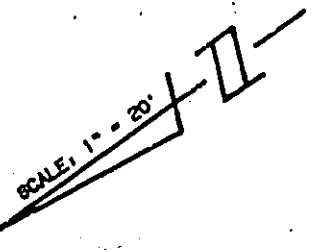
BUILDING BLOCK 10

1" = 20'

SHARON GLEN
MENLO PARK, CALIFORNIA

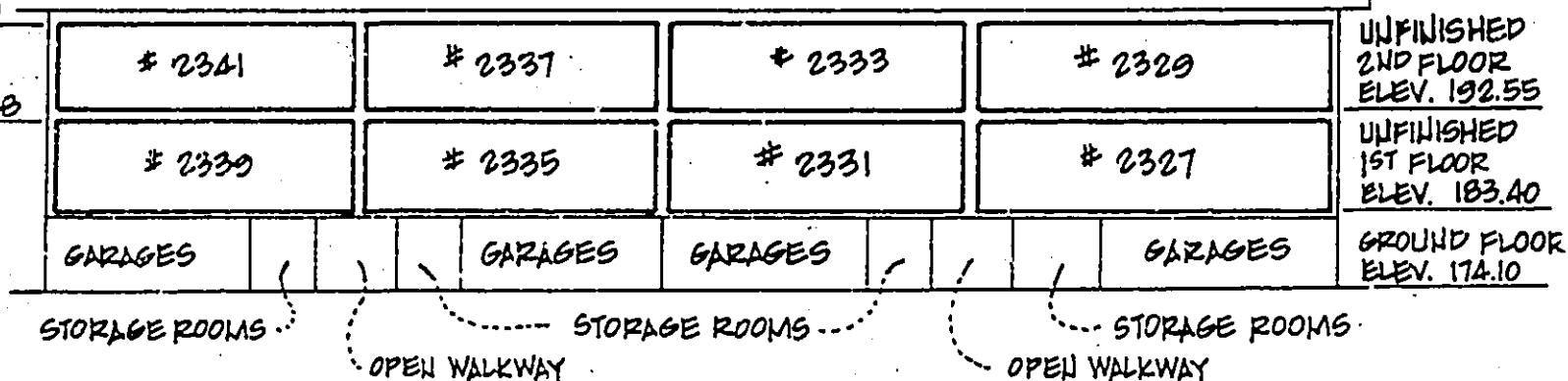
00508088

N 56°38'47"W



ELEV.
200.50

ELEV.
191.48



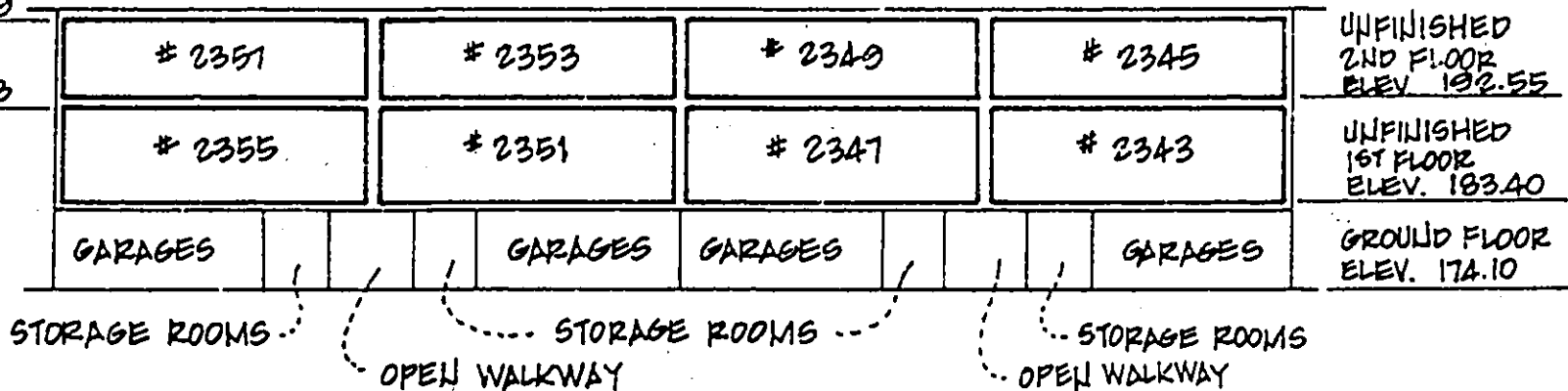
SECTION A-A

1" = 20' HORIZ. & VERT.

88080500

ELEV.
200.50

ELEV.
191.48



SECTION B-B

1" = 20' HORIZ. & VERT.

SHARON GLEN
MENLO PARK, CALIFORNIA

ELEV.
200.59

ELEV.
191.48

# 2373	# 2369	# 2365	# 2361
# 2371	# 2367	# 2363	# 2359
GARAGES		GARAGES	GARAGES

UNFINISHED
2ND FLOOR
ELEV. 192.55

UNFINISHED
1ST FLOOR
ELEV. 183.40

GROUND FLOOR
ELEV. 174.10

STORAGE ROOMS

OPEN WALKWAY

STORAGE ROOMS

STORAGE ROOMS
OPEN WALKWAY

SECTION C-C

1" = 20' HORIZ. & VERT.

88080500

ELEV.
200.59

ELEV.
191.48

# 2385	# 2381	# 2377
# 2383	# 2379	# 2375
GARAGES		GARAGES

UNFINISHED
2ND FLOOR
ELEV. 192.55

UNFINISHED
1ST FLOOR
ELEV. 183.40

GROUND FLOOR
ELEV. 174.10

STORAGE ROOMS

STORAGE ROOMS
OPEN WALKWAY

STORAGE ROOMS
OPEN WALKWAY

SECTION D-D

1" = 20' HORIZ. & VERT.

ELEV. 202.43		ELEV. 203.43		ELEV. 200.37
# 2391	# 2389	# 2387	UNFINISHED FLOOR ELEV. 184.33	
GARAGES	GARAGES	GARAGES	GROUND FLOOR ELEV. 175.05	

SECTION E-E

1" = 20' HORIZ. & VERT.

88080500

ELEV. 204.50		ELEV. 203.50		ELEV. 201.41		
# 2403	# 2401	# 2399	# 2397	# 2395	# 2393	UNFINISHED FLOOR ELEV. 185.37
GARAGES	GARAGES	GARAGES	GARAGES	GARAGES	GARAGES	GROUND FLOOR ELEV. 176.10

SECTION F-F

1" = 20' HORIZ. & VERT.

ELEV. 203.50		ELEV. 202.50		ELEV. 200.47	
#2413	#2411	#2409	#2407	#2405	UNFINISHED FLOOR ELEV. 184.43
GARAGES	GARAGES	GARAGES	GARAGES	GARAGES	GROUND FLOOR ELEV. 175.05

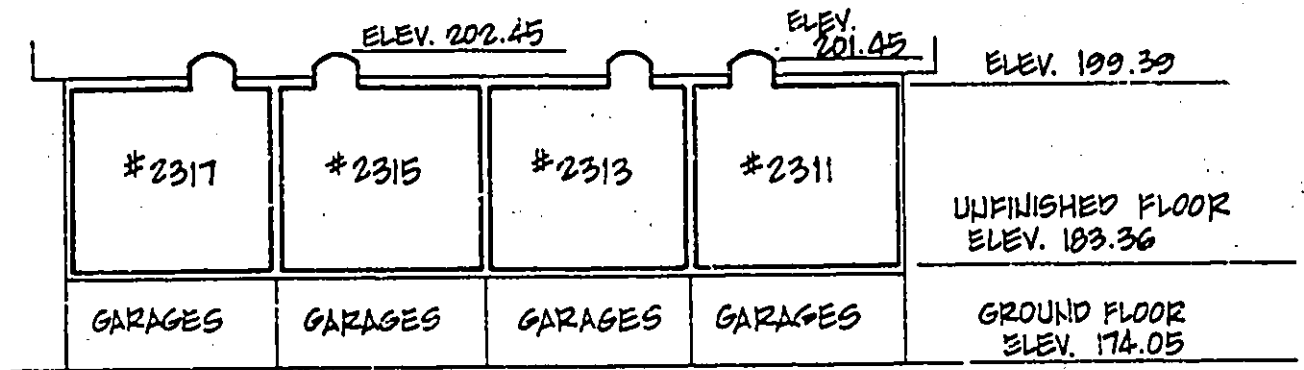
SECTION G-G

1" = 20' HORIZ. & VERT.

ELEV. 203.52		ELEV. 202.52		ELEV. 200.48	
#2309	#2307	#2305	#2303	#2301	UNFINISHED FLOOR ELEV. 184.43
GARAGES	GARAGES	GARAGES	GARAGES	GARAGES	GROUND FLOOR ELEV. 175.05

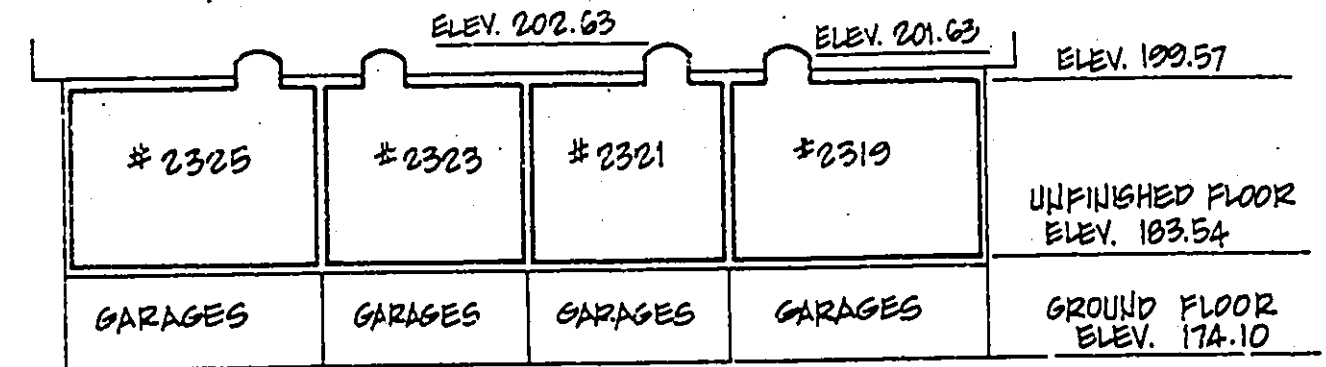
SECTION H-H

1" = 20' HORIZ. & VERT.



SECTION I-I

1" = 20' HORIZ. & VERT.



SECTION J-J

1" = 20' HORIZ. & VERT.

Condominium Unit No.**Undivided Percentage
Interest in Common Area**

2301	1.94
2303	1.94
2305	1.94
2307	1.94
2309	1.94
2311	1.94
2313	1.94
2315	1.94
2317	1.94
2319	2.30
2321	1.94
2323	1.94
2325	2.30
2327	1.72
2329	1.72
2331	1.40
2333	1.40
2335	1.53
2337	1.53
2339	1.53
2341	1.53
2343	1.40
2345	1.40
2347	1.53
2349	1.53
2351	1.53
2353	1.53
2355	1.53
2357	1.53

EXHIBIT B (cont'd)

Undivided Percentage Interest in Common Area

Condominium Unit No.	Undivided Percentage Interest in Common Area
2359	1.53
2361	1.53
2363	1.53
2365	1.53
2367	1.53
2369	1.53
2371	1.53
2373	1.53
2375	1.53
2377	1.53
2379	1.40
2381	1.40
2383	1.87
2385	1.87
2387	2.30
2389	1.94
2391	2.30
2393	1.94
2395	1.94
2397	1.94
2399	1.94
2401	1.94
2403	1.94
2405	1.94
2407	1.94
2409	1.94
2411	1.94
2413	1.94

FIRST AMENDMENT

TO THE

SHARON GLEN

ENABLING DECLARATION ESTABLISHING

A PLAN FOR CONDOMINIUM OWNERSHIP

THIS FIRST AMENDMENT, dated July 30, 1990, is made with reference to the following facts:

- A. The Sharon Glen Enabling Declaration Establishing a Plan for Condominium Ownership was recorded on June 27, 1988, as Instrument No. 88080500 in the official records of San Mateo County, California (the "Declaration").
- B. The Declaration imposed restrictions on certain real property located in Menlo Park, California, and more particularly described on that certain map entitled "Sharon Glen" filed for record in San Mateo County, California, on June 22, 1988, in Book 118 of Maps at page 39.
- c. Section 7.5 of the Declaration prohibited the maintenance of any animals of any kind on any portion of the property, except birds or fish. The purpose of this Amendment is to revise this restriction to allow for the maintenance of ordinary household pets pursuant to the conditions described herein.

PURSUANT TO THE PROVISION OF SECTION 8.4, THE DECLARATION IS AMENDED AS FOLLOWS:

Section 7.5 is deleted in its entirety, and the following new section 7.5 is substituted in its place:

7.5 Animals:

a. Ordinary household pets are permitted provided they shall have such care and restraint as not to be obnoxious or offensive on account of safety, noise, odor, or unsanitary conditions. The number and size of pets kept in each Unit must be restricted to reasonable values considering the size of the Units as well as the size of the complex and the proximity of other Units. The animal owner is liable for any injury or damage caused by the animals, as well as for the animal behavior.

b. No animals of any kind are allowed to be raised, bred or kept for commercial purposes.

c. All pets must be registered with the manager.

d. The infraction of these rules will cause reprimand, fines and at last resort an order, the Board to remove the animal from the premises permanently. of

THIS FIRST AMENDMENT shall be effective as of the date it is recorded in the records of San Mateo County, California.

The undersigned, the President of the Sharon Glen Association, a California nonprofit mutual benefit corporation, certifies that the First Amendment as described herein was duly adopted by the Members of the Association in compliance with the provisions of section 8.4 of the Association.

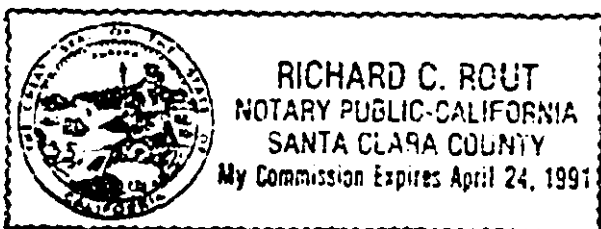
SHARON GLEN ASSOCIATION, a California nonprofit mutual benefit association

By: *Auguste Boissonnade*
Auguste Boissonnade, President

STATE OF CALIFORNIA)
COUNTY OF *Santa Clara*) ss.

On this *28* day of *August*, 1990, before me, the undersigned, a Notary Public of the State of California, duly commissioned and sworn, personally appeared *AUGUSTE BOISSONNADE*, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as president (or ~~secretary~~) or on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

On the date hereof, I have affixed my signature and my official seal in the County of *Santa Clara*.



Richard C. Rout
Notary Public, State of California