

WHEN RECORDED MAIL TO:
FIRST AMERICAN TITLE CO.
555 MARSHALL STREET
REDWOOD CITY, CA 94063
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

PENINSULA LANDING HOMEOWNERS ASSOCIATION

THIS DECLARATION is made on the date hereinafter set forth by GREAT WESTERN SAVINGS, A FEDERAL SAVINGS AND LOAN ASSOCIATION (hereinafter called "Declarant" or "Grantor").

WHEREAS, Declarant is the owner of all that certain real property located in Redwood City, County of San Mateo, in the State of California, more particularly described as follows:

Lot 1 as shown and defined on that certain map entitled "PENINSULA LANDING LYING WITHIN THE CITY OF REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA, filed in Volume 113 of Maps, at Pages 95 TO 102 inclusive.

WHEREAS, the Plan is a "Project" within the meaning of California Civil Code Section 1350 and is subject to the provisions of the California Condominium Act (Title 6, Civil Code Sections 1350-1370, inclusive); and

WHEREAS, Declarant acknowledges that the Project shall be subject to that certain (Master) Declaration of Covenants, Conditions and Restrictions for Redwood Shores Owners Association, recorded February 13, 1981, as Instrument No. 14180-AS in the official records of the San Mateo County Recorder and it is Declarant's intention to impose upon the property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said condominiums and the owners thereof, and particularly set forth in the Condominium Plan which is hereinafter described; and

WHEREAS, Declarant hereby establishes by this Declaration a plan for the individual ownership of the real property estates, consisting of the area of space contained in each unit as well as the co-ownership by the individual owners as hereafter set forth of all the remaining portions of the Project (hereinafter called the "common area").

NOW THEREFORE, Declarant hereby declares that the property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved, subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the property and the division thereof into condominiums and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project and every part thereof. All of the limitations, covenants, restrictions, and conditions shall run with the real property and shall be binding upon all parties having or acquiring any right, title, or interest therein or any part thereof, and shall be for the benefit of each owner of any portion of said Project or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest.

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ARTICLE I

DEFINITIONS

1. The "Association" means the Peninsula Landing Homeowners Association, a non-profit mutual benefit corporation, membership in which shall be limited to owners (as hereinafter defined) and in which all owners have a membership interest.
2. "Beneficiary" means and refers to a mortgagee under a mortgage or a beneficiary under a deed of trust encumbering a unit.
3. "Board" or "Board of Directors" means the governing body of the Association.
4. "By-Laws" shall mean the By-laws of the Association which are or shall be adopted by the Board.
5. "Common Area" means and refers to those portions of the property, within each particular phase, to which title is held by all of the owners within that particular phase as tenants-in-common, and excepting the individual condominium units. The common area includes, without limitation: private streets, parking, carports, driveway and garage areas; inside and outside stairs; basements and storage areas; exterior walls, balconies and decks, fences, walls, columns, girders, subfloors, unfinished floors, roofs, and foundations; pumps, motors, ducts, flues and chutes; garage ventilation system; conduits, pipes, plumbing, wires and other utility installations (except the outlets thereof when located within the unit) required to provide power, light, water, sewerage, drainage, sprinkler pipes and sprinkler heads which protrude into the airspace of a condominium unit; central television antennas.
6. "Condominium" means an estate in real property as defined in California Civil Code Section 783 consisting of an undivided interest in the common area (within that phase in which the particular unit is situated), together with an interest in a unit including certain easements appurtenant to such unit. For the purpose of this Declaration, the ownership of each condominium includes a unit together with the easements appurtenant to such unit, the respective undivided interests in the common area within that phase in which the particular unit is situated, and a membership in the Association (as hereinafter defined).
7. "Declarant" means and refers to Great Western Savings, a Federal Savings and Loan Association, and all successors and assigns of Declarant, if such successors and assigns acquire more than one unit for the purpose of resale to another.
8. "Declaration" means and refers to the within Declaration of Covenants, Conditions and Restrictions.

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9. "Director" means and refers to a member of the Board of Directors.

10. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, or other financial institution holding a recorded first mortgage on any unit.

11. "Map" shall mean that certain Subdivision Map recorded on SEPTEMBER 26th 1985, in the Office of the San Mateo County Recorder, as hereinabove described. *IN VOLUME 113 OF MAPS AT PAGES 95 TO 102.*

12. "Member" means and refers to those unit owners who are members of the Association pursuant to Article III hereof.

13. "Mortgage" means a deed of trust as well as a mortgage.

14. "Mortgagee" means a beneficiary under or holder of a deed of trust as well as a mortgage.

15. "Owner" or "Owners" mean the holder or holders of record of fee title to a condominium, and a contract vendee (in a contract of sale) of a condominium, including Declarant.

16. "Plan(s)" shall mean and refer to that certain diagrammatic floor plans of the units built on the property which identify each unit and show its dimensions pursuant to Civil Code Section 1351, which is part of the Map described above.

17. "Project" and "Property" means the entire parcel of real property divided or to be divided into condominiums including all present and future structures thereon.

18. "Restricted common area" means and refers to those portions of the common area set aside for exclusive use of a unit owner or owners, as hereinafter set forth.

19. "Rules" means the Rules adopted by the Association pursuant to this Declaration.

20. "Unit" means the elements of a condominium which are not owned by the Association or in common with the owners of other condominiums in the project. Each unit is a numbered parcel as shown on the Condominium Plan. The boundaries of each unit are defined under California Civil Code Section 1353 (a), provided that all doors and windows of a unit and all fixtures and utility installations located within the unit or within a restricted common area of which the owner of such unit has exclusive use, including without limitation, hot water heaters, space heaters, panel electric heat, and lighting fixtures, shall be a part of each unit, provided further that soffits shall not be a part of such unit. 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 Article X. In interpreting deeds and plans, the then existing physical boundaries of a unit, whether in its

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original state or reconstructed in substantial accordance with the original plans thereof will be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or the Plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the Plan or the deed and those of the building.

ARTICLE II

DESCRIPTION OF PROJECT, ANNEXATION,
DIVISION OF PROPERTY,
AND CREATION OF PROPERTY RIGHTS

Section 1. Property Subject to Declaration: All of the real property shown on the Map is hereby declared to be subject to this Declaration.

Section 2. Annexation: Additional phases may be annexed to and become subject to this Declaration by any of the following methods set forth in this Section. Upon annexation additional phases shall become subject to this Declaration without the necessity of amending individual sections hereof.

A. Annexation pursuant to Plan: The property described on the Map as Lot 2 (Phase II), Lot 3 (Phase III), Lot 4 (Phase IV), and Lot 5 (Phase V) may be annexed to and become part of the project, subject to this Declaration, and subject to the jurisdiction of the Association without the assent of the Association or its members, on condition that:

(1) Date for Annexation: Any annexation pursuant to this section shall be made prior to the third anniversary of the issuance of the original public report for the immediately preceding phase of the project.

(2) Plan Approved: The annexation and development of additional parcels shall be in accordance with a plan of development approved by the Department of Real Estate of the State of California.

(3) Declaration of Annexation: A declaration of annexation shall be recorded covering the applicable portion of the property to be annexed. Said declaration may contain such complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of the added property, and as are not inconsistent with the scheme of this Declaration. The Declarant shall make a written commitment, at or before the time any annexation document is recorded, to pay to the Association, concurrently with the first conveyance of a lot in an annexed phase, appropriate amounts for reserves for

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replacement or deferred maintenance of common area improvements in the annexed phases necessitated by or arising out of the use and occupancy of residences under a rental program conducted by the Declarant which has been in effect for a period of at least one (1) year as of the date of the first conveyance of a unit in the annexed phase.

B. Annexation Pursuant to Approval: Upon approval in writing of the Association, pursuant to vote or written consent of a two-thirds (2/3) majority of the voting power of its members, other than the Declarant, the Association and the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Declaration of Annexation in the manner described in Section A. 3.

C. Effect of Annexation: Upon such annexation becoming effective, all of the property so annexed shall become subject to the recorded Declaration and any amendments thereto describing such property, Articles, By-Laws and current Rules of the Association, with the same force and effect as if the annexed property was originally a part of the property described herein.

Voting specifications set forth in the Declaration, By-laws, and Articles shall apply to the entire number of votes of all annexed phases.

Assessments collected from owners of the property may be expended by the Association without regard to the particular phase from which such assessments came. All owners shall have ingress and egress to and use of all portions of the common areas throughout the project, subject to the provisions of this Declaration, the By-laws, the Articles, and the Rules of the Association currently in effect.

D. Quality of Construction: Future improvements to the project will be consistent with initial improvements in terms of quality of construction.

Section 3. Partition Prohibited: The common areas will remain undivided as set forth above. Except as provided by California Civil Code Section 1354, no owner shall bring any action for partition. It is 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 unit owned by two or more persons and division of the sale proceeds is not prohibited hereby but physical partition of a single unit is prohibited.

Section 4. Common Area Ownership: The common area will be conveyed with each respective unit as an undivided one-thirtieth (1/30) fractional interest in the common area of Lot 1. The Common Area in any subsequent phase of the Project shall be conveyed to the unit owners in each such subsequent phase in the proportionate interests established in the Declaration of

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Annexation for that phase; such proportionate interests shall be calculated based upon a fraction, the numerator of which is one (1) and the denominator of which shall be a sum equal to the total number of units shown on the Condominium Plan for that subsequent phase.

Declarant hereby reserves such easements and cross-easements for use of and passage through the common area as may be necessary for the benefit of unit owners in subsequent phases of the Project. Declarant further promises to convey to owners of units in the first phase similar easements and cross-easements for use of and passage through the common areas of all subsequent phases which may be annexed to the Project, with such easements to become effective upon the annexation of subsequent phases.

The undivided interest in the common area established hereunder and to be conveyed with the respective Units cannot be changed, and Declarant, its successors, assigns and grantees covenant and agree that the undivided interests in the common area, and the fee title to the respective Units conveyed therewith, will not be separated or separately conveyed, and each such undivided interest is to be deemed conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit. Each Unit and each Unit Owner will share the expense of the common areas proportionately as more particularly set forth in Article V.

Sale of any Common Area(s) or portion thereof, other than the conveyance of the undivided interests in the Common Area(s) held and conveyed with a particular unit, is prohibited.

Section 5. Restricted Common Area: Certain restricted common areas are hereby set aside and allocated for the exclusive use of the owner of the unit to which they are attached or assigned by unit number in the Plan. Said restricted common areas consist of the exclusive easement to use, for vehicle parking purposes, the garage parking spaces specifically designated on the Plan as GPS - followed by a number and to be permanently assigned to a unit on the Plan, the carport parking spaces specifically designated on the Plan as CP - followed by a number and to be permanently assigned on the Plan, the exclusive easement to use the deck areas specifically designated on the Plan as D - followed by the number of the unit to which it is assigned, the exclusive easement to use the balcony areas specifically designated on the Plan as B- followed by the number of the unit to which it is assigned, and the exclusive easement to use the storage space specifically designated on the Plan as S - followed by the unit number to which it is assigned. The exclusive easement to use the yard area specifically designated on the Plan as Y - followed by the unit number to which it is assigned.

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ARTICLE III

HOMEOWNERS ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

Section 1. Organization : The Association is a Non-Profit Mutual Benefit Corporation charged with the duties and empowered with the rights set forth herein and in the By-Laws and Articles of Incorporation. Its affairs shall be governed by this Declaration, the Articles, the By-Laws and the Rules of the Association. In the event that the Association as a corporate entity is dissolved, a non-profit, unincorporated association shall forthwith and without further action or notice be formed to succeed to all the rights and duties of the Association. The affairs of such unincorporated association will be governed by the laws of the State of California and, to the extent consistent therewith, by this Declaration, the Articles and the By-Laws of the Association as if they were created for the purpose of governing the affairs of an unincorporated association.

Section 2. Membership: The owner of a unit shall automatically, upon taking title to a unit, be a member of the Association and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association will automatically cease. Membership is to be held in accordance with the Articles and By-Laws of the Association.

Section 3. Transferred Membership: Membership in the Association may not be transferred, pledged, or alienated in any way, except upon the sale of encumbrance of the unit 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 unit. A mortgagee does not have membership rights until he becomes an owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void.

Section 4. Voting Classes: The Association shall have two (2) classes of voting membership:

(1) Class A: Class A members shall be all owners with the exception of the Declarant, and Class A members shall be entitled to one vote for each unit owned. When more than one person holds an ownership interest in any unit, all such persons shall be members; provided, however, that with respect to any matter requiring the vote or consent of members, no more than one vote shall be cast with respect to any unit. The vote for such unit shall be exercised as the members holding an interest in such unit among themselves determine. In the event of disagreement, the decision of members holding a majority of interest in such unit shall govern, and:

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(2) Class B: The Class B member(s) shall be the Declarant, and Declarant shall be entitled to three (3) votes for each unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first:

1. when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
2. the second anniversary of the original issuance of the most recently issued subdivision public report for a phase of the project from the California Department of Real Estate but no later than;
3. the fourth anniversary of the original issuance of the subdivision public report for the first phase of the project.

Any action by the Association (with the exception of enforcing a bond) which must have the approval of the members other than the Declarant before being undertaken shall require the vote or written assent of fifty-one percent (51%) of each class of membership during the time that there are two outstanding classes of membership. When only a single class exists after conversion of Class B to Class A, any action by the Association which is subject to the approval of members other than the Declarant shall require the vote or written assent of fifty-one percent (51%) of the total voting power of the Association as well as the vote or written assent of fifty-one percent (51%) of the total voting power of members other than the Declarant.

Voting rights attributable to Unit ownership shall not be vested until assessments against the particular Unit have been levied by the association.

Section 5. Voting Procedures and Meetings: Voting procedures and the notice, quorum requirements and location of meetings of the Association shall be as provided for in the By-Laws.

Section 6. Board of Directors: The Board shall undertake all duties and responsibilities of the Association and the management and conduct of the affairs thereof, except as expressly is reserved herein to a vote of the Members. The initial Board of the Association consisting of three (3) Directors shall be appointed by Declarant. Such Board shall hold office until the first regular meeting of the members is held and Directors are elected pursuant to the By-Laws. The number of Directors may be changed by amendment of the By-Laws.

ARTICLE IV

DUTIES AND POWERS OF THE ASSOCIATION

Section 1. Duties: In addition to the duties enumerated in its By-Laws or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

Subsection 1.1 Maintenance: The Association shall maintain, repair, replace, restore, operate and manage all of the common area and all facilities, improvements, furnishings, equipment and landscaping, including stairs and sprinklers thereon, and all property that may be acquired by the Association. Maintenance shall include (without limitation): painting, maintaining, repairing and replacing of all common areas, exterior glass surfaces, landscaping (except for private patio areas), balconies and parking areas.

The maintenance obligations of the Association shall also include repair or replacement of pavement, pavement marking, signage and lighting of the private street system and parking areas, water services lines from City metering devices to points of use, fire hydrant service lines and equipment from City metering devices to points of use, all on-site sanitary sewer and storm drainage systems to points of connection with public systems in the public right-of-way, maintenance of ponds or lakes, including water supply, circulation and aeration systems therefor, as well as landscaping in the public right of way between the property line and back of curb along adjacent lengths of Marine World Parkway and Bridge Parkway, including a pedestrian walkway.

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 neglect of an owner, or his guest, tenants or invitees, the cost of which is not covered by insurance. The repair or replacement of a condominium unit exterior resulting from such excluded items shall be the responsibility of each owner. However, if an owner fails to make the repairs or replacements which are the responsibility of such owner, as provided above, then, upon a vote of a majority of the Board of Directors, and after not less than thirty (30) days notice to the owner, and hearing, the Association shall have the right, but not the obligation, to enter the condominium and make such repairs or replacements. The cost thereof, although not a lienable assessment, shall be added to any amount due to the Association and shall be payable to the Association by the owner of such condominium.

Subsection 1.2 Redwood City: Notwithstanding any other provision regarding maintenance responsibilities, the City of Redwood City is hereby granted the right, but in no event the duty, to enforce the maintenance obligations of the owners and the Association for the Common Area described in this

Declaration, insofar as the Common Area shall be maintained in a manner which complies with all applicable City, State and Federal ordinances, statutes, and regulations and which does not create or perpetuate nuisances, health or safety hazards. In the event of a breach of the maintenance provisions contained in this section, the City shall give written notice of such breach within thirty (30) days of receipt of such written notice by City. The Association recognizes that it has the primary responsibility for enforcement of its maintenance responsibilities that are contained in this Declaration and unequivocally guarantees to institute and expeditiously prosecute any required legal action to obtain compliance with the provisions contained in this section. The City, in enforcing the provisions contained in this section, shall be entitled to all the rights and remedies of an owner or of the Association. The City shall be entitled to all expenses of enforcement, regardless of whether legal proceedings are instituted, including the enforcement by private legal counsel, and shall have the authority to lien the subject property (including individual units of owners if applicable) if the Association does not pay the City for all expenses of correction and enforcement. All funds obtained by lien, other legal proceeding, or any action in furtherance of such enforcement by City shall be utilized by City to repay City for the costs of correcting the breach after costs of expenses of enforcement shall first have been deducted.

Subsection 1.3 Insurance: The Association shall maintain a policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable value of the Units and common area, payable to the Association and held for the benefit of the owners, mortgagees and such other persons as their interests may appear, or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners and their mortgagees, as their respective interests may appear. Each policy shall provide that it shall not be cancelled without at least thirty (30) days prior written notice to the Association and to each of the Unit Owners. Each such policy may be for a period of not to exceed three (3) years provided that the policy permits short rate cancellation by the insured. The Board shall review the limits of such insurance for adequacy at least every year, and shall increase or adjust the same, if necessary, to provide such coverage and protection as is customarily carried by prudent property owners in San Mateo County. Said policy or policies shall provide for a separate loss payable endorsement in favor of the mortgagee or mortgagees of each Condominium, if any.

The Association shall maintain a policy or policies of comprehensive public liability insurance insuring the Association, the Declarant, the Board, the Owners and any Manager appointed as hereinafter provided against any liability to the public or to the Unit Owners incident to the ownership and/or use of the Project and to protect against any liability to the public or to any Unit Owner incident to the use of, or resulting from any accident or intentional act occurring in or about, any Unit

or the common area. The minimum limits of such insurance shall be One Million Dollars (\$1,000,000) and established to provide such coverage and protection as is customarily carried by prudent owners of similar property in the County in which the Project is situated. Each such policy may be for a period of not to exceed three (3) years provided that the policy permits short rate cancellation by the insured. The Board shall review the limits and coverage of such insurance at least every year and shall increase or adjust the same, if necessary, to provide adequate coverage and protection to the Association, Board, Manager, if any, and Unit Owners. Said policy or policies shall provide cross liability endorsement wherein the rights of a named insured thereunder shall not be prejudiced as respects any action by one insured thereunder against another named insured.

The Association shall maintain a policy of Workers' Compensation Insurance to the extent necessary to comply with all applicable laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Project, and any other types of insurance, or insurance in amounts in excess of the limits provided above if the Board shall determine the same to be necessary in its sole discretion to fully protect the interest of the Unit Owners. Any insurance acquired by the Board may be taken in the name of the Association, as trustee, for the use and benefit of the Board, the Manager, if any, and all Unit Owners.

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Subsection 1.4 Discharge of Liens. The Association shall discharge by payment, if necessary, any lien against the common area, and assess the cost thereof to the member or members responsible for the existence of said lien. Prior to any Board decision to discharge a lien, the Owner shall be given written notice and an opportunity for a hearing before the Board in order to present any defenses which may exist.

Subsection 1.5 Assessments The Association shall fix, levy, collect and enforce assessments as set forth in Article V hereof.

Subsection 1.6 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.

Subsection 1.7 Enforcement: The Association shall enforce this Declaration.

Subsection 1.8 Budget and Annual Report: Regardless of the number of members or the amount of assets of the Association, the Board shall cause to be maintained a full set of books and records and statements in accordance with the provisions of the By-laws, Article V, Section 2, Subsection 2.3.

Section 2. Powers: In addition to the power enumerated in its Articles and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

Subsection 2.1 Easements: The Association shall have authority to grant easements where necessary for utilities and sewer facilities over the common area to serve the common and open space areas and the condominium units.

Subsection 2.2 Access: The Board and its agents or employees shall have the exclusive right to enter a unit as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or the owners in common. Except in case of emergency, forty-eight (48) hours notice shall be given to the Owner or the occupant.

Subsection 2.3 Manager: The Association shall have the authority to employ a manager or other persons and to hire independent contractors or employees to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a firm or person appointed as a manager or managing agent, or any contract providing for services by the developer, sponsor or builder, or any contract for goods and services, shall not exceed a one (1) year term, shall provide for termination by either party without cause on ninety (90) days or less written notice, and shall provide for the right of the Association to terminate the same for cause on thirty (30) days' written notice.

Subsection 2.4 Association Rules: The Board may, from time to time, and subject to the provisions of this Declaration, the By-laws, and the Articles of Incorporation, adopt rules for the management of the Project in accordance with the provision set forth in the By-laws, Article V, Section 1, Subsection 1.1.

A copy of the Rules so adopted shall be furnished to each Unit Owner, and each Unit Owner, his family, guests, employees, invitees, licensees and tenants shall comply with such Rules.

Subsection 2.5 Enforcement of Rules and Restrictions: The Board shall have the power, obligation and duty to enforce the provisions of this Declaration, the By-Laws and the Rules. In the event of a breach of any of the restrictions contained in this Declaration or of any Rules by a Unit Owner, his family, guests, employees, invitees, licensees or tenants, the Board may enforce the obligations of each Owner to obey such Rules or restrictions in any manner provided by law or in equity, including but not limited to, appropriate legal action, suspension of the Owner's voting right and right to use the common facilities of the Project; provided, however, such suspension may not be for a period in excess of thirty (30) days, and may not be imposed without notice of a hearing (not less than fifteen (15) days and a hearing for an infraction of such rules as herein provided (the decision of which shall be effective not

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less than five (5) days after the hearing). In addition to the other remedies herein set forth, the Board, by majority vote, may levy a fine against such Owner, after appropriate notice and hearing as herein provided, in an amount not to exceed Fifty Dollars (\$50.00) for each such violation. The right to levy fines, hold disciplinary hearings or otherwise impose discipline on members under this section is vested solely in the Board and may not be delegated to any Director, officer, or manager or other employees of the Board or Declarant.

Prior to making any decision that a breach has occurred or to impose any penalty provided herein for breach of any Rules enacted hereunder or restrictions contained in this Declaration, the Board shall send written notice to the Unit Owner specifying the nature of the alleged infraction and provide an opportunity to the Unit Owner for a hearing before the Board regarding such infraction and the penalty to be imposed.

Notwithstanding anything to the contrary in this Declaration, neither the Board nor the Association of Members shall have the power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually owned Unit, including all common area ownership and easement rights, because of such Owner's failure to comply with the provisions of this Declaration or of the By-Laws or any Rules adopted by the Association relating to the operation of the Common Area or Common Area facilities except when such loss or forfeiture is the result of a judgment of a court or a decision out of arbitration or on account of a foreclosure or under the power of sale granted herein for failure of the Owner to pay the assessments levied pursuant to the provisions of this Declaration. In the event legal action is instituted by the Board pursuant to this section, any judgment rendered in any such action shall include costs of collection, court costs and reasonable attorneys' fees.

A monetary penalty or reimbursement charge imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member was allegedly responsible or in bringing the member and his unit into compliance with the governing instruments may not be characterized nor treated in the governing instruments as an assessment which may become a lien against the member's unit enforceable by a sale of the unit in accordance with Section 2924 of the California Civil Code.

The provisions of the above paragraph do not apply to charges imposed against an owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorneys' fees) in its efforts to collect delinquent assessments.

Subsection 2.6 Acquisition 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, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association. However, except with the vote or written assent of a majority of the voting power of the Association residing in members other than the Declarant, the Board is prohibited from (1) incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year and (2) selling during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

Subsection 2.7 Loans: The Association shall have the power to borrow money and, with the assent (by vote or written consent) of sixty-seven percent (67%) of each class of members, 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.

Subsection 2.8 Dedication: The Association shall have the power to dedicate, sell or transfer 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 or transfer shall be effective unless an instrument has been signed by sixty-seven percent (67%) of each class of members, or sixty-seven percent (67%) of the total voting membership other than the Declarant after conversion to a single class of members, agreeing to such dedication, sale or transfer.

Subsection 2.9 Contracts: The Association shall have the power to contract for goods and/or services for the common area(s), for the common facilities or interests of the owners or for the Association, subject to limitations elsewhere set forth in this Declaration or the By-laws.

Subsection 2.10 Delegation: The Association shall have the power to delegate certain portions of its authority and powers to committees, officers or employees of the Association. However, the authority to levy fines, hold hearings, impose discipline, make capital expenditures, file suit on behalf of the Association, record a claim of lien or institute foreclosure proceedings for failure to pay assessments, may not be delegated to an officer, employee or committee.

Subsection 2.11 Power of Attorney: Each owner, for himself, his successors and assigns, shall be deemed upon purchasing his condominium to have appointed the officers of the Association, or any of them, as his true and lawful attorney, in his name, place and stead, to prosecute, settle and/or release any claims arising out of the owners' acquisition and/or joint

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ownership of the common areas of the project. Such power shall be utilized only upon express authorization of the Board given by resolution adopted by the Board at a meeting for which all members are given advance written notice specifying the nature of the proposed action for which the power of attorney is to be utilized.

ARTICLE V

ASSESSMENTS

Section 1 Covenants for Maintenance Assessments: Declarant hereby covenants and agrees for each Condominium owned by it within the Project, and each Owner of any Condominium, by acceptance of a deed is deemed to covenant and agree, to pay to the Association the assessments levied pursuant to this Article. Declarant and each Owner thereby vest in the Association the right to bring all actions for the collection of such charges and for the enforcement of the lien created hereby. Such right remains with the Association and such obligations run with the land so that each successive Owner or Owners of record of a Condominium in the Project will become liable to pay all assessments which become a lien during the time they are the record Owner of any unit in the Project.

Each assessment levied by the Association under this Article constitutes a separate assessment. Each assessment, together with interest thereon, costs of collection and reasonable attorneys' fees, will be a charge on the Condominium and be a continuing lien upon the Condominium against which each such assessment is made. The Association, as the agent of all Unit Owners, has a separate lien, and a separate lien with power of sale is hereby created, upon each Condominium against which an assessment is made to secure the payment of any assessments under this Article. Each such lien for any particular month's charge will also secure interest thereon, if the same is not paid when due, and costs of suit and reasonable attorneys' fees to be fixed by the court if action or suit is brought to collect such charge. The priority of all such liens shall be in inverse order so that upon foreclosure of the lien for a particular month's charge, any foreclosure sale pursuant thereto will be made subject to all liens securing the respective monthly charge on such Condominium for succeeding months.

Each assessment, together with interest, attorneys' fees and costs of collection, shall also be a separate, distinct and personal obligation of the Owner of the Condominium at the time when the assessment fell due. The personal obligation for delinquent assessments will not pass to a Unit Owner's successor in title unless expressly assumed by such successor, but the lien for such delinquent assessment shall remain and, if unpaid by such successive Unit Owner, may be foreclosed as provided in this

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Declaration. After a record Unit Owner transfers record title to his Condominium, he will not be liable for any charge thereafter assessed against such Condominium. A contract seller of any Condominium will continue to be liable for all such charges until a conveyance by him of the Condominium subject to the assessment is recorded in the Office of the San Mateo County Recorder.

Section 2 Regular Monthly Assessments: The Board shall establish regular monthly assessments for operation and maintenance of the Project by the procedures established in this Section. Such regular assessments shall be pro-rated for all units in accordance with the final budget approved by the Department of Real Estate. The assessments for each phase shall be due and payable in monthly installments on the first day of each month commencing on the first day of the first month following the conveyance of the first Condominium within that phase.

Upon annexation of additional units to the Project pursuant to Article II of this Declaration, the allocation and assessment of the total charges for the Project, including the annexed property, shall be pro-rated among all units in accordance with the final budget approved by the Department of Real Estate.

Not less than sixty (60) days prior to the beginning of each fiscal year, the Board shall estimate the total charges to be paid out of the maintenance fund during such year (including a reasonable reserve for contingencies) and distribute a copy of a pro forma operating statement (budget) to each member pursuant to the Article V, Section 2, of the By-laws,; provided, however, that the Board may not, without a vote in accordance with the voting requirements of Article III, Section 4 of this Declaration, the prior vote or written consent of a majority of each class of Members of the Association, impose a regular annual assessment per Condominium which is more than twenty percent (20%) greater than the regular assessment per Condominium for the immediately preceding fiscal year. All funds budgeted, allocated, assessed and collected for deferred maintenance and capital improvements shall be designated and used solely for those specific purposes.

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Within one hundred and twenty (120) days after the end of each fiscal year, the Unit Owners shall receive an accounting of assessment receipts and disbursements for that fiscal year.

Section 3 Assessment on Units in Phases II, III, IV, and V: In the event that the Lots and units in Phases II, III, IV, and V, or any of them, are not annexed to this Project and made subject to this Declaration, pursuant to Article II, and said Lots and/or units are developed, sold or leased to persons whose use and occupancy thereof results in use of the private streets and/or utilities within the common area(s), said Lots and/or units and the owners thereof shall be subject to regular and special assessments pursuant to this Article levied by the Board for the cost of maintenance and repair of said streets and/or utilities. Such assessments shall be equally assessed among all Lots and

units and such assessments shall be enforced pursuant to this Declaration. In the event of any disagreement as to the reasonableness of said assessments, or the division thereof among the Lots and/or units, the matter shall be submitted to the American Arbitration Association, with the arbitrator to determine the amount of the assessment and the allocation of the costs of the arbitration.

Section 4 Special Assessments: In addition to the regular assessments authorized herein, the Board may, at a meeting duly called for that purpose, levy in any fiscal year, a special assessment applicable to that year for capital improvements, correction of inadequacy of the maintenance fund, defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of improvements in the common area and such other matters as the Board may deem appropriate; provided, however, that within any fiscal year the aggregate of such special assessments shall not exceed five percent (5%) of the budgeted gross expenses for that fiscal year without the assent of the membership in accordance with the voting requirements of Article III, Section 4 of this Declaration. Any such special assessment shall be levied upon the same basis as that prescribed herein for the levying of regular assessments except that:

(a) A special assessment against owners to raise funds for the rebuilding or major repair of the structural common area housing units of the project shall be levied upon 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 the floor area of all Units to be assessed; and

(b) The provisions hereof with respect to special assessments do not apply in the case where a reimbursement charge against a member is a remedy utilized by the Board of Directors to reimburse the Association for costs incurred in bringing the member and his unit into compliance with the provisions of this Declaration, the By-laws, Articles of Incorporation or the Rules.

Section 5 Reimbursement Charges: The Board shall levy a reimbursement charge against any Unit Owner and the Condominium owned by such Owner whose failure to comply with this Declaration, the By-Laws, Articles of Incorporation or the Rules has necessitated an expenditure of monies by the Association from the maintenance fund to bring such Owner and Condominium into compliance with said instruments or in otherwise performing its functions under this Declaration. Such reimbursement charge shall be for the purpose of reimbursing the Association, and shall be due and payable to the Association when levied.

Section 6 Non-Waiver of Assessments: The omission by the Board, before the expiration of any year, to fix the assessments for that or the next year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any Unit Owner from the obligations to pay the

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assessments, or any installment thereof, for that or any subsequent year. In the instance of such omission, the assessment fixed for the preceding year shall continue until a new assessment is fixed. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area, abandonment of the Condominium or any attempt to renounce rights in the common area.

Section 7 Enforcement: Each Unit Owner of a Condominium, upon becoming such Owner, shall be deemed to covenant and agree to pay to the Association every assessment provided for in this Declaration and shall be deemed to agree to the enforcement of all such assessments in the manner specified herein. In the event an attorney is employed for collection of any assessment or to enforce compliance with the terms and conditions of this Declaration, each Unit Owner agrees to pay reasonable attorneys' fees and any other costs thereby incurred, in addition to any other amounts due or any other relief or remedy to which the Association is entitled. Any assessment not paid within thirty (30) days after the date on which it becomes due shall be deemed delinquent and thereafter earn interest from the date of delinquency at the rate of one and one-half percent (1 1/2%) per month on the so much of the outstanding balance as does not exceed one thousand dollars (\$1,000.00), one percent (1 %) per month on the excess over one thousand dollars (\$1,000.00) of the outstanding balance, and if the late charge so computed is less than ten dollars (\$10.00) for any month, the charge shall be ten dollars (\$10.00). In addition to any other remedies herein or by law provided, the Association, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, by either or both of the following procedures:

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Subsection 7.1 Enforcement by Suit: The Association may commence and maintain a suit at law against any Unit Owner personally obligated to pay assessments for such delinquent assessments and such suit will be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon, costs of collection, court costs and reasonable attorneys' fees in such amount as the court may award. Suit to recover judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien provided for in the following Subsection. The Association may not recover twice in connection with a single delinquent assessment.

Subsection 7.2 Enforcement by Lien: There is a present lien, with power of sale, on each Condominium to secure payment to the Association of any and all assessments levied against such Condominium pursuant to this Declaration, together with interest thereon, and all costs of collection which may be paid or incurred by the Association including reasonable attorneys' fees. No action shall be brought to foreclose the lien securing an unpaid assessment until Notice of Assessment Due signed by the

Board or its designated representative, or by any Unit Owner if the Board fails or refuses to act, has been delivered to the Unit Owner of the Condominium subject to such assessment, and a copy of such notice recorded in the Office of the Recorder of San Mateo County. Said notice shall state the amount of the assessment together with the interest, costs and reasonable attorneys' fees, a description of the Condominium against which the assessment has been made and the name or names of the record Unit Owner or Owners thereof. After the expiration of thirty (30) days from the date such Notice of Assessment Due has been recorded, an action may be commenced in the name of the Association to foreclose the lien, or such action may be commenced by any Unit Owner if the Association fails to act. Upon the declaration of an assessment and the recording of notice thereof, the Association may, at its option, declare the entire balance of all sums then due from the Unit Owner due and payable, which total sum may then be included in any suit, action or proceeding brought to collect said sum, including all costs, charges and attorneys' fees. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created hereunder, whether judicially, by power of sale or otherwise, until the expiration of ten (10) days after a copy of said Notice of Assessment Due, showing the date of recordation thereof, has been mailed to the Unit Owner of the Condominium which is described in such Notice.

Section 8 Power of Foreclosure and Sale: Each of the Unit Owners does hereby appoint the Association, as trustee, to enforce any lien created pursuant to this Declaration and to foreclose such lien by private power of sale as provided in Division III, Part 4, Title XIV, Chapter 2, Article I of the Civil Code of the State of California and Civil Code Section 1356, as such statutes may be revised, amended or altered from time to time, or by judicial foreclosure, and does further grant the Association, as such trustee, the power to sell the Condominium of any such defaulting Unit Owner, or any part thereof, for lawful money of the United States, to the highest bidder to satisfy such lien.

The lien provided for herein shall be in favor of the Association, shall be for the benefit of all Unit Owners and shall secure payment of all sums set forth in the Notice of Assessment together with all sums becoming due and payable in accordance with this Declaration after the date of recordation of said Notice of Assessment. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Condominium. In the event such foreclosure is by action in court, reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses shall be allowed to the extent permitted by law.

Section 9 Transfer of Unit by Sale or Foreclosure: Sale or transfer of any Unit shall not affect the assessment lien, except as hereinafter provided, and shall not relieve the new owner, whether it be the former beneficiary of the first encumbrance or

another person 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 Unit acquires title to the Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or by purchase at a foreclosure sale, such acquirer of title, his successor and assigns, shall take the Unit free of any claims for unpaid assessments and charges against the Unit which accrue prior to the time such mortgagee acquires title to the Unit, except for claims for a pro rata share of such assessments or charge resulting from a pro rata reallocation of such assessments or charge to all Units including the mortgaged Unit.

Section 10 Release of Lien: Upon payment of the delinquent assessment or the satisfaction thereof, the Association shall record, in the same manner as the Notice of Assessment, a further certificate stating the satisfaction and release of the lien.

Section 11 Status of Assessment Lien: Upon written request by any Unit Owner, the Association will furnish, within ten (10) days of the mailing or delivery of such request, a copy of the Declaration, By-laws and Articles of Incorporation of the Association, together with a true statement in writing as to the amount of any delinquent assessments, penalties, attorney's fees, and other charges as therein provided by the Declaration, or By-laws, on the unit as of the date of the request. A reasonable fee, not to exceed Fifty Dollars (\$50.00), may be charged for the preparation of such statement.

Section 12 Subordination of Lien to Encumbrance: Notwithstanding any provision to the contrary in this Declaration, the lien for assessments created by this Declaration shall be subject and subordinate to and shall not affect the rights of the holder of any recorded first mortgage or first deed of trust upon such Condominium made in good faith and for value. In the event any lien imposed under the provisions hereof is destroyed by reason of the foreclosure of any mortgage or deed of trust on the Condominium subject to such lien, there shall be a lien on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, charged to such Condominium after the date of such foreclosure sale, which lien shall have the same effect and be enforced in the same manner as provided herein.

For purposes of this Section, a mortgage or deed of trust may be given in good faith or for value even though the mortgagee or the beneficiary of such mortgage or deed of trust has constructive or actual knowledge of the assessment lien provisions of this Declaration. No amendment of this Section shall affect the rights of the holder of any mortgage or deed of trust recorded prior to recordation of such amendment unless the mortgagee or beneficiary joins in the execution of such amendment.

Section 13 Association Funds: The assessments collected by the Association shall be held in trust by the Association for and on behalf of each Unit Owner and shall be used solely for the operation, care and maintenance of the Project as provided in this Declaration. The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the Project as specified in the annual budget and the Board shall allocate a portion of said funds as collected as reserves for contingencies, replacement and deferred maintenance of the capital improvements of the Project as specified in the annual budget. Said funds shall be deposited, as allocated, into the appropriate bank accounts and said accounts shall be separately maintained by the Association. Upon sale or transfer of any Unit by any Owner, the Owner's interest in the trust funds shall be deemed automatically transferred to the successor or transferee of such Owner.

In the event that the Board retains a professional management service, the Board may delegate the authority to deposit or withdraw funds to responsible representatives of the professional management agent so retained. The professional management agent may additionally be authorized to establish a common trustee account for deposit of assessments as collected. Any funds deposited in such a common trustee account shall be allocated as previously specified herein.

Section 14 Books of Account: The board shall maintain full, complete and correct books of account of the operation of the Project and vouchers supporting expenditures. Any Unit Owner, or the duly authorized representative thereof, may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Association.

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ARTICLE VI

EASEMENTS

Section 1 Generally: There are hereby specifically reserved for the benefit of the Units and Unit Owners, in common and for each Unit and Unit Owner severally, and for the Association, as their respective interests apply, the easements, reciprocal negative easements, secondary easements and rights of way as particularly identified in this Article.

Section 2 Easements for Utilities and Maintenance: The rights and duties of the owners of condominiums within the Project with respect to sanitary sewer, water, electricity, gas and telephone lines and facilities, and heating facilities shall be as follows:

(a) Whenever sanitary sewer, water, electricity, gas, television reception, telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within or upon condominiums owned by other than the owner of a condominium served by said connections, the owners of any condominium served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon the condominiums to repair, replace and generally maintain said connections as and when necessary.

(b) Whenever sanitary sewer, water, electricity, gas, or telephone lines or connections, heating or air-conditioning conduits, ducts, or flues are installed within the property which connections serve more than one condominium, the owner of each condominium served by said connection shall be entitled to the full use and enjoyment of such portions of said connections as service his condominium.

(c) In the event of a dispute between owners with respect to the repair or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon written request of one of such owners addressed to the Association, the matter shall be submitted to the Board of Directors who shall decide the dispute, in accordance with the provisions regarding notice and time for hearing contained in Article IV, Subsection 2.5 of this Declaration, and the decision of the Board shall be final and conclusive on the parties.

(d) 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, are hereby reserved by Declarant and his successors and assigns, including the Association. Following sale of the first unit, the Declarant and his successors and assigns shall only have those powers which result from his voting rights.

Section 3 Use, Ingress and Egress of Common Area: There is hereby reserved to each Unit, as dominant tenement, a non-exclusive easement appurtenant to each Unit over and across the Common Area, as servient tenement, for ingress, egress, use and enjoyment of said Common Area subject to the limitations provided in this Declaration.

Declarant hereby reserves such easements for ingress, egress, use of and enjoyment of the common area in any subsequent phase(s) of the Project for the benefit of the owners in the first phase. Declarant further promises to convey to such owners easements for ingress, egress, use and enjoyment of any common area(s) in any subsequent phases of the Project.

Section 4 Balcony, Deck, Yard and Storage Areas: Each Unit and Unit Owner shall have an exclusive easement, and such exclusive easement is hereby granted for the use, possession, and enjoyment of any balcony, deck, yard or storage area, bearing the same number as the Unit, as designated on the Plan(s). This exclusive easement shall be subject, however, to the right of the Association to enter in and upon such area for the purposes of maintaining and repairing the same, after giving forty-eight (48) hours advance notice, and enforcing the terms hereof. The grant of any such easement includes such area beneath the surface of the earth as is reasonable and necessary for the cultivation, landscaping and drainage of the subject area.

Section 5 Parking Spaces: Each Unit and Unit Owner shall have an exclusive easement, and such exclusive easement is hereby granted, for the use, possession and enjoyment of any garage or carport parking space(s) bearing the number(s) designated on the individual Grant Deed conveying a Unit to said Unit Owners. Said exclusive easement shall be subject, however, to the right of the Association to enter in and upon said parking spaces for the purposes of maintaining and repairing the same, or any other portion of the Restricted Common Areas, after giving forty-eight (48) hours advance notice, and enforcing the terms hereof. Certain parking spaces are designated on the plan as "PS" followed by a number. These parking spaces are to be controlled by the Homeowners Association for the exclusive use of the owner of the Units.

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Section 6 Encroachment Easements: Each condominium within the property is hereby declared to have an easement over all adjoining condominiums and the common area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the wilful misconduct of said owner or owners. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the owners of each Condominium agree that minor encroachments over adjoining Condominiums or common area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 7 "Vehicular Circulation System": The vehicular circulation system approved on the Condominium Plan shall remain irrevocably as "private streets." However, Redwood City is hereby granted an irrevocable right of access over such vehicular circulation system.

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:

Section 1 Condominium Use: No condominium shall be occupied and used except for residential purposes by the owners and their family members, tenants, and social guests, and no trade or business which the Board of Directors deems a nuisance or an interference with any owner's quiet enjoyment, shall be conducted therein. The Declarant, his successors or assigns, may use any unit owned by Declarant for a model home site and display and sales office until the last unit is sold by Declarant. 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.

Section 2 Nuisances: No noxious, illegal, or offensive activities affecting any owner's covenant of quiet enjoyment, or which may result in depreciation in value of any unit or the Project, shall be carried on in any condominium, or on any part of the property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners of his respective unit, 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 a policy, or which will impair the structural integrity of any building.

Section 3 Vehicle Restrictions: No trailer, camper, mobile home, commercial vehicle, truck (other than standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the property. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles are unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the property. No off-road unlicensed motor vehicles shall be operated upon the property.

Section 4 Signs: No signs shall be displayed to public view on any units or on any portion of the property except such signs as are approved by the Board. "For Sale" or "For Rent" signs shall be allowed provided they do not exceed three (3) square feet in size.

Section 5 Animals: No animals or birds of any kind, shall be raised, bred, or kept in any condominium, or on any portion of the property, except that no more than one (1) (unless an

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additional number for a specific Owner is approved by the Board) usual and ordinary household pet such as a dog, cat, bird, etc., may be kept so long as it is not kept for any commercial purpose, and provided it is kept under reasonable control at all times. No pet may be kept on the property which results in a nuisance as prohibited in Section 2 of this Article. No pets shall be allowed in the common area except as may be permitted by rules of the Board. No dog shall enter the common area except while on a leash which is held by a person capable of controlling it. If the owner of such dog cannot be located after diligent effort, Declarant or any owner may cause any unleashed dog found within the common area to be removed to a pound or animal shelter under the jurisdiction of Redwood City or San Mateo County. Prompt notice, within twenty-four (24) hours, most reasonably likely to reach the owner of the dog, shall be given to such owner regarding such removal action. No dog whose barking disturbs other owners, shall be permitted to remain on the property. Owners shall prevent their pets from soiling any portion of the common area.

Prior to any decision by the Board pursuant to this section that an Owner is responsible for the maintenance of a nuisance or any decision to remove a pet from the Project, the Owner shall be provided with written notice specifying the nature of the infraction and an opportunity for a hearing before the Board. The remedies for an alleged nuisance shall not include any measures which may be characterized as "private self-help action" and any Board action regarding this section shall comply with the provisions of Article IV, Section 2.5 of this Declaration.

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Section 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.

Section 7 Radio and Television Antennas: No alteration to or modification of the central television antenna system or any subsequent cable or other system for television reception as maintained by the Association, shall be permitted, and no owner may be permitted to construct and/or operate his own external radio and/or television antenna.

Section 8 Right To Lease: The condominiums shall not be rented for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days, or (b) any rental if the occupants of the unit are provided customary hotel service such as room service for food and beverage, maid service, or furnishing laundry and linen. Subject to the foregoing restrictions, the owners of the condominium shall have the absolute right to lease same provided that any lease shall be subject to the covenants, conditions, restrictions, limitations and uses contained in this Declaration or the By-Laws.

Section 9 Clothes Lines: No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

Section 10 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.

Section 11 Liability of Owners for Damage to Common Area: The owner of each unit shall be liable to the Association for all damages to the common area or improvements thereon caused by such owner or any occupant of his unit or guest, except for that portion of said damage, if any, fully covered by insurance. Liability of an owner shall be established only after notice to the owner and a hearing before the Board.

Section 12 Drapes: All drapes or curtains visible from the street or common area shall be white, off-white or color as approved by the Board.

Section 13 Interior Maintenance: Each owner of a unit shall be responsible for the maintenance and repair, at his sole cost and expense of his unit, including the equipment and fixtures therein and the interior walls, ceilings, windows and doors thereof, in a clean, sanitary, workable and attractive condition, reserving to each owner, however, complete discretion as to the choice of furniture, furnishings, and interior decorating. Each owner shall also be responsible for repair, replacement and cleaning of the windows and glass of his unit, both exterior and interior. Each owner shall also maintain and repair all air conditioners, heaters, electric appliances, plumbing outlets, and the exterior finishes of toilets, sinks, showers and tubs, keeping the same in good condition.

Section 14 Restricted Common Area Use and Maintenance: Unless otherwise provided in this Declaration, each owner shall clean and maintain (but may not paint or repair) areas which are subject to exclusive easements appurtenant to any of the units over the common area. There shall be no use or occupancy of any carport or garage parking space, balcony, deck, yard or storage area of the common area, except by the owner of a unit, or such owner's guests, tenants and lessees. No person, agent, employee, guest, tenant or lessee of a unit owner shall park in any parking space except such parking space or parking spaces as has been assigned to such unit owner or in designated guest parking areas. In addition, no Owner, permanent guest, tenant or lessee shall park in any designated guest parking space. There shall be no obstruction of any part of the common area. Nothing shall be stored in the common area (except within specifically reserved storage spaces) without the prior consent of the Board. No storage closet, locker or facility of any kind shall be built, placed, or kept in or on any balcony, deck, yard or parking space without the prior approval of the Architectural Committee.

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ARTICLE VIII

ARCHITECTURAL CONTROL

Section 1 Committee Organization: There shall be no modification to the common area or restricted common area without the prior written approval of the Architectural Committee which shall consist of three (3) persons, and the City of Redwood City.

Section 2 Appointment, Removal and Term of Office: Declarant shall appoint all replacements to the Architectural Committee until the first anniversary of the issuance of the original Final Subdivision Public Report for the Project. Declarant shall have the right to appoint and remove a majority of the members of the Architectural Committee until such time as the Unit Owners other than Declarant own ninety percent (90%) or more of the Units within the Project or five (5) years after the issuance of the original Department of Real Estate Final Subdivision Public Report for the first phase of the Project, whichever occurs first. After one year from the date of issuance of the original Final Public Report for the first phase of the Project, the Board shall have the right to appoint one member to the Committee. When Declarant waives or no longer has the right to appoint and remove the members of the Committee, said right shall be vested solely in the Board. All members appointed by the Board shall be Unit Owners. Exercise of the right of appointment and removal, as set forth herein, shall be evidenced by the specification in the Minutes of the Association of each new Committee member appointed and each member replaced or removed from the Architectural Committee. Vacancies on the Architectural Committee, however caused, shall be filled by the Declarant or the Board, whichever then has the power to appoint members.

Section 3 Duties: It shall be the duty of the Architectural Committee to consider and act upon such proposals or plans submitted to it pursuant to the terms of Section 5 hereof, to adopt Architectural Committee Rules, to perform other duties delegated to it by the Association and to carry out all other duties imposed upon it by this Declaration.

Section 4 Meetings: The Architectural Committee shall meet from time to time as necessary to properly perform its duties hereunder. The vote or written consent of any majority of the Committee shall constitute an act by the Committee unless the unanimous decision of its members is otherwise required by this Declaration. The Committee shall keep and maintain a record of all actions taken by it at such meeting or otherwise. The Architectural Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred in the performance of any Architectural Committee function.

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Section 5 Application for Approval of Improvements: Any Unit Owner, proposing to perform any work of any kind whatever which requires the prior approval of the Architectural Committee shall apply to such Committee for approval by notifying the Architectural Committee of the nature of the proposed work in writing and furnishing such information as the Committee may require.

Section 6 Approval: All approvals shall be in writing; provided, however, that any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the Architectural Committee shall be deemed approved.

Section 7 Liability: Neither the Architectural Committee nor any member thereof shall be liable to the Association or to any Unit Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications, (c) the development of any property within the Project, or (d) the execution and filing of an estoppel certificate, whether or not the facts therein are correct; provided, however, that such member has acted in good faith, in a manner such person believed to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

ARTICLE IX

MORTGAGEE RIGHTS AND PROTECTION

Notwithstanding any other provisions of this Declaration to the contrary:

Section 1 Mortgage Permitted: Any Condominium Owner may encumber his condominium with a mortgage. For purposes of this Declaration a "mortgage" means a deed of trust as well; and a "mortgagee" also means the beneficiary under a deed of trust. A "first mortgage" similarly also means "a first deed of trust".

Section 2 Subordination: Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first mortgage that encumbers all or a portion of the Project, or any Condominium, made in good faith and for value, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such first mortgage unless the mortgagee expressly subordinates his interest, in writing, to such lien.

Section 3 Amendment: No amendment to this Declaration, the Articles or the By-Laws shall affect the rights of any mortgagee under any mortgage made in good faith and for value and recorded before the recordation of any such amendment unless the mortgagee either joins in the execution of the amendment or approves it in writing as a part of such amendment.

Section 4 Rights of Institutional 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 Unit 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 Declaration to the contrary, institutional lenders shall have the following rights:

A. All institutional lenders that have filed with the Association a request for notice of default, shall be entitled to receive written notice from the Association of any default by the trustor of any deed of trust on a Unit (the beneficial interest in which is held by said institutional lender) in the performance of such trustor's obligations under the governing documents, which is not cured within thirty (30) days.

B. The Association shall discharge its obligation to notify institutional lenders by sending written notices required herein to the lender or lenders requesting notice, at the address given on the current request for notice.

C. First mortgagees of individual Units may, jointly or singly, pay taxes or other charges which are in default and which may have become a charge against any association common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such common property and first mortgagees making such payments shall be owed immediated reimbursement therefor from the homeowners association. Entitlement to such reimbursement shall be reflected in an agreement in favor of all first mortgagees of Units duly executed by the homeowners association.

D. Any institutional lender will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, and (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal year of the Association, and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

E. Association dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those common area improvements that must be replaced on a periodic

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basis, and shall be payable in regular installments rather than by special assessments.

F. Each holder of a first mortgage lien on a Unit who comes into possession of the Unit by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale under a first deed of trust, will take the Unit free of any claims for unpaid assessments and charges against the Unit which accrue prior to the time such holder comes into possession of the Unit except for claims from a pro rata reallocation of such assessments or charges to all project Units including the mortgaged Unit, and except for assessment liens recorded prior to the mortgage.

G. Any agreement for professional management of the project, or any other contract providing for services of the developer, sponsor or builder, may not exceed one (1) year. Any such agreement 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 on ninety (90) days or less written notice.

H. The Project governing instruments contain no provisions creating a "right of first refusal," but should any such rights be created in the future, any such rights shall not impair the rights of any institutional lender to: (1) foreclose or take title to a condominium unit pursuant to the remedies provided in the mortgage, or (2) accept a deed (or assignment) in lieu of foreclosure in the event of a default by a mortgagor, or (3) interfere with a subsequent sale or lease of a unit so acquired by the mortgagee.

Section 5 Consent to Action: 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 units 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 sixty-seven percent (67%) of the votes of units subject to eligible holder mortgages, shall be required to terminate the legal status of the project as a condominium project.

(b) The vote required to terminate the legal status of the project after substantial destruction or condemnation of the project shall be sixty-seven percent (67%) of the total voting power of the Association and fifty-one percent (51%) of the votes allocated to units which are subject to first mortgages held by eligible holders (those lenders that have filed with the Association pursuant to Section 4 A. of this Article).

(c) The consent of owners of units 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 units 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); (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 the first paragraph above); (viii) boundaries of any unit; (ix) the interests in the general or restricted common areas; (x) convertibility of units into common areas or of common areas into units; (xi) leasing of units; (xii) imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey his or her unit; (xiii) any provisions which are for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of first mortgages on units.

(d) 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.

Section 6 Distribution of Insurance and Condemnation Proceeds: No condominium owner, or other party, shall have priority over any right of first mortgagees of units pursuant to their mortgages in case of a distribution to condominium owners of insurance proceeds or condemnation awards for losses to or a taking of condominium units or any common area. Any provision to the contrary in this Declaration or in the By-Laws or other documents relating to the Project is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected mortgagees naming the mortgagees, as their interests may appear.

Section 7 Notices to Mortgagees of Record: On any loss to any unit covered by a mortgage, if such loss exceeds Two Thousand Five Hundred Dollars (\$2500.00), or on any loss to the common area, if such loss exceeds Ten Thousand Dollars (\$10,000.00), or any taking of such common area, notice in writing of such loss or taking shall be given to each mortgagee of record. If any Owner of a condominium is in default under any provision of this Declaration, or the By-Laws, or the rules and regulations adopted by the Association, which default is not cured within thirty (30) after written notice to such owner, the Association shall give to

the mortgagee of record of such owner written notice of such default and of the fact that said thirty (30) day period has expired. Further, if any condominium and/or the common area is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the first mortgagee on such condominium shall be given timely written notice by the Association of such proceeding or proposed acquisition.

ARTICLE X

DAMAGE, DESTRUCTION OR CONDEMNATION OF COMMON AREA IMPROVEMENTS

Section 1 Damage and Destruction: In the event of damage or destruction of the property of the Association, or any part thereof, it shall be the responsibility of the Association to repair or replace the same in substantial accordance with the original plans and specifications of the Project.

Subsection 1.1 Insured Losses: If the damage or destruction to the Association property is an insured loss the loss shall be handled as follows:

A. Minor Casualties: If the insurance proceeds initially offered or paid by the insurer do not exceed Fifty Thousand Dollars (\$50,000) such insurance proceeds shall be paid to the Association in accordance with Article IV, Section 1, Subsection 1.2 of this Declaration. The Board shall then contract to repair or rebuild the damaged portions of the Association's property in substantial accordance with the original plans and specifications of the Project, obtain bids in accordance with the following paragraphs, and the insurance funds held by the Association shall be used for such reconstruction.

B. Major Casualty: If the insurance proceeds initially offered or paid by the insurer exceed Fifty Thousand Dollars (\$50,000), then:

(1) All insurance proceeds shall be paid to the Association and deposited in a newly-created account, and held for the benefit of the Owner(s) of the relevant unit and their mortgagees as their respective interests may appear.

(2) The Board shall obtain firm bids from two or more responsible contractors to rebuild the relevant portion of the Project in accordance with its condition prior to damage and destruction, modified at the direction of the Board to comply with the building codes and construction standard in effect at the time of the rebuilding. To be considered, any contractor's bid shall include the premium payable for a performance, labor and material payment bond from a reputable bonding company.

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(3) The Board shall then call a meeting of all Owners whose Units have been damaged to review all such submitted bids. A simple majority vote of these affected Owners will be required to accept or reject any bid. The failure by such Owners to either accept a bid or reject all bids shall authorize the Board to accept an unrejected bid it considers most favorable, or seek further bids.

Subsection 1.2 Uninsured or Insufficiently Insured Losses: If any damage or destruction is uninsured or if the insurance proceeds are insufficient to cover the cost of repairs or replacement of the property damaged or destroyed, the Board will make a Special Assessment, in accordance with the provisions outlined in Article V, Section 3 of this Declaration, to cover such cost. Such special assessment is in addition to any other regular assessments and is subject to the rules herein relating to Special Assessments. Any Special Assessment for the rebuilding or major repair work of the structural common area housing units of the Project will be levied upon the basis of the ratio of the square footage of the unit to be assessed to the total square footage of floor area of all units to be assessed.

Subsection 1.3 Full Insurance Settlement: Notwithstanding any provision of this Article X, if the insurance carrier offers the full amount required to repay and restore all of the damage, then the Board shall contract to repair or rebuild the damaged portions of all affected condominiums and apartments and the buildings containing same in the manner provided in this Article X, Subsection 1.1 for a minor casualty.

Subsection 1.4 Emergency Repairs: Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty as it may deem necessary or desirable under the circumstances, and the Board may charge the operating accounts for the cost thereof. In the event of a casualty, there is a substantial possibility that immediate emergency repairs will be required to eliminate defective or dangerous conditions and to comply with applicable laws, ordinances and regulation, pending settlement of insurance claims and prior to procuring bids for performance of restoration work.

Subsection 1.5 Decision Not to Rebuild: The decision not to rebuild will require the affirmative vote or written assent sixty-seven percent (67%) of each class of Owner. Upon conversion of Class B membership to Class A membership as provided in this Declaration, the affirmative vote or written assent of sixty-seven percent (67%) of the votes of members other than the Grantor shall be required for the decision not to rebuild. In the event the membership elects not to rebuild, the proceeds received by the Association as a result of such decision shall be distributed by the Association among the Owners of units and their respective mortgagees according to the respective fair market values of the units at the time of destruction. The fair market value shall be determined by taking the average of two independent appraisals as commissioned by the Association.

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Section 2 Distribution of Funds in Event of Condemnation: A condemnation affecting all or part of the structural common area of the Project which is not apportioned among the owners by a court judgment or by agreement between the condemning authority and each of the affected Owners, shall be distributed among the Owners of Units and their respective mortgagees according to the respective fair market values of the units at the time of destruction. The fair market value shall be determined by taking the average of two independent appraisals as commissioned by the Association.

ARTICLE XI

GENERAL PROVISIONS

Section 1 Enforcement of Bonded Obligations: When common area improvements have not been completed prior to the issuance of the first final public report for the Project and the Association is obliged under a bond or other arrangement (hereinafter called "Bond") to secure performance of the commitment of Declarant to complete the improvements, the following provisions relative to the initiation of action to enforce the obligations of Declarant and the surety under the Bond shall pertain:

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(A) 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 improvements 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 improvements, the Board shall be directed to consider and vote on the question if a Notice of Completion has not been filed within thirty (30) days after the expiration of any such extension.

(B) There shall be a special meeting of the Members 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. The meeting shall be required to be held not less than thirty-five (35) 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%) of the total voting power of the Association.

(C) There shall be a vote by Members of the Association other than Declarant at the special meeting called. A vote of the majority of the voting power of the Association residing in Members other than Declarant to take action to enforce the obligations under the Bond 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.

Section 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.

Section 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 condominium subject to this Declaration and his 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 any successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part or to terminate the same.

Section 4 Amendments: This Declaration may be amended only by the affirmative vote or written assent of sixty-seven percent (67%) of each class of the condominium owners. Upon conversion of Class B membership to Class A membership as provided in this Declaration, the affirmative vote or written consent of sixty-seven percent (67%) of the total voting power of the Association, and sixty-seven percent (67%) of the votes of members other than the Declarant shall be required for amendment of this Declaration. The percentage of voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for the action to be taken under that clause or provision.

Notwithstanding the above paragraph, no amendment or modification to this Declaration which would affect the terms and provisions of the maintenance responsibilities of the Association (including the maintenance of the Common Area), or which shall terminate or materially impair the powers and duties of the Association as set forth in this Declaration shall be effective without the prior written consent of the City of Redwood City as authorized by its City Manager.

Any amendment must be recorded and shall become effective upon being recorded in the Recorder's Office of San Mateo County.

Section 5 Development Rights: Declarant is undertaking the work of developing for sale residential Units and certain improvements within the Project. The completion of that work and the sale, rental and other disposal of said residential Units is essential to the establishment and welfare of the property as a residential community. In order that this work may be completed and said

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property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(A) Prevent Declarant, its contractors or subcontractors from obtaining reasonable access over and across the common area of the Project or from doing within any unsold Unit owned by it whatever is reasonably necessary or advisable in connection with the completion of said work;

(B) Prevent Declarant or its representatives from erecting, constructing and maintaining within the Common Area such structures as may be reasonably necessary for completing said work and conducting its business of establishing said property as a residential community and disposing of the same in parcels by sale, lease, or otherwise.

(C) Prevent Declarant from maintaining such signs on Units still owned by Declarant or on the Common Area as may be necessary for the sale, lease or disposition of the Units therein; or

(D) Prevent Declarant from maintaining model homes, sales offices, storage facilities or related such facilities in any unsold Units within the Project necessary or reasonable, in the opinion of Declarant, for sale or disposition of the Units. Declarant shall be entitled to reasonable use of the common areas and common area facilities for undertaking its sale of the Units.

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The Declarant shall be obligated to pay a reasonable rental amount to the Association for use of the Common Area for marketing purposes.

The above rights of Declarant with respect to development and marketing shall be limited to a period of three (3) years from the date of the first sale of a Unit.

Section 6 Enforcement: Notwithstanding any other provision in this document:

(A) Except as otherwise provided herein, the Association or any Owner shall have the right to enforce any and all of the covenants, conditions and restrictions now or hereafter imposed by this Declaration upon the owners or upon any property within the Project; and

(B) Any violation of any state, municipal or local law, ordinance or regulation pertaining to and adversely affecting the scheme of ownership, occupation or use of any property within the Project is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures herein set forth; and

(C) Each remedy provided by this Declaration is cumulative and not exclusive; and

(D) The failure to enforce the provisions of any covenant, condition or restriction contained in this Declaration shall not constitute a waiver of any right to enforce any such provisions or any other provision here.

Section 7 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 for reasons of race, color, religion, sex, marital status, national origin, ancestry, or adulthood of any vendee, lessee or occupant of any unit.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this declaration this 12th day of March, 1985.

GREAT WESTERN SAVINGS, A FEDERAL SAVINGS AND LOAN ASSOCIATION

BY: Gary Runyan
Nice President

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ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

On March 12, 1985, before me, the undersigned, a Notary Public in and for the County and State, personally appeared Gary Runyan, known to me (and proved by satisfactory evidence) to be the officer of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and seal.



Lynn Cheney

RECORDER'S OFFICE OF SAN MATEO COUNTY

RF	31
LN	
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AF	31
W	31

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RECORDED AT REQUEST OF
FIRST AMERICAN TITLE INSURANCE CO.
SAN MATEO COUNTY TITLE DIVISION
SEP 26 9 39 AM '85
MARVIN CHURCH, RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

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