Sierra Square Homeowners Association

NOTICE REGARDING DISCRIMINATORY RESTRICTIONS

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

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FIRST RESTATED DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

OF

SIERRA SQUARE HOMEOWNERS ASSOCIATION

April 23, 1996

SIERRA SQUARE HOMEOWNERS ASSOCIATION

FIRST RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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FIRST RESTATED DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

SIERRA SQUARE HOMEOWNERS ASSOCIATION

THE DECLARATION, executed by Fidelity Savings & Loan Association, a California corporation ("Declarant"), entitled "Declaration of Covenants, Conditions and Restrictions of Sierra Square Homeowners Association" and recorded October 31, 1972, in Book 91, Page 301, et seq., File No. 4382504, of the Official Records of Santa Clara County, California (the "Original Declaration"), which Declaration affects all of the Properties described and commonly known as "Sierra Square", is hereby amended and restated in its entirety to read as follows:

Recitals

1. Declarant was the owner of a fee interest in certain real property in the County of Santa Clara, State of California, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Properties"). Declarant consented to the creation and imposition of the plan of beneficial restrictions contemplated herein. Declarant established a residential condominium project on said real property under the provisions of the California Condominium Act, providing for separate title to each Unit within said project, and each Unit to have an undivided interest in all of the remaining property.

2. Declarant desired to subdivide and develop the Properties and to subject the Properties to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the Original Declaration referred to above, all of which are for the benefit of all portions of the Properties and for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Properties and all of which shall run with the Properties and be binding on all parties having or acquiring any right, title or

interest in the Properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

3. It was the further intention of the Declarant to sell and convey to the Owners Condominium Units consisting of the area of space contained in each Unit as well as co-ownership by the individual owners, as tenants in common, and as hereafter set forth, of all the remaining portions of the project, defined and referred to under said Declaration as the "Common Area", subject to the protective covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes between Declarant and such Owners which are set forth in the Original Declaration, which were in furtherance of a general plan for the subdivision, development, sale and use of the Properties. It was also the intention of Declarant that the Common Facilities constructed on the Common Area within the Properties be reserved exclusively for the use and enjoyment of the Members of the Association, their tenants, lessees, guests and invitees all subject to the terms and conditions of this Declaration, the Articles and the Bylaws.

4. On the date specified in the Officers' Certification of Amendment attached hereto, seventy-five percent (75%) percent of the total voting power of Sierra Square Homeowners Association (the successors in interest to the Declarant) voted by written ballot to amend and restate the Original Declaration, all in accordance with the procedures for amendment set forth in Paragraph J10 of the Original Declaration. As so amended and restated, these easements, covenants, restrictions, and conditions shall run with the Properties and shall be binding on all parties having or acquiring any right, title or interest in the Properties or any portion thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

Section 1.01. "Architectural Standards" shall mean written specifications, details, plans and/or drawings adopted by the Board pursuant to Article IX, Section 9.01 of this Declaration.

Section 1.02. "Articles" shall mean the Articles of Incorporation of Sierra Square Homeowners Association, which are filed in the Office of the Secretary of State of the State of California.

Section 1.03. "Assessment" means an assessment made or assessed against an Owner and his Unit in accordance with the provisions of Article VI of this Declaration.

Section 1.04. "Association" shall mean and refer to Sierra Square Homeowners Association, a California non-profit mutual benefit corporation, its successors and assigns.

Section 1.05. "Association Common Area" shall mean all real property (excepting individual Condominium Units) title to which is held by owners in common. Association Common Area is more particularly defined in Article II, Section 2.02(b) hereof.

Section 1.06. "Association Common Facilities" means the swimming pool and other community facilities, and the trees, hedges, plantings, lawns, shrubs, landscaping, fences, utilities, berms, streets, sidewalks, pipes, lines, lighting fixtures, buildings, structures and other facilities constructed or installed, or to be constructed or installed, or currently located on the Common Area.

Section 1.07. "Association Common Funds" means all funds collected or received by the Association (a) for use in the maintenance, management, administration, insurance, operation, replacement, repair, addition to, alteration or reconstruction of, all or any portion of the Common Area and Common Facilities and (b) for use in discharging any and all of its functions as provided for in its Articles of Incorporation, the Bylaws and this Declaration.

Section 1.08. "Association Common Expense" means any use of Common Funds authorized by Article VI and/or described in Exhibit "B" attached hereto and includes (a) all expenses or charges for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the Association Common Facilities as incurred or as may be estimated from time to time by the Association and/or its Board of Directors, (b) any amounts reasonably necessary for reserves for maintenance and for nonpayment of any assessments, (c) the costs and expenses of the Association in the performance of its functions as provided for in its Articles of Incorporation, the Bylaws, or this Declaration, and (d) an adequate reserve fund for replacement of Association Common Facilities, which shall be established by the Association and funded by Regular Assessments.

Section 1.09. "Association Management Documents" means this Declaration, the Articles of Incorporation, Bylaws, Rules and Regulations, and Architectural Standards.

Section 1.10. "Association Rules" shall mean the rules adopted by the Board of Directors of the Association, as the same may be in effect from time to time pursuant to Article V, Section 5.08 of this Declaration.

Section 1.11. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 1.12. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may, from time to time, be amended.

Section 1.13. "Common Areas," "Common Expenses" and "Common Facilities" shall refer respectively to Association Common Areas, Association Common Expenses and Association Common Facilities.

Section 1.14. "Condominium" shall mean an estate in real property as defined in California Civil Code Section 783, consisting of title to a Unit and an undivided interest in a Common Area. The ownership of each Condominium shall include the ownership of a Unit, the respective undivided interest in the Common Area, and membership in the Association. Each Unit shall be a separate freehold estate consisting of the space described and defined in Section 1351(f) of the California Civil Code. Each Unit includes the portions of the structure so described and the airspace so encompassed.

Section 1.15. "Condominium building" shall mean a residential structure containing Condominium Units.

Section 1.16. "Condominium documents" means and includes this Declaration as it may be amended from time to time, the exhibits, if any, attached thereto, the Articles, the Bylaws of the Association, and the Rules and Regulations for the Members as established from time to time.

Section 1.17. "Condominium Plan" shall mean and refer to the recorded diagrammatic floor plan of the Units built or to be built on the property which identifies each Unit and shows its dimensions pursuant to California Civil Code Section 1351 a copy of which was recorded as Exhibit "A" to the Original Declaration.

Section 1.18. "County" means the County of Santa Clara, State of California.

Section 1.19. "Declarant" shall mean and refer to Fidelity Savings & Loan Association, a corporation, its successors and assigns.

Section 1.20. "Declaration" shall mean this Restated Declaration of Covenants, Conditions and Restrictions as such Declaration may, from time to time, be amended. The "Original Declaration" shall mean the document referenced in the preamble to this Declaration.

Section 1.21. "Eligible Mortgage Holder" shall mean a first lender who has requested notice of certain matters from the Association in accordance with Section 17.13.

Section 1.22. "Eligible Insurer or Guarantor" shall mean an insurer or governmental guarantor of a first mortgage who has requested notice of certain matters from the Association in accordance with Section 17.13.

Section 1.23. "Exclusive Use Common Area" means that portion of the Common Area that is reserved for the exclusive use of the Owners. Each such Exclusive Use Common Area shall be appurtenant to the Owner's Unit and may not be conveyed or transferred apart from the Unit. The boundaries or location of and limitations on the Exclusive Use Common Area are described in Article II, Section 2.02(c) of this Declaration. The Exclusive Use Common Area also shall include the following portions of Common Area designated to serve the Owner's Unit exclusively: any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, exterior doors, door frames, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, but located outside the boundaries of the separate interest.

The Association acting on behalf of all Owners may reserve to Owners in the name of all Owners as their attorney-in-fact (or in the name of the Association for any property to which the Association holds title) Exclusive Use Common Areas for any purpose not inconsistent with the rights of other Owners under this Declaration.

Section 1.24. "Lease" means any agreement (written or verbal) under which a person is permitted to occupy a Unit for compensation of any kind including, without limitation, any fee, service, gratuity or other consideration while the Owner is not in residence. The verb "leasing" shall include renting or otherwise permitting a person other than an Owner to occupy a Unit for compensation of any kind including any fee, service, gratuity or other compensation while the Owner is not in residence.

Section 1.25. "Member" shall mean and refer to every person or entity who holds a membership in the Association and whose rights as a Member are not suspended pursuant to Article XV, Section 15.06 hereof.

Section 1.26. "Mortgage" means a mortgage or deed of trust encumbering a Condominium or other portion of the Project. A "Mortgagee" shall include the beneficiary under a deed of trust and any guarantor or insurer of a Mortgage. An "institutional" Mortgagee is a Mortgagee that is a bank or savings and loan association or mortgage company or other entity chartered or licensed under federal or state laws whose principal business is lending money on the security of real property or investing in such loans, or any insurance company or any federal or state agency or instrumentality, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. A "first" Mortgage, or "first" Mortgagee is one having priority as to all other Mortgages or holders of Mortgages encumbering the same Condominium or other portions of the Project.

Section 1.27. "Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Unit (including contract sellers, but excluding those having such interest merely as security for the payment of a debt or the performance of an obligation) and includes (unless the context otherwise requires) the family, guests, tenants, and invitees of such Owner.

Section 1.28. "Owner of Record" and "Member of the Association" include an Owner and means any person, firm, corporation or other entity in which title to a Unit is vested as shown by the official records of the Office of the County Recorder.

Section 1.29. "Properties" shall mean and refer to that certain real property described in the first Recital to this Declaration and such additions thereto as may thereafter be brought within the jurisdiction of the Association. The Properties currently consist of all of Lots 1 and 2, inclusive, of Tract No. 5211 which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California on August 9, 1972 in Book 306 of Maps at Pages 21 and 22.

Section 1.30. "Regular Assessment" means an assessment levied against an Owner and his Condominium in accordance with Article VI, Section 6.02 hereof.

Section 1.31. "Residential Use" shall mean occupation and use of a Unit for residential dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state or municipal rules and regulations.

Section 1.32. "Special Assessment" means an assessment levied on an Owner and his Condominium in accordance with Article VI, Section 6.03 hereof.

Section 1.33. "Special Individual Assessment" means an assessment made against an Owner in accordance with Article VI, Section 6.04 hereof.

ARTICLE II

Description of Project, Division of Property and Creation of Property Rights

Section 2.01. Description of Project. The Project consists of the underlying real property with Condominium Units and all other improvements located thereon. The Project consists of eighty (80) residential Condominium Units located in ten (10) residential structures. The Project includes the Common Area facilities, open space, appurtenances, and easements, all as more particularly set forth on the Condominium Plan. The common interest subdivision referred to herein is a Condominium project within the meaning of California Civil Code Section 1353 (a).

Section 2.02. Division of Property. The property is hereby divided into the following separate freehold estates:

(a) Units. Each of the Units as separately shown, numbered and designated in the Condominium Plan consists of the space bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors, door frames and trim of each Unit, each of such spaces being defined and referred to herein as a "Unit". Bearing walls located within the interior of the Unit are Common Area, not part of the Unit, except for the finished surfaces thereof. Fireplaces (fireboxes) are included within the Units. Chimneys and flues are Common Area. Each Unit includes the utility installations located within its boundaries that the Owner has exclusive use of including, without limitation, gas and electric heating, hot water heaters, space heaters, lighting fixtures and cabinetry, which are located entirely within the Unit they serve. Each Unit includes both the portions of the building so described and the airspace so encompassed.

The Unit does not include those areas and those things which are defined as "Common Area" in Article II, Section 2.02(b). 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 XI, Section 11.01. In interpreting deeds and plans, the then existing physical boundaries of a Unit whether in its original state or reconstructed in substantial accordance with the original plans thereof shall

be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building. The title of each Unit Owner to a Unit is subject to the following:

(1) Any portion of the Common Area lying within said Unit.

(2) Easement appurtenant to the Common Area for encroachment upon the air space of the Unit by any portions of the Common Area located within the Unit.

(3) Easements through said Unit appurtenant to the Common Area and all other Units for support, maintenance and repair of the Common Area and all other Units.

The ownership of each Unit shall include appurtenant easements to and for the benefit of the Unit as follows:

(1) Non-exclusive easements for ingress and egress to and from the Unit and for support of a Unit through the Common Area and for maintenance and repair of the Unit through all other Units and the Common Area.

(2) An exclusive easement for use of the Exclusive Use Common Area referred to in Section 2.02(c) of this Article II.

(3) A non-exclusive easement for the use and enjoyment of the Common Area as provided herein.

(b) Common Areas. The remaining portion of the property, referred to herein as "Common Area" or "Common Areas", shall include, without limitation: land; parking and driveway areas; trash enclosures; covered parking areas; swimming pool, pool equipment; recreation building; stairs; storage areas; bearing walls, columns, girders, subfloors, unfinished floors, roofs, and foundations; water heaters, reservoirs, tanks, pumps, motors, ducts, flues, chutes, conduits, pipes, plumbing, wires, utility enclosures, and other utility installations (except the outlets thereof when located within the Unit), required to provide power, light, telephone, gas, water sewage, drainage and heat; landscape irrigation system; and central television antenna or cable television system. Each Unit Owner shall have, as appurtenant to his Unit, an undivided one eightieth

(1/80th) interest in the Common Area. The ownership of each Condominium shall include a Unit and such undivided interest in the Common Area. The common interest appurtenant to each Unit is declared to be permanent in character and cannot be altered without the consent of all the Unit Owners affected, and the first mortgagees of such Unit Owners, as expressed in an amended declaration. Such common interest cannot be separated from the Unit to which it is appurtenant. Each Unit Owner may use the Common Areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of any other Unit Owners. The undivided interest of each Unit Owner in the Common Area as more particularly provided herein is subject to the following exceptions and reservations:

(1) Non-exclusive easements appurtenant to all Units for ingress and egress to and from all Units for support, maintenance and repair of all Units.

(2) Exclusive easements for covered parking areas, patio areas, storage areas and balconies as shown on the Condominium Plan.

(3) Easements for the installation and maintenance of utilities.

(4) Non-exclusive easements for the benefit of Unit Owners for the use and enjoyment of the Common Area as provided herein.

(c) Exclusive Use Common Area. The following described portions of the Common Area, referred to as "Exclusive Use 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, on the Condominium Plan:

(1) Exclusive easement to use the Balcony adjacent to each unit. Said easement is specifically designated in each individual grant deed.

(2) Exclusive easement to use the Patio adjacent to each unit not having a Balcony. Said easement is specifically designated in each individual grant deed.

(3) One (1) covered parking space and use of one (1) uncovered parking space.

Except as set forth in this Declaration, no other portion of the Common Area shall be Exclusive Use Common Area.

(d) No Separate Conveyance of Undivided Interests. The foregoing undivided interests are hereby established and are to be conveyed with the respective Units as indicated above, cannot be changed, except as herein set forth, and the Members, their successors, assigns and grantees covenant and agree that the undivided interest conveyed therewith, shall not be separated or separately conveyed, and such undivided interest shall be deemed to be 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.

Section 2.03. Partition Prohibited. Except as expressly provided in this clause and in Article III of this Declaration, an Owner shall have no right to partition or divide his ownership of the Common Area. Partition of the Common Area can be had on a showing that the conditions to such partition as stated in Article XIII, Section 13.05 (relating to damage or destruction) or in Article XIV, Section 14.02 (relating to condemnation) or in California Civil Code Section 1359(b) have been met. Nothing in this Declaration shall prevent partition of a cotenancy in a Condominium.

Section 2.04. Distribution of Proceeds. Proceeds or property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Owners' Condominiums determined as provided in Article XIII, Section 13.07 and Article XIV, Section 14.03, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Area.

ARTICLE III

Circumstances Warranting Partition of Common Area

Section 3.01. Power of Attorney. Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Project, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Project may be had under Civil Code Section 1359 and under the circumstances authorizing partition under this Declaration. The power of attorney shall (a) be binding

on all Owners, whether they assume the obligations under this Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of 75% of the Owners and 75% of all institutional first Mortgagees; and (c) be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable under the authority of this Declaration. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

Section 3.02. Provision to Prohibit Severance. An Owner shall not be entitled to sever his Unit in any Condominium from his membership in the Association, and shall not be entitled to sever his Unit and his membership from his undivided interest in the Common Area for any purpose. None of the component interests in a Condominium can be severally sold, conveyed, encumbered, hypothecated, or otherwise dealt with; and any violation or attempted violation of this provision shall be void. Similarly, no Owner can sever any exclusive easement appurtenant to his Unit over the Common Area from his Condominium, and any attempt to do so shall be void. The suspension of such right of severability will not extend beyond the period set forth in Article II, Section 2.03 respecting the suspension of partition. It is intended by this provision to restrict severability under California Civil Code Section 1358(b).

Section 3.03. Provision To Limit Interests Conveyed. Any conveyance of a Unit or any portion of it by an Owner shall be presumed to convey the entire Condominium. However, nothing contained in this Section shall preclude the Owner of any Condominium from limiting the duration of the enjoyment of his Condominium estate, such as by creating an estate for life or an estate for years, or from creating a cotenancy or joint tenancy in the ownership of the Condominium with any other person or persons.

ARTICLE IV

Property Rights

Section 4.01. Owners' Non-Exclusive Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including ingress and egress to and from his Unit, which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the Common Area and/or recreational facilities by an Owner for any period during which any assessment against his Unit, or any Special Individual Assessment against the Owner, individually, remains unpaid.

(b) The right of the Association to adopt Rules and Regulations as provided in Article V, Section 5.08 hereof, and after prior notice of at least fifteen (15) days and a hearing before the Board, if requested by the owner, to temporarily suspend the voting rights and right to the use of Common Area and/or recreational facilities by any Owner, the Owner's tenants and guests in accordance with Article XV, Section 15.06.

(c) The right of the Association, to the extent reasonably necessary to protect the rights, privileges, benefits, uses and enjoyment of the Members in common, to limit the number of guests of Members who may use Common Area and/or recreation facilities and to adopt uniform Rules and Regulations pursuant to Section 5.08 of Article V hereof regulating use and enjoyment of the Properties.

(d) The right of the Association, or its agents, when necessary, to enter any Unit or exclusive use common area to perform its obligations under this Declaration, including the enforcement of restrictions, any obligations with respect to construction, maintenance and repair as necessary for the benefit of the Common Areas or the Owners in common, or to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, Association property. The Association's right of entry for such purposes shall be immediate in case of an emergency originating in or threatening such Unit, and the Association's work may be performed under such circumstances whether or not the Owner is present. In all non-emergency situations the Association, or its agents, shall furnish the Owner with at least twenty-four (24) hours written notice of its intent to enter the Unit, specifying the purpose of such entry.

(e) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving and maintaining the Common Area and facilities and in aid thereof to mortgage said property; provided, the rights of any such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder.

(f) The right of the Association to dedicate 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 by the Owners. No such dedication or transfer shall be

effective unless an instrument, approved by at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the Owners.

(g) The right of the Association to adopt and enforce Association Rules concerning the control and use of any private streets, roadways and paving areas located upon or across the Common Area, including the right to regulate the kind of vehicles and their speed and the parking of vehicles upon such private streets and roadways. The Association is authorized to delegate to a municipality or other governmental entity or to contract with any private security patrol company or towing service to exercise its authorized rights in connection with such private streets, roadways, and parking areas.

Section 4.02. Delegation of Use/Rights and Obligations of Lessees.

(a) Leasing of Units. Any Owner who leases a Condominium must comply with all of the following restrictions, and each lease will be subject to these restrictions whether they are expressly included within the lease or not.

(1) Each lease must be in writing.

(2) No lease shall be for a period of less than 180 days.

(3) Leases shall be subject in all respects to provisions of this Declaration, the Bylaws, and all Rules and Regulations.

(4) Owners shall notify the Secretary of the Association, in writing, within fourteen (14) days of entering into a lease, of the names of all tenants and members of tenants' family occupying the Condominium, and shall provide the Secretary of the Association with a complete copy of the lease; Owners leasing their Condominium additionally shall notify the Secretary of the Association of the address and telephone number where such Owner can be reached.

(5) Any failure of the tenant to comply with this Declaration, the Bylaws or Rules and Regulations shall be a default under the lease, regardless of whether the lease so provides. The Owner shall at all times be responsible for compliance of Owner's tenant with all of the provisions of this Declaration, the Bylaws and Articles and the Association Rules during the tenant's occupancy and use of the Condominium.

(6) In the event that any tenant fails to honor the provisions of this Declaration, the Bylaws or the Association Rules, the Owner immediately shall take all action to cure the default including, if necessary, eviction of the tenant or lessee. The Association's right to maintain an eviction action hereunder shall arise only in the event that the Owner has not taken action on his own to prevent and/or correct the actions of his tenant giving rise to the Common Area or Common Facility damage or nuisance after receiving written notice from the Association, or an authorized committee of the Board, detailing the nature of the infraction and having a reasonable opportunity to either take appropriate corrective action on a voluntary basis or appear before the Board or committee to present arguments as to why such action is not necessary. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies of the Association.

(7) Each tenant or lessee shall be provided with a copy of this Declaration and the Association Rules by the Owner so renting or leasing.

(b) Use of Recreational Facilities by Lessees. Non-resident Owners who are no longer eligible to use the Association Common Facilities that the Owner would otherwise be entitled to use by virtue of the ownership of the Unit.

(c) Delegation of Use/Rights of Units, Generally. Subject to the provisions of this Article IV, Section 4.02(e) any Owner may delegate, in accordance with the Bylaws and this Declaration, the Owner's right of enjoyment to the Common Areas and the Common Facilities to the members of the Owner's family, his tenants or lessees, or contract purchasers who reside in the Owner's Unit.

Section 4.03. Notification Regarding Declaration/Assessments. As more particularly provided in Section 1368 of the California Civil Code, the Owner of the Unit, as soon as practicable before transfer of title or execution of a real property sales contract therefor, shall provide the following to the prospective purchaser: (a) a copy of the governing documents of the Association including this Declaration, the Articles and Bylaws and all amendments thereto; (b) a copy of the most recent financial statement distributed pursuant to California Civil Code Section 1365; and (c) a true statement in writing from an authorized representative of the Association as to the amount of any assessments levied upon the Condominium which are unpaid on the date of the statement,

together with true information on late charges, interest and costs of collection which, as of the date of this statement are or may be a lien upon the Condominium.

Section 4.04. Easements to Accompany Conveyance of Condominium. Easements that benefit or burden any Condominium shall be appurtenant to that Condominium and shall automatically accompany the conveyance of the Condominium, even though the description in the instrument of conveyance may refer only to the fee title to the Condominium.

Section 4.05. Owners' Rights and Easements for Utilities. The rights and duties of the Owners of Units within the Project with respect to sanitary sewer, drainage, water, electricity, gas, pipes, vents, television receiving, telephone equipment, cables and lines, exhaust flues, and heating facilities (if any) (hereinafter referred to, collectively, as "utility facilities") shall be as follows:

(a) Whenever utility facilities are installed within the Project, which utility facilities or any portion thereof lie in or upon a Unit or Units owned by other than the Owner of a Unit served by said utility facilities, the Owners of any Units served by said utility facilities shall have the right of reasonable access for themselves or for utility companies or the City of Mountain View to repair, to replace and generally maintain said utility facilities as and when the same may be necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

(b) Whenever utility facilities are installed within the Project which utility facilities serve more than one Unit, the Owner of each Unit served by the utility facilities shall be entitled to the full use and enjoyment of such portions of the utility facilities as service his Unit.

(c) In the event of a dispute between Owners with respect to the repair or rebuilding of said utility facilities, or with respect to the sharing of the cost thereof, then, upon written request of one of such Owner addressed to the other Owner(s), the matter shall be submitted to alternative dispute resolution as provided in Article XV, Section 15.08 of this Declaration.

ARTICLE V

Homeowners Association

Section 5.01. Association Membership. Every Owner of a Unit shall be a Member of the Association which shall have the responsibility of managing and maintaining the Common Area and discharging the other duties and responsibilities described in this Declaration, the Articles and the Bylaws. Such membership is appurtenant to and may not be separated from ownership of any Unit within the Properties.

Section 5.02. Single Class of Membership. As more particularly provided in the Bylaws, the Association shall have one class of membership. The rights, duties, obligations and privileges of the Members shall be as set forth in the Articles, the Bylaws, this Declaration and the Association Rules.

Section 5.03. Voting Rights of Memberships. Each Member of the Association shall be entitled to one vote for each Unit owned by said Member. When more than one person holds an interest in any Unit, all such persons shall be Members, although in no event shall more than one vote be cast with respect to any Unit. Voting rights may be temporarily suspended under those circumstances described in Article XV, Section 15.06 hereof.

Section 5.04. Assessments. Members of the Association shall be obligated to pay the assessments imposed by Article VI of this Declaration with respect to each Unit owned by said Member. Any assessments levied by the Association on its Members shall be levied in accordance with and pursuant to the provisions of this Declaration.

Section 5.05. Transfer of Membership. Membership in the Association shall not be transferred, encumbered, pledged or alienated in any way, except upon the sale or encumbrance of the Unit to which it is appurtenant.

Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his name to the purchaser of his Unit, the Association shall have the right to record the transfer upon its books and thereupon any other membership outstanding in the name of the seller shall be null and void. In the case of a sale, membership passes automatically to the purchaser upon transfer of title to the Unit. 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. Lessees who are delegated rights of use pursuant to Article IV, Section 4.02

hereof do not thereby become Members, although the lessee and Members of the lessee's family shall, at all times, be subject to the provisions of this Declaration, the Articles, Bylaws, and the Rules and Regulations of the Association.

Section 5.06. Rights and Duties of the Association Board of Directors. The rights, duties and obligations of the Board of Directors of the Association shall be as set forth in this Declaration, the Articles, the Bylaws and the Rules and Regulations of the Association.

Section 5.07. Powers and Authority of the Association. The Association shall have all of the powers of a non-profit mutual benefit corporation organized under the laws of the State of California in operating for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, Bylaws and this Declaration. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of this Declaration, the Bylaws and California law, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. The specific powers of the Association and the limitations thereon shall be as set forth in Article IX of the Bylaws.

Section 5.08. Association Rules.

(a) Rulemaking Power. The Board may, from time to time and subject to the provisions of this Declaration, propose, enact and amend Rules and Regulations of general application to the Owners of Units within the Properties. Such Rules may concern, but need not be limited to, matters pertaining to use of the Common Areas and Common Facilities, signs, collection and disposal of refuse, minimum standards of maintenance of landscaping or improvements in any Unit, the elimination of improvements which obstruct the vision of motorists or which create a hazard for vehicular or pedestrian traffic, the keeping of household pets in Units, the number of guests of an Owner who may use the recreational facilities, and any other subject or matter within the jurisdiction of the Association as provided in this Declaration and the Bylaws of the Association. Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of, or the rights, preferences and privileges of Members as set forth in, the Articles or Bylaws of the Association or this Declaration. In the event of any material conflict between any Association Rule and any provision of the Articles, Bylaws or Declaration, the provision contained in the Articles, Bylaws or Declaration (as the case may be) shall prevail.

(b) Distribution of Rules. A copy of the Association Rules, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and a current copy thereof shall be maintained in the Association's corporate records.

(c) Amendment of Rules. The Association Rules may be amended from time to time by majority vote of the entire Board. Amendments to the Rules shall be distributed to the Owners either by mail or by personal delivery. Any duly adopted amendment to the Rules shall become effective forty-eight (48) hours after the date of distribution to the Owners or at such later date as the Board may deem appropriate under the circumstances following adoption of such amendment.

Section 5.09. Breach of Rules or Restrictions.

(a) In the event of a breach of any Rule or of any of the restrictions contained in the Bylaws or this Declaration by an Owner, his family, guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, shall 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 hiring of legal counsel, the pursuing of legal action, or suspension of the Owner's right to use the Common Area and/or Common Facilities or suspension of the Owner's voting rights as a Member of the Association; provided, however, that any suspension for an infraction of the Association Rules may not be for a period in excess of sixty (60) days, after notice and hearing, if requested, as provided in Article XV, Section 15.06, hereof. The provisions of this Section 5.09(a) shall not apply to the rights, remedies, legal action and/or suspension of an Owner's right to use the Common Area and/or Common Facilities or suspension of the Owner's voting rights as a Member of the Association resulting from the failure to pay assessments as provided in Article VI of this Declaration.

(b) In addition to the other remedies herein set forth, the Board, by vote of a majority of a quorum, may levy a fine against such Owner, after appropriate notice and hearing as hereinafter provided, in an amount not to exceed Two Hundred and no/100 Dollars ($200.00) for each such violation and the payment of such fine may be enforced as a Special Individual Assessment in the manner set forth in Section 6.04 of Article VI hereof. The Board shall also implement schedules of reasonable fines and penalties as part of its general rulemaking power. A violation shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board shall include one component for the violation and a per diem component for so long as the detrimental effect continues, according to the

Board's discretion. Similar violations on different days shall justify cumulative imposition of discipline. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance in the Common Area at the cost of the responsible Owner; provided that no discipline may be founded upon continuance of a violation beyond a date when the Association should reasonably have commenced action to end it.

(c) Prior to imposing any penalty provided herein for breach of any Rules enacted hereunder or restrictions contained in this Declaration (other than late charges, interest and collection expenses, including attorney's fees incurred for non-payment of assessments), the Board shall comply with the procedures and requirements of Article XV, Section 15.06, hereof.

Section 5.10. Limitation on Liability of the Association and the Association's Directors and Officers.

(a) No Member of the Board of Directors or officers, committee members or employees of the Association shall be personally liable to any of the Association's Members or to any other person, for any error or omission of any such person, their agents, representatives and employees in the discharge of their duties and responsibilities hereunder or under the Bylaws, or for their failure to provide any service required hereunder or under the Bylaws; provided that such person, officer, employee or manager has, upon the basis of such information as may be possessed by him, acted reasonably and in good faith. Without limiting the generality of the foregoing, this limitation on liability shall extend to such matters as the establishment of the Association's annual financial budget and the funding of Association capital replacement and reserve accounts.

(b) Neither the Association nor any member of its Board of Directors, nor any of its officers, committee members, agents or employees shall be responsible to any Owner or to any member of his family or any of his lessees, guests, servants, employees, licensees, invitees or any others for any loss or damage suffered by reason of damage, theft or other loss of any article, vehicle or other item of personal property which may be stored by such Owner or other person within any Unit or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion or the elements or the act or omission of any other Owner or person within the Properties, or by any other cause, unless the same is attributable to its or his own negligence.

(c) Each Owner and lessee, on behalf of himself, his heirs, successors, and assigns, agrees not to make any claim against the Association or any member of its Board,

or any of its officers, committee members, agents or employees for or on account of any loss, damage or conduct coming within the limitations on liability referred to in this Section 5.10 and agrees to indemnify each of them against, and hold each of them harmless from, any such claim made by any member of his family, any of his guests, servants, employees, licensees or invitees or the heirs, successors or assigns of any such person.

ARTICLE VI

Assessments

Section 6.01. Assessments Generally.

(a) Each Owner of a Condominium by acceptance of a deed therefor (whether or not it shall be so expressed in such deed), covenants and agrees to pay to the Association the Regular Assessments, Special Assessments and Special Individual Assessments hereinafter provided for and to allow the Association to enforce any assessment lien established hereunder by nonjudicial proceedings under a power of sale or by any other means authorized by law.

(b) Each installment payment of any Regular Assessment and each lump sum or installment payment of any Special Assessment or Special Individual Assessment, together with any interest charge provided for in subparagraph (e) hereof and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall be a separate debt of the Owner against whom the same has been assessed. Furthermore, each Regular Assessment and each Special Assessment is hereby declared and agreed to be a lien upon and against the Unit so assessed in the nature of a mortgage with a power of sale in accordance with California Civil Code Section 2924 (or a comparable superseding statute), all as more particularly described in Section 6.09 of this Article VI. Special Individual Assessments may only be imposed as a lien against the Owner's Unit in those instances specifically identified in Section 6.04 of this Article VI.

(c) Each Owner who acquires title to a Condominium (whether at a judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Condominium so purchased which become due and payable after the date of purchase by such Owner; provided that any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed and any lien created pursuant to the provisions of this Article VI by reason of such unpaid Assessment shall remain in force

and effect as a lien on the Condominium sold and may be subject to foreclosure as provided in Section 6.09 hereof.

(d) If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment assessed to any Owner is not paid within fifteen (15) days after the same becomes due, such payment shall be delinquent and the amount thereof shall be subject to a late charge not exceeding ten percent (10%) of the delinquent assessment or Ten and no/100 Dollars ($10.00) whichever is greater, pursuant to California Civil Code, Section 1366(d) or such larger sum as may hereafter be allowed by such statute or any successor statute thereto.

(e) Interest on regular and special assessments together with reasonable costs of collection and late charges shall accrue at an annual percentage rate of twelve percent (12%) per annum commencing thirty (30) days after the assessment becomes due, or at such higher interest rate as may hereafter be permitted by California Civil Code Section 1366(d)(3) or any successor statute thereto.

(f) No Owner may exempt himself or herself or his Condominium from liability or charge for his or her share of any Regular, Special or Special Individual Assessment rightfully made and assessed against the Owner and the Owner's Condominium by waiving or relinquishing, or offering to waive or relinquish, the Owner's right to use and enjoy all or any portion of the Common Area or Common Facilities or by the abandonment or nonuse of the Condominium.

Section 6.02. Regular Assessment.

(a) Determination of Assessment. Not less than forty-five (45) nor more than sixty (60) days prior to the beginning of each fiscal year of the Association (which may correspond to the calendar year), the Board shall estimate the anticipated Common Expenses (including prudent contributions to the capital reserve fund for replacement of Common Facilities) for the next succeeding fiscal year and shall deduct therefrom the amount of any estimated surplus which will remain from the current year's Assessment. In preparing its annual estimates of Common Expenses and the appropriate deductions therefrom on account of surplus, the Board shall consider the Association Common Expenses all as more particularly provided in Exhibit "B" attached hereto. The total expenses (less deductions) thus estimated shall be allocated among all the Condominiums within the Properties in the manner described in subparagraph (b) of this Section 6.02 as the Regular Assessment for such Condominium; notwithstanding any other provision in this Declaration to the contrary, the Board may not impose a regular assessment for any

fiscal year more than twenty percent (20%) above the regular assessment for the Association's preceding fiscal year without the approval of a majority of the votes at a meeting of the Members of the Association at which a quorum is present. For purposes of this section, a quorum means more than fifty percent (50%) of the Owners of the Association, and the meeting must be conducted in accordance with Corporations Code Sections 7510-7527, 7613.

The foregoing restrictions on assessment increases do not apply to increases necessary for emergency situations. For purposes of this Section 6.02, an emergency situation is any one of the following:

(1) An extraordinary expense required by an order of a court.

(2) An extraordinary expense necessary to repair or maintain the development or any part of it that the Association is responsible to maintain when a threat to personal safety on the property is discovered.

(3) An extraordinary expense necessary to repair or maintain the development or any part of it that the Association is responsible to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget required under California Civil Code Section 1365, provided that before the imposition or collection of any assessment under this subparagraph, the Board must pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Members with the notice of assessment.

However, the Board may not increase the regular assessment for a fiscal year as provided herein unless the Board has complied with subdivision (a) of Section 1365 with respect to that fiscal year, or has obtained the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. "Quorum" for purposes of such a vote means more than 50% of the Owners of the Association.

This Section 6.02(a) incorporates the statutory requirements of California Civil Code Section 1366(b). If this Section of the California Civil Code is amended in any way, this Section 6.02(a) automatically shall be amended in the same manner without the necessity of amending this Declaration.

(b) Allocation of Regular Assessments Among the Owners. The total estimated Association Common Expenses shall be divided equally among, assessed against and charged to all Condominiums within the Properties.

(c) Assessment Roll. That portion of the estimated Common Expenses assessed against and charged to each Owner shall be set forth and recorded upon an assessment roll which shall be maintained and available with the records of the Association and shall be open for inspection at all reasonable times by each Owner or his authorized representative. The assessment roll shall show for each Condominium the name and address of the Owner of record thereof, all Assessments, whether Regular or Special, levied against each Owner and his Condominium, and the amount of such Assessments which have been paid or remain unpaid. A certificate executed and acknowledged by the Secretary or Treasurer of the Association stating the indebtedness secured by any lien created hereunder upon any such Condominium shall be conclusive upon the Association and the Owner of such Condominium as to the amount of such indebtedness as of the date of such certificate, in favor of all persons who rely thereon in good faith, and such a certificate shall be furnished by the Association to any Owner or to any first Mortgagee under a Mortgage encumbering a Condominium upon written request therefor at a reasonable fee payable to the Association.

(d) Mailing. The Board of Directors shall cause to be mailed to each Owner at the street address of his Condominium, or at such other address as such Owner may from time to time designate to the Association in writing, a statement of the amount of the Regular Assessment assessed against his Condominium for the next succeeding fiscal year within thirty (30) days after determination thereof and in accordance with Section 6.02(a) hereof. The Association shall provide notice by first-class mail to the Owners of any increase in the regular assessments of the Association, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due.

(e) Failure to Make Estimate. If, for any fiscal year, the Board of Directors shall fail to make an estimate of the Common Expenses, the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Section 6.03 hereof for that year, shall be assessed against each Owner and his Condominium on account of the then current fiscal year, and installment payments (as hereinafter provided)

based upon such automatic assessment shall be payable on the regular payment dates established by the Association.

(f) Installment Payment. The Regular Assessment made against each Owner shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Association. Monthly installments of Regular Assessments shall be delinquent if not paid by the fifteenth (15th) day of the month. In addition to the remedies provided elsewhere in this Article VI, in the event the monthly installment of Regular Assessments is delinquent, the Board of Directors may, at its discretion, accelerate and declare to be immediately due, any remaining installment payments of the Regular Assessment levied for a fiscal year.

Section 6.03. Special Assessments.

(a) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment imposed with respect to all Condominiums in any fiscal year is insufficient for any reason, then the Board of Directors shall make an additional Special Assessment, applicable for the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder. Special Assessments hereunder may be imposed upon Board action alone except in those instances where membership approval is required pursuant to subparagraph (c) of this Section 6.03.

(b) Capital Improvements. Subject to subparagraph (c) hereof, the Association may also levy Special Assessments for capital improvements of the Association Common Area and Association Common Facilities unrelated to repairs for damage or normal wear and tear to or destruction of the Common Facilities. In addition to the foregoing, but also subject to subparagraph (c) of this Section 6.03 and Article IX, Section 9.03(b) of the Bylaws, the Board on its own motion may undertake the construction, installation or acquisition of a capital improvement.

(c) Assessment Increases Requiring Membership Approval. As more particularly provided in California Civil Code Section 1366(b) no Special Assessment described in subparagraphs (a) or (b) hereof shall be made by the Board of Directors whereby the special assessments in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year without the approval of Owners constituting a quorum, casting the majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of

Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. For purposes of this Section 6.03(c), quorum means more than fifty percent (50%) of the Owners.

The provisions of this subdivision do not limit assessment increases for emergency situations. Emergency situations are any one of the following:

(1) An extraordinary expense required by an order of a court.

(2) An extraordinary expense necessary to repair or maintain the development or any part of it that the Association is responsible to maintain when a threat to personal safety on the property is discovered.

(3) An extraordinary expense necessary to repair or maintain the development or any part of it that the Association is responsible to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget required under California Civil Code Section 1365, provided that before the imposition or collection of any assessment under this subparagraph the Board must pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and shall distribute the resolution to the Members with the notice of assessment.

This Section 6.03(c) incorporates the statutory requirements of California Civil Code Section 1366(b). If this Section of the California Civil Code is amended in any way, this Section 6.03(c) automatically shall be amended in the same manner without the necessity of amending this Declaration.

(d) Allocation and Payment of Special Assessments. When levied by the Board or approved by the Members as provided above a Special Assessment levied under subparagraph (a) shall be allocated among the Members as provided in Section 6.02(b) hereof and a Special Assessment levied under subparagraph (b) shall be equally divided among, assessed against and charged to, such Members and their Condominiums and recorded on the Association's Assessment Roll in accordance with Article VI, Section 6.02(c) of this Declaration and notice thereof shall be mailed to each Owner subject thereto. Special Assessments for purposes described in subparagraph (a) shall thereafter

be due as a separate debt of the Owner and a lien against his Condominium, which debt shall be payable to the Association in equal monthly installments during the remainder of the then current year. Special Assessments for purposes described in subparagraph (b) shall thereafter be due as a separate debt and payable in full to the Association. The Association shall provide notice by first-class mail to the Owners of any special assessments described in subparagraphs (a) or (b) of this Section 6.03 not less than thirty (30) nor more than sixty (60) days prior to the special assessment becoming due.

Section 6.04. Special Individual Assessments.

(a) In addition to the Special Assessments provided for in Section 6.03 hereof, the Association may also impose Special Individual Assessments against an Owner in any of the circumstances described in subparagraphs (1) through (3) below. Special Individual Assessments imposed pursuant to subparagraphs (1) and (2) below shall be a lien against the Owner's Condominium as described in Section 6.04(b) below, but any Special Individual Assessment imposed pursuant to subparagraph (3) shall be only an obligation of the assessed Owner and may only become a lien against his property to the extent permitted in Section 6.04(b).

(1) Damage to Common Area. In the event of any damage or destruction of any portion of the Common Area or the Common Facilities caused by the willful misconduct or negligent act or omission of any Owner, any member of his family, or any of the Owner's tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated for by insurance proceeds) shall be assessed and charged solely to and against such Owner and his or her Condominium as a Special Individual Assessment. Nothing in this Subsection (1) shall require the Board to make a claim on any insurance carrier issuing a policy relating to the Common Area in the event of any such damage or destruction.

(2) Act Increasing Insurance Premiums. In the event any act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, shall in any way cause or be responsible for any increase in the premiums for any insurance purchased or obtained by the Association in accordance with the provisions of Article XII hereof, the amount of such increase

may, in the discretion of the Board, be assessed and charged solely to and against such Owner and his or her Condominium as a Special Individual Assessment.

(3) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses, including reasonable title company, accounting or legal fees, to accomplish (i) the payment of delinquent assessments, (ii) any repair, under this Declaration, the Bylaws or the Association Rules, or (iii) to prevent the continued maintenance of a nuisance or otherwise bring the Owner and/or the Owner's Condominium into compliance with the provisions of this Declaration, the Bylaws or the Association Rules, the amount incurred by the Association (including reasonable fines, interest and penalties duly imposed hereunder) shall be assessed and charged solely to and against such Owner and the Owner's Condominium as Special Individual Assessment; provided that Special Individual Assessments of the kind described in this Subparagraph (a)(3) may only be imposed after the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Article XV, Section 15.06 hereof, and has been given a reasonable opportunity to comply voluntarily with the Association's governing documents before the assessment is imposed. Liens may be filed against the Owner's Condominium for Special Individual Assessments only to the extent provided in Section 6.04(b).

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner for any reason described and subject to the conditions imposed, in subparagraph (a) of this Section 6.04, such Special Individual Assessments shall be recorded on the Association assessment roll, notice thereof shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be due as a separate debt of the Owner and, in the case of Special Individual Assessments imposed pursuant to subparagraphs (1) through (2) of Section 6.04 (a), shall also become a lien against his Condominium, payable as set forth below.

Special Individual Assessments imposed pursuant to Section 6.04(a)(3) hereof may not be characterized nor treated as an assessment which may become a lien against the Member's Condominium enforceable by a sale of the Condominium in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. Nothing herein shall prevent the Association from recording a notice of the assessment against the

Owner's Condominium, for record notice purposes, but without right of foreclosure. Furthermore, the prohibition against foreclosure of Special Individual Assessment Liens imposed hereunder shall 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.

Special Individual Assessments imposed pursuant to either Section 6.04(a)(1) or 6.04(a)(3) shall be payable in full to the Association within 30 days after the mailing of notice of the assessment and Special Individual Assessments imposed pursuant to Section 6.04(a)(2) shall be payable in full to the Association at least ten (10) days in advance of the date or dates for the payment of the increased insurance premium giving rise to the assessment.

Section 6.05. Purpose and Reasonableness of Assessments. Each Assessment, whether it be a Regular, Special or Special Individual Assessment, made in accordance with the provisions of this Declaration, is hereby declared and agreed (a) to be for use exclusively to promote the recreation, health, safety and welfare of the residents of the Properties by the Owners and their families, tenants, invitees, licensees, guests and employees, or for the repair, maintenance, replacement and protection of the Common Areas and Common Facilities within the Properties, and other portions of the Properties that the Association is obligated to maintain and repair under Article VIII of this Declaration, (b) to be a reasonable assessment, and (c) to constitute a separate, distinct and personal obligation of the Owner of the Condominium against which the Assessment is made and shall bind his heirs, successors and assigns; provided that the personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. No offsets against Assessments, whether Regular, Special or Special Individual Assessment, shall be permitted for any reason, including without limitation, a claim that the Association is not properly exercising its duties of maintenance or enforcement.

Section 6.06. Exemption of Certain of the Properties from Assessments. The following real property subject to this Declaration, unless devoted to the use as a residential dwelling, shall be exempt from the Assessments and the lien thereof provided herein:

(a) Any portion of the Properties dedicated and accepted by a local public authority.

(b) The Common Facilities.

(c) Any Condominium owned by the Association.

Section 6.07. Notice and Procedure for any Action Authorized Under Sections 6.02 and 6.03. Any action authorized under Sections 6.02 and 6.03 of this Article VI requiring the vote of the Association Members shall be taken either by written ballot or at a meeting of the Members called for that purpose, written notice of which shall be sent to all Members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting or mailing of the written ballots.

Section 6.08. Maintenance of Assessment Funds.

(a) Deposit; Bank Account. All sums received or collected by the Association from Assessments, whether Regular or Special, together with any interest charge thereon, shall be promptly deposited in a checking and/or savings account in a federally insured depository selected by the Board of Directors. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board and such officers or agents of the Association as the Board shall designate shall have exclusive control of said account(s) and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Association accounts shall be subject to the minimum signature requirements imposed by California Civil Code Section 1365.5 and Article XII, Section 12.08 of the Bylaws.

To preclude a multiplicity of bank accounts, the proceeds of all assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained. Any interest received on such deposits shall be credited proportionately to the balances of the various assessment fund accounts maintained on the books of the Association as provided in subparagraph (b) below, or may be allocated exclusively to reserve funds.

(b) Separate Accounts; Commingling of Funds. Except as provided below, the proceeds of each Assessment shall be used only for the purpose for which such Assessment was made, and such funds shall be received and held in trust by the Association for such purpose. Notwithstanding the foregoing, the Board, in its discretion, may make appropriate adjustments among the various line items in the Board's approved general operating budget if the Board determines that it is prudent and in the best interest of the

Association and its Members to make such adjustments. If the proceeds of any special assessment exceed the requirement of which such assessment was levied, such surplus may, in the Board's discretion, be (1) returned proportionately to the contributors thereof; (2) reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded; or (3) credited proportionately on account of the Owner's future regular assessment obligations.

For purposes of accounting, but without requiring any physical segregation of assets, the Association shall keep a separate account of all funds received by it in payment of each Assessment, and of all disbursements made therefrom, except that receipts and disbursements of Special Assessments made pursuant to Section 6.03(a) of this Article VI shall be combined with the receipts and disbursements of the Regular Assessments.

Unless the Association is exempt from federal or state taxes, all sums allocated to capital replacement funds shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board that will prevent such funds from being taxed as income of the Association.

Section 6.09. Effect of Non-Payment of Assessments; Enforcement of Liens.

(a) The amount of any delinquent Regular or Special Assessment which is made in accordance with this Article VI, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the Condominium of the Owner so assessed only when the Association causes to be recorded in the Office of the County Recorder of Santa Clara County, State of California, a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth (a) the legal description of such Condominium, (b) the Owner of Record or reputed Owner thereof, (c) the amount claimed, (d) the name and address of the trustee authorized by the Association to enforce the lien by sale, and (e) the name and address of the Association.

(b) The Association may bring an action at law against the Owner personally obligated to pay the delinquent assessment, or foreclose its lien against the Owner's Condominium; provided, however, that the right of foreclosure in the case of Special Individual Assessments described in Section 6.04(a) hereof shall only exist to the extent specifically provided in Section 6.04(b) of this Article VI. To the extent permitted hereunder, foreclosure by the Association of its lien may be by judicial foreclosure or by

non-judicial foreclosure, in the same manner as the foreclosure of a mortgage or deed of trust upon real property under the laws of the State of California. Non-judicial foreclosure shall be commenced by the Association or its duly authorized agent by recording in the Office of the County Recorder a notice of default, which notice shall state all amounts which have become delinquent with respect thereto and the costs (including attorneys' fees), penalties and interest which have accrued thereon, the amount of any assessment which is due and payable although not delinquent, a description of the property in respect to which the delinquent assessment is owed, the name and address of the trustee authorized by the Association to enforce the lien by sale and the name of the record or reputed Owner thereof. The Association shall have the rights conferred by Section 2934a of the Civil Code to assign its rights and obligations as Trustee in any non-judicial foreclosure proceeding to the same extent as a Trustee designated under a deed of trust and for purposes of said Section 2934a the Association shall be entitled to employ the services of a title insurance company or responsible company engaged in the business of acting as a trustee in foreclosure to act as an agent on behalf of the Association in commencing and prosecuting the foreclosure process.

The notice of default shall state the election of the Association to sell the Condominium or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under Section 2924c of the California Civil Code. The recordation of the notice of delinquency shall correspond to the recordation of a notice of default under Section 2924 of the California Civil Code. The Association or its assignee shall mail a copy of the notice to the Owner or reputed Owner at the last address appearing on the books or records of the Association, and to any person to whom the giving of notice is required by applicable provisions of Section 2924b of the California Civil Code. In the event such notice is given by the Association or its assignee, the Owner and junior encumbrancers shall have reinstatement rights identical to those provided by law for trustors or mortgagors, which rights must be exercised during the period specified by law for reinstatement of obligations secured by deeds of trust.

After the lapse of such time as may then be required by law following the recordation of a notice of default under a deed of trust, the Association or its assignee may give notice of sale in the manner and for the period required in the case of deeds of trust. After the giving of the notice of sale, the Association, or its assignee, without demand on the Owner, may sell the Condominium or other property at the time and place fixed in the notice of sale, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. The Association or its assignee may postpone sale by public announcement at the time fixed by the preceding postponement. The Association shall deliver to the purchaser at such foreclosure sale the Association's deed

conveying the Condominium or other property so sold, but without covenant or warranty, express or implied. The recitals in such deeds shall be conclusive proof of the truthfulness thereof. Any person, including the Association, may bid on the property and purchase the same at such sale.

After deducting all costs, fees, and expenses of the Association from the sale proceeds, the Association or its assignee shall apply the balance of the proceeds of sale to payment of all sums secured by its lien at the time of sale, including principal, interest, late charges, costs and attorneys' fees, and the remainder, if any, shall be disbursed to the person or persons legally entitled thereto.

During the period a Condominium is owned by the Association, following foreclosure: (1) no right to vote shall be exercised on behalf of the Condominium; (2) no assessment shall be assessed or levied on the Condominium; and (3) each other Condominium shall be charged, in addition to its usual assessment, its share of the assessment that would have been charged to such Condominium had it not been acquired by the Association as a result of foreclosure. After acquiring title to the Condominium at foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the Condominium, which deed shall be binding upon the Owners, successors, and all other parties.

Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosure or waiving the lien securing the same. Furthermore, the Board may take such additional action, consistent with this Declaration, as is necessary or appropriate to enforce its assessment rights hereunder.

Section 6.10. Transfer of Condominium by Sale or Foreclosure. Sale or transfer of any Condominium shall not affect the assessment lien. However, the sale or transfer of any Condominium pursuant to foreclosure of a first mortgage shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such Condominium from liability for any assessments thereafter becoming due or from the lien thereof. "First mortgage" as used in this Section 6.10 and Section 6.11 means any recorded mortgage or deed of trust encumbering the Condominium having priority over all other mortgages or deeds of trust and made in good faith and for value.

Where the mortgagee of the first mortgage of record or other purchaser of a Condominium obtains title to the same as the result of foreclosure of any such first mortgage, the person acquiring title, his successors and assigns, shall not be solely liable

for the share of the common expenses or assessments by the Association chargeable to such Condominium which became due prior to the acquisition of title to such Condominium by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from Owners of all of the Condominiums including such acquirer, his successors and assigns.

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

Section 6.11. Priorities. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective Condominium prior and superior to all other liens except (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (b) the lien or charge of any first mortgage of record made in good faith and for value; provided, however, that such subordination shall apply only to the assessment installments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such mortgage or deed of trust or pursuant to the power of sale in such mortgage or deed of trust. Such foreclosure shall not relieve such property from liability for any assessment installments thereafter becoming due or from the lien of any such subsequent assessment.

Section 6.12. Unallocated Taxes. In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than being assessed to the Condominium Units, such taxes shall be included in the assessments made under the provisions of Section 6.02 of this Article VI and, if necessary, a Special Assessment may be levied against the Condominium in an amount equal to such taxes to be paid in two installments, thirty (30) days prior to the due date of each tax installment.

Section 6.13. Assignment of Rents. Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupation of any or all parts of any Condominium owned by the Owner, now existing or hereafter made for the purpose of collection of all assessments due the Association pursuant to this Declaration which are in default. The Association hereby

confers on each Owner the authority to collect and retain the rents and other monies as they become due and payable; provided, however, that the Association in its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of assessments. Upon revocation of such authority the Association may, pursuant to court order or by court appointed receiver, collect and retain such monies, whether past due and unpaid or current.

Section 6.14. Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article VI, the benefit of any homestead or exemption law of California in effect at the time any assessment or installment thereof becomes delinquent or any lien is imposed.

Section 6.15. Disclosure re Defaults. Within ten (10) days of the mailing or delivery of a written request by any Owner, the Board shall provide the Owner with a written statement containing the following information: (a) whether to the knowledge of the Association the Owner or the Owner's Condominium is in violation of any of the provisions of this Declaration, the Articles, Bylaws, or Association Rules; (b) the amount of Regular and Special assessments, including installment payments, paid by the Owner during the fiscal year the request is received; and (c) the amount of any assessments levied against the Owner's Condominium that are unpaid as of the date of the statement, including any late charges, interest, or costs of collection that as of the date of the statement are or may be made a lien against the Owner's Condominium as provided by this Declaration, the Articles, Bylaws, or Association.

ARTICLE VII

Duties and Powers of the Association

Section 7.01. Duties. In addition to the duties enumerated in its Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association shall perform the following duties:

(a) Maintenance. The Association shall maintain, repair, replace, restore, operate and manage all of the Common Area as more particularly set forth in Article VIII, Section 8.01 of this Declaration.

(b) Insurance. The Association shall maintain such policy or policies of insurance as are required by Article XII of this Declaration.

(c) 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.

(d) Assessments. The Association shall fix, levy, collect and enforce assessments as set forth in Article VI hereof.

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

(f) Enforcement. The Association shall enforce this Declaration.

Section 7.02. Powers. In addition to the powers enumerated in its Articles of Incorporation and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall have the following powers:

(a) Utility Service. The Association shall have the authority to obtain, for the benefit of all of the Condominiums, all water, gas and electric service and refuse collection, and janitorial or window cleaning service, and CATV or cable television service.

(b) Easements. The Association shall have authority, by document signed or approved by two-thirds (2/3) of the total voting power of the Association, to grant permits, licenses and easements in addition to those shown on the Map, where necessary for utilities, cable television, and sewer facilities over the Common Area to serve the common and open space areas and the Condominium Units.

(c) Manager. The Association shall have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, except for the responsibility to levy fines, impose discipline, hold hearings, file suit, or make capital expenditures. The term of the management contract shall be limited as provided in Section 17.14 of this Declaration.

(d) Adoption of Rules. The Board of Directors may adopt reasonable rules not inconsistent with this Declaration relating to the use of the Properties including the Common Area and all facilities thereon, and the conduct of Owners and their tenants and

guests with respect to the Properties and other Owners. Written copies of such Rules and any schedule of fines and penalties adopted by the Board shall be furnished to Owners.

(e) Access. For the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of Directors of their respective responsibilities, the Association's agents or employees shall have the right, after reasonable notice (not less than 24 hours except in emergencies) to enter a Unit or the Common Area at reasonable hours. Such entry shall be made with as little inconvenience to the Owner as practicable and any damage caused thereby shall be repaired by the Board at the expense of the Association.

(f) Assessments, Liens and Fines. The Association shall have the power to levy and collect assessments in accordance with the provisions of Article VI hereof. The Association may impose fines or take disciplinary action against any Owner for failure to pay assessments or for violation of any provision of the Condominium documents. Penalties may include but are not limited to: fines, temporary suspension of voting rights, rights to the use of recreational facilities or other appropriate discipline, provided that the accused Member is given notice and the opportunity to be heard with respect to the alleged violations before a decision to impose discipline is made.

(g) Enforcement. The Association shall have the authority to enforce this Declaration as per Article XV hereof.

(h) Acquisition and Disposition of Property. The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of property shall be by document signed or approved by two-thirds (2/3) of the Members.

(i) Loans. The Association shall have the power to borrow money, and only with the assent (by vote or written consent) of a majority of the total voting power of the Association, 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. Borrowing of money by the Association shall require the assent (by vote or written consent) of a majority of the total voting power of the Association except as authorized by Article IX, Section 9.03(e) of the Bylaws.

(j) Contracts. The Association shall have the power to contract for goods and/or services for the Common Area(s), facilities and interests or for the Association, subject to

limitations elsewhere set forth in the Condominium documents. The Association shall not enter into any contract with an independent contractor until the independent contractor submits proof to the Association that it has procured workers compensation insurance as required by law and receives adequate proof of licensure.

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

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

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

(3) To make a decision to levy monetary fines, impose Special Assessments against individual Condominiums, temporarily suspend an Owner's rights as a Member of the Association or otherwise impose discipline;

(4) To make a decision to levy Regular or Special Assessments; or

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

(l) Use of Recreational Facilities. The Board shall have the power to limit the number of an Owner's tenants or guests who may use the recreational facilities, provided that all limitations apply equally to all Owners, unless imposed for disciplinary reasons, after notice and hearing, as provided in the Bylaws.

(m) Security. The Association shall have the power to contract for security service for the Common Area.

(n) Appointment of Trustee. The Association, or the Board acting on behalf of the Association, has the power to appoint or designate a trustee to enforce assessment liens by sale as provided in Section 6.09(a) and California Civil Code Section 1367(b).

(o) Other Powers. In addition to the powers contained herein, the Board may exercise the powers granted to a nonprofit mutual benefit corporation under California Corporations Code Section 7140.

ARTICLE VIII

Maintenance

Section 8.01. Association Maintenance.

(a) Maintenance. Except as otherwise provided in this Declaration, the Association shall maintain, repair, replace, restore, operate and manage all of the Common Area and Common Facilities as more particularly set forth in this Section 8.01. Maintenance shall include (without limitation): Painting, maintaining, cleaning, repairing and replacing of all Common Areas, including landscaping (except in Exclusive Use Common Areas), parking areas and recreational facilities.

(b) Termites. The Association shall have the Common Area periodically inspected for termites and shall take appropriate corrective measures therefor. The Association shall be responsible for repair and maintenance of the Common Area occasioned by the presence of wood-destroying pests or organisms. The cost of temporary relocation during the repair and maintenance of the Common Area shall be borne by the Owner of the Unit or Units affected by such repair and maintenance. The Association may cause the temporary, summary removal of any occupant of a Unit, for such periods and at such times as may be necessary for prompt, effective treatment of wood-destroying pests or organisms, as more particularly provided in Civil Code Section 1364(d).

(c) Owner damage. The financial 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 guests, tenants or invitees, the cost of which is not covered by insurance. The cost of such repair or replacement shall be the responsibility of such Owner. The cost thereof shall constitute a special assessment chargeable to such Condominium and shall be payable to the Association by the Owner of such Condominium as a Special Individual Assessment, as provided in Article VI, Section 6.04(a)(2) of this Declaration.

(d) Exclusive Use Areas. The Association shall be solely responsible for repair and replacement of covered parking areas, patios and balconies, and shall be solely

responsible for painting of exterior surfaces of covered parking areas, patios and balconies. The Association shall not be responsible for maintenance, repair or replacement of exterior glass surfaces. The Association shall be responsible for finishing of the exterior surface of the front door.

Section 8.02. Maintenance by Members.

(a) Interior Unit Maintenance and Improvements. Except for those portions of the Project which the Association is required to maintain and repair, each Unit Owner shall, at his sole cost and expense, maintain and repair his Unit, and shall maintain the landscaping within the private patio area appurtenant thereto which is part of the Exclusive Use Common Area, keeping the same in good condition.

(1) Each Owner shall have the exclusive right to paint, plaster, panel, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, and doors bounding his Unit.

(2) Each Owner shall also be responsible for repair, replacement and cleaning of the windows and glass of his Unit, both exterior and interior.

(3) Each Owner shall be responsible for the maintenance, repair and replacement of Unit entry doors except the finishing thereof, the exterior maintenance thereof being the responsibility of the Association. Each owner shall be solely responsible for maintenance repair and replacement of all door locks, openers and hardware.

(4) Each owner shall bear the cost of maintenance, repair and replacement of the following items within or serving such owner's dwelling: interior surfaces of all perimeter and interior walls (except bearing walls to the unfinished surfaces thereof), ceilings and floors (including carpeting, tile, wallpaper, paint or other covering); garbage disposals, hot water heaters solely serving such unit, ranges, refrigerators, dishwashers, washing machines, dryers, light fixtures, and any and all other appliances of any nature whatsoever; heating, ventilating and air-conditioning equipment servicing such unit (although such equipment may be located in part outside such unit); interior doors, including all hardware thereon; light bulbs; plumbing and other fixtures of any nature whatsoever solely servicing such unit;

"built-in" features; and decorative features, fireplaces, if any, and any furniture and any furnishings. However, no Owner may install any appliance which requires a change in the electrical, mechanical or plumbing systems of the condominium project, without written application to and written approval by the Board of Directors in accordance with Article IX of this Declaration.

(5) Each Owner shall be solely responsible for inspection, maintenance, repair and replacement of fireboxes, flues and chimney caps.

(6) In the event an Owner fails to maintain the interior of his Unit or his private patio area in a manner which the Board deems necessary to preserve the appearance and value of the Property, the Board may notify Owner of the work required and request it be done within thirty (30) days from the giving of such notice. In the event Owner fails to carry out such maintenance within said period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and, if necessary lien his Unit for the amount thereof.

(7) No Condominium Owner shall undertake any action or work that will impair the structural soundness or integrity of his or another Unit or impair any easement or estate, or do any act or allow any condition to exist which will adversely affect the other Condominiums or their Owners.

(b) Exclusive Use Common Area. Each Owner shall maintain the landscaping within the private patio area appurtenant to his Unit which is Exclusive Use Common Area, keeping the same in good condition. Provided, however, no landscaping of patios or yards visible from the street or from the Common Area shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the proposed landscape improvements have been submitted to and approved in writing by the Architectural Control Committee appointed by the Board as provided in Article IX, Section 9.01 of this Declaration.

Each Owner who is granted an exclusive easement for the use, possession and benefit of a Patio Garden or Balcony shall landscape, cultivate, maintain, water, fertilize and otherwise care for all containers, planters, plants or landscaping and improvements located within or upon the Patio Garden or Balcony. Each said Owner shall keep and maintain his Patio Garden or Balcony in a neat, clean, orderly and attractive manner. No

Owner shall build or place or cause to be built or placed any shed, doghouse, fence or other structure or enclosures within or upon his Patio Garden or Balcony without prior written consent of the Board.

Each Unit Owner shall keep those portions of the Exclusive Use Common Area to which the Owner has exclusive easement rights, including patio, balcony and covered parking areas, clean and neat. Each Owner is entitled to reasonable access to the Common Areas for the purpose of maintaining the internal and external telephone wiring designed to serve that Owner's Unit, subject to the consent of the Association, which may include the imposition of reasonable conditions, which consent shall not be unreasonably withheld.

Owners shall be solely responsible for maintenance, repair and replacement of water heaters serving their unit.

ARTICLE IX

Architectural Control

Section 9.01. Improvements in General; Establishment of Architectural Committees. No building, fence, wall or other structure (including, without limitation, any capital improvement within the Common Area (including landscape improvements in the Exclusive Use Common Area)) shall be commenced, erected or maintained upon the Properties or any portion thereof, nor shall any exterior addition to or change or alteration therein be made until a written application for approval of the proposed work, supported by plans and specifications showing the nature, color, kind, shape, height, materials, and location of the same, has been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors (which shall be composed of three (3) or more representatives appointed by the Board). Said plans and specifications shall be submitted to the Board by personal delivery or certified mail to the Secretary of the Association or the Chairman of the Architectural Committee. Members of the Board of Directors shall be eligible to serve as members of the Architectural Committee.

The Committee shall have the right to request additional information regarding the work of improvement if the request is delivered to the applicant in writing within thirty (30) days following the date the initial application was filed. The Committee shall make its determinations and recommendations to the Board within forty-five (45) days following the date of the initial application or, in the event that additional information has been

requested of the applicant, within forty-five (45) days after such additional information is received. If the Board fails to disapprove an application within forty-five (45) days of the completion of the application the same shall be deemed to be unconditionally approved.

The Board may, from time to time, adopt and promulgate Architectural Standards which may include, among other things, limitations and restrictions regulating the placement, kind, shape, height, materials, species and location of any improvement; a description of the improvements which, if completed in conformity with the Architectural Standards, do not require the approval of the Architectural Committee; and time limitations for the completion of improvements for which approval is required pursuant to the Architectural Standards.

By approving plans and specification, the Board and the Architectural Committee do not assume any liability or responsibility for compliance with building or zoning ordinances, which compliance shall be the sole responsibility of the applicant. Neither the Architectural Committee, nor any member thereof, nor the Board of Directors shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawing and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specification; (c) the development of any portion of the Properties. The Owner whose plans are approved shall defend, indemnify and hold the Committee and the Board, and the Members thereof, harmless from any and all liability arising out of such approval.

No Owner may make or cause any alteration which would adversely affect the structural integrity of any building or which would impair the effectiveness of sound control between Condominiums.

No landscaping of patios or yards or portions of yards visible from any other Unit or from the Common Area shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Architectural Committee or the Board.

Section 9.02. Common Areas. No improvement, excavation or work which in any way alters any Common Area from its natural or existing state shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this Section.

(a) No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area.

(b) The Association may at any time, and from time to time:

(1) Reconstruct, replace, or refinish any Common Facility or other improvement or portion thereof upon the Common Area in accordance with the original design, finish or standard of construction of such improvement of such Common Area which was approved by the governmental entity having jurisdiction.

(2) Construct, reconstruct, replace and refinish any road improvement or surface upon any portion of Common Area designated on a subdivision map as a private road or parking area.

(3) Replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of Common Area.

(4) Place and maintain upon the Common Area such signs as the Association may deem necessary for the identification of the development and of roads, the regulation of traffic, including parking, the regulation and use of Common Area and Common Facilities and for the health, welfare and safety of Owners, tenants and guests.

(c) In the event that the Board determines that a new capital improvement Project should be commenced and all requisite approvals have been obtained from the Members and the Architectural Committee, the Board shall obtain firm bids on the total Project cost The Board shall levy a special assessment pursuant to Article VI Section 6.03 in the amount of the accepted bid. Promptly following levy and collection of the Special Assessment for the capital improvement the Board shall commence and diligently undertake construction and installation of such improvement. During construction the Board shall supervise the construction project.

Section 9.03. Enforcement of Architectural Restrictions. If an Owner makes an improvement, addition or change in his Unit or on the Common Area not authorized by this Declaration without approval from the Architectural Committee and the Board of

Directors, the Association may direct that the improvement, addition or change be removed and in the event that the Owner fails to diligently commence action to remove or modify the work within thirty (30) days after receipt of a written demand for removal or modification, the Association may either enter into the Unit to effect removal or commence legal action to compel removal. Any costs and expenses incurred by the Association in the discharge of its responsibilities hereunder, including reasonable attorneys' fees, may be recovered from the Owner by means of a Special Individual Assessment. Without limiting the foregoing, the Architectural Committee or Board may record or cause to be recorded a statement (hereinafter a "Noncompliance Statement") delineating the corrective action that is required to bring such improvements into compliance. In the event the Architectural Committee has issued a Noncompliance Statement as to any property, the Architectural Committee or Board shall record a Compliance Statement, upon request, after corrective work has been satisfactorily completed, which shall evidence that the improvements upon such property comply with the provisions of the Condominium Documents. Any Compliance or Noncompliance Statement issued by the Architectural Committee shall be executed by any person or persons authorized by resolution of the Board or by the President and Secretary of the Association. The Association shall be entitled to collect a fee to cover the cost of inspections and other costs in connection with the issuance of any Noncompliance Statement or Compliance Statement.

Section 9.04. Variances. The Board of Directors shall be entitled to allow reasonable variances with respect to this Article IX in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided the following conditions are met:

(a) All requests for variances shall be submitted to the Association in writing. If the Board reserves to itself authority to grant variances, requests shall be submitted to the Association Secretary. If variance authority is delegated to the Architectural Committee, submissions shall be made to the Committee Chair.

(b) If the requested variance will necessitate deviation from, or modification of an Architectural Standard that would otherwise apply under this Declaration, the Board or the Architectural Committee must conduct a hearing on the proposed variance after giving at least ten (10) days' prior written notice to all Owners of Units located in the same building structure as the Unit affected by the variance or located within one hundred feet (100) feet of the Unit to which the variance applies. The Owners receiving notice of the proposed variance shall have thirty (30) days in which to submit to the Board or Committee written comments or objections with respect to the variance. No decision shall

be made with respect to the proposed variance until the thirty (30)-day comment period has expired.

(c) The Board or Committee must make a good faith determination that: (i) the requested variance, if granted, will not constitute a material deviation from the overall plan and scheme of development within the Properties or from any restriction contained herein (or the Architectural Standards) or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that it is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Unit, Common Area or Owner within the Property.

Section 9.05. Solar Installations. Notwithstanding the provisions of this Declaration, including Article IX, Section 9.01 hereof, the Association shall not impose restrictions on the construction of solar energy systems so as to significantly increase the cost of the system or significantly decrease its efficiency or specified performance. The Association may allow for an alternative system of comparable cost, efficiency and energy conservation benefits. For purposes of this Section 9.05, the terms "significantly" means an amount exceeding twenty percent (20%) of the cost of the system or decreasing the efficiency of the solar energy system by an amount exceeding twenty percent (20%) as originally specified and proposed. Any solar collectors installed shall meet applicable standards and requirements imposed by California and local permitting authorities. Applications for the installation or use of a solar energy system shall be processed and approved by the Association in the same manner as an application for approval of an architectural modification, and shall not be willfully avoided or delayed. The provisions of this Section 9.05 are based on California Civil Code Section 714. This Declaration shall be deemed amended to conform with that statute, or any successor statute, as enacted or hereafter modified.

ARTICLE X

Use of Properties and Restrictions

Use of the Units, Common Areas and other portions of the Properties shall be subject to the following rules and restrictions. In the event that the Association is compelled to expend funds to gain compliance with such rules and restrictions, whether

for attorneys' fees or otherwise, the same may be recovered from the offending Owner by means of a Special Individual Assessment.

Section 10.01. Residential Use. The use of the Units within the Properties is hereby restricted to Residential Use. In no event shall the number of residents in a Condominium exceed occupancy restrictions imposed by ordinances of the City of Mountain View or other applicable law.

No Unit or Units or any portion thereof in the Project shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time sharing agreement, plan, program or arrangement, including, without limitation, any so called "vacation license", "travel club", "extended vacation", or other membership or time interval ownership arrangement. The term "time sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess the Unit or Units or any portion thereof in the Project rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time of twenty-five (25) consecutive calendar days or less. Provided, this section shall not be construed to limit the personal use of any Unit or any portion thereof in the Project by any Unit Owner or his social or familial guests.

Section 10.02. Common Areas.

(a) Generally. The landscaped Common Areas shall be preserved as open space and used for those recreational purposes originally planned as Common Facilities by the Declarant or subsequently installed by the Association in accordance with this Declaration. Nothing shall be altered, constructed, placed or stored in such Common Areas except upon the direction and under the authority of the Association in accordance with Article IX hereof. Use and enjoyment of Common Areas shall at all times be subject to this Declaration, the Bylaws and the Association Rules and other purposes incidental and ancillary to the use of Units.

(b) Association Common Areas. In addition to the provisions of Section 10.03(a) hereof, and subject to Article IV, Section 4.01(b), Article V, Section 5.08, and Article XV, Section 15.06, it is further provided that the use of Association Common Areas shall be limited to the private use, for aesthetic and recreational purposes, of the Association's resident Members, their families and guests and of the Lessees of nonresident Members and the families and guests of such Lessees.

Section 10.03. Use of the Properties. The use of all Properties shall be limited to those uses, as strictly interpreted, which are specified in this Declaration. Any change in use of the Properties, or any part thereof, shall require the vote of two-thirds (2/3) of the Members of the Association.

Section 10.04. Prohibition of Noxious Activities. No noxious or offensive activities shall be carried on or conducted upon any Unit or the Common Area nor shall any things be done on any Unit or the Common Area that shall be or become an unreasonable annoyance or nuisance to the neighborhood. Without limiting any of the foregoing, no Owner or lessee shall permit noise, including, but not limited to the barking of dogs, the operation of air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from any Unit, or the Common Area, which would unreasonably disturb any other Member's enjoyment of his Unit or the Common Area. Excessive noise levels may be determined according to the ordinances of the County of Santa Clara or other applicable governmental regulation dealing with such matters. The Board may, in its sole discretion, prohibit maintenance within the Properties of any animal that constitutes a nuisance (whether due to its size, viciousness, unreasonable noise or otherwise) with respect to any other Owner(s).

Section 10.05. Temporary Structures. No structure of a temporary character, trailer, mobilehome, camper, motor vehicle, tent, shack, or other outbuilding shall be used on any Unit or the Common Area at any time as a residence, either temporarily or permanently. Furthermore, no structures shall be built for any purposes on the Common Area except as specifically authorized by this Declaration.

Section 10.06. Household Pets. The following restrictions regarding the care and maintenance of pets within the Properties shall be observed by each Owner and resident:

(a) Not more than two common household pets may be kept in each Unit so long as the same are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred or raised in any Unit.

(b) Dogs shall only be allowed on the Common Area when they are leashed and otherwise under the supervision and restraint of their Owners.

(c) No household pet shall be left chained or otherwise tethered in front of a Unit or in the Common Area. Pet owners shall be responsible for the prompt removal of pet wastes deposited by their pets within the Common Area or in any Unit.

(d) Each person bringing or keeping a pet on the Properties shall be solely responsible for the conduct of the Owner's pets. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

(e) The Board of Directors shall have the right to establish and enforce additional Rules and Regulations imposing standards for the reasonable control and keeping of household pets in, upon and around the Properties to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Properties by the other Owners and residents.

(f) In addition to the foregoing pet restrictions, all pet control codes and ordinances for the State of California, the City and the County shall apply at all times within the Properties.

Section 10.07. Signs. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any window or the Common Area, nor shall any Unit be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. Notwithstanding the foregoing, any Owner of a Unit or his or her agent may display or have displayed in a window of the Owner's Unit or in a location on the Common Area approved by the Board, in accordance with Civil Code Section 712, or on another Owners' Unit with that Owners' consent, a sign which is reasonably located, in plain view of the public, and is of reasonable dimensions and design and not adversely affecting public safety, including traffic safety, advertising the property for sale, lease, or exchange, or advertising directions to the property by the Owner or his or her agent. The "for sale" sign shall be promptly removed upon close of escrow and the site restored. Signs permitted hereunder shall not be nailed to the exterior of any Unit or staked in any lawn or green areas in the front of any Condominium. The right to place a "for rent"/"for lease" or "for sale" sign shall be subject to the control of the Board regarding placement, size and content.

Section 10.08. Business Activities. No business activities of any kind whatsoever shall be conducted in any building or in any portion of any Unit except for the activities, signs or the maintenance of buildings by the Association, its successors and assigns, in furtherance of its powers and purposes as set forth herein. Notwithstanding the foregoing, no restrictions contained in this Article X shall be construed in such a manner as to prohibit any Owner from (a) maintaining his personal library within his Condominium; (b) keeping his personal business records or accounts therein; (c) handling his personal or

professional telephone calls or correspondence therefrom; or (d) conducting any other activities in the Owner's Unit otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or governmental regulations without the necessity of first obtaining a special use permit or similar specific governmental authorization. Such uses are expressly declared to be customarily incident to the principal residential use and not in violation of any provision of this Article X.

Section 10.09. Garbage and Storage. No rubbish, trash, or garbage shall be allowed to accumulate on the Common Area and any trash outside the interior walls of a Unit shall be stored entirely within appropriate covered disposal containers maintained in good, clean condition. No disposal containers, other than those maintained by the Association, shall be allowed in the Common Area. Any extraordinary accumulation or rubbish, trash, garbage or debris (such as is often generated upon vacating of premises or during holidays, including Christmas trees) shall be removed from the Properties to a public dump or trash collection area by the Owner or tenant at his expense. Garbage containers used shall be made of material that will not emit noise during handling.

No toxic or hazardous material shall be disposed of within the project by dumping in the garbage containers or down the drains, or otherwise. Toxic or hazardous material disposal must be performed outside the Properties in accordance with all applicable statutes, ordinances and regulations.

The Association shall be entitled to impose reasonable fines and penalties for collection of garbage, refuse or material which is disposed of in any manner inconsistent with this Section. Each Owner shall defend, indemnify and hold harmless the Association, its officers and directors against any liability, loss, damage, cost or penalty, including attorneys fees, arising from or relating to the unlawful disposal of hazardous or toxic materials.

Nothing in this section shall be interpreted so as to preclude the Association from establishing and maintaining within the Properties appropriate storage yards and storage buildings for the maintenance and retention of materials and equipment needed for planting, building, repair, maintenance and preservation of the structures, gardens and other improvements of the Common Areas.

Section 10.10. Clotheslines. No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes on the balconies, patios, porches or other areas in any manner which is visible from any neighboring Unit. Further, no clothes

washers, clothes dryers, refrigerators, freezers or other appliances may be kept, stored or operated on any balcony, patio, porch or other exterior area.

Section 10.11. No Common Area Maintenance by Owners. No exterior painting of residential structures by Owners, or any person holding thereunder, nor repair or replacing of original roofs or utility laterals by Owners, it being the intention hereunder that such items be maintained and replaced by the Association in conjunction with the Association's maintenance of the Common Area in order to preserve the external harmony of the Properties, as provided in Article IX hereof. No Owner, or any person holding thereunder, may interfere with or damage the structural integrity of any building or the Common Area.

Section 10.12. Cooperative Maintenance Obligations. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Areas, including but not limited to, recreation and parking areas and walks, shall be undertaken by the Board of Directors or by its duly delegated representatives and, to the extent necessary or desirable to accomplish such maintenance, individual Owners shall cooperate with the Association and its agents in the prosecution of its work.

Section 10.13. No Structural Alterations. No Condominium Owner shall undertake any action or work that will impair the structural soundness or integrity of his or another Unit or impair any easement or estate, or do any act or allow any condition to exist which will adversely affect the other Condominiums or their Owners.

Section 10.14. No Alterations or Antennas. In order to insure adequate aesthetic controls and to maintain the general attractive appearance of the Properties no Owner, resident or lessee shall, at his expense or otherwise, perform plumbing or electrical work within any bearing or common walls, construct fences, walls, or make any alterations, additions or modifications to or on any part or portion of the Common Areas or exterior surfaces of any residential structure (including, without limitation, the erection of awnings, exterior window coverings, hangings and the like), or place or maintain any objects, such as masts, towers, poles, or television and radio antennas, or satellite dishes, on or about the exterior of any building within the Properties except as authorized by the Association and its Architectural Committee. No construction or alteration of improvements may be undertaken on the Common Area without approval of the Architectural Committee pursuant to Article IX hereof.

Section 10.15. Parking and Vehicle Restrictions. The following parking and vehicle restrictions shall apply within the Properties:

(a) All private driveways and covered parking areas shall be maintained in a neat and orderly condition and garage doors shall be maintained in a closed position except as necessary to permit ingress and egress of vehicles or to provide ventilation when the resident is in the covered parking area.

(b) Covered parking areas are to be used solely for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in gross weight and shall not be converted to living quarters or work shops or used for the storage of boats, trailers, campers or recreation vehicles. In no event shall the covered parking area be used in a way which will preclude the parking of the Owner's or occupant's customary four-wheeled vehicle within the covered parking area.

(c) Except as provided herein, no motor vehicle shall be constructed, reconstructed or repaired within the Properties and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Properties; provided, however that the provisions of this Section shall not apply to emergency vehicle repairs not to exceed twenty-four (24) hours. Routine vehicle servicing is permitted in garages only. No unlicensed or unregistered vehicles may be kept on the Properties.

(d) Campers, boats, trailers, commercial vehicles and trucks in excess of three-quarter tons are not to be parked within the Properties, except for periods not to exceed four (4) hours for the purpose of loading and unloading. Personal property other than authorized vehicles shall not be stored in covered parking areas if such storage will necessitate or result in the parking of vehicles elsewhere within the Properties.

(e) The Board shall have the authority to tow or restrain by use of devices such as the "Denver Boot", at the Owner's expense, any vehicle parked or stored in violation of this Section. The Board shall post such notices or signs within the Common Area as may be required by law to effectuate this towing provision.

(f) Signage. The Association may install a sign at each vehicular entrance to the Project containing a statement that public parking is prohibited and that all vehicles not authorized to park on the Project will be removed at the Owner's expense. The sign shall contain the telephone number of the local traffic law enforcement agency and shall not be less than 17 x 22 inches in size with lettering not less than one inch in height.

Section 10.16. Use of Private Streets in Common Area.

(a) Private streets and drives within the Properties shall not be used for recreational purposes, including "joy riding" or racing. Motorcycles, mopeds, and cars shall be allowed on such private streets only for ingress and egress.

(b) All operators of motor vehicles, including motorcycles, within the Properties subdivision must possess a valid California driver's license.

(c) All provisions of the California Vehicle Code must be honored at all times when operating any motor vehicle within the Properties.

(d) Although all roads within the Properties are subject to the California Vehicle Code, the Association shall have the right to adopt reasonable rules regarding the control and use of roads within the subdivision, vehicles operated thereon and the speed of such vehicles, and is further authorized to delegate the discharge of its rights hereunder to a municipality or other governmental entity or to contract with a private security patrol company for such purposes so long as the private character of the subdivisions roads is not jeopardized by such action.

Section 10.17. Barbecues. There shall be no exterior fires whatsoever except barbecue fires located only upon Exclusive Use Common Areas and contained within receptacles designed for such purpose.

Section 10.18. Basketball Standards. No basketball standards or fixed sports apparatus shall be attached to the Common Area.

Section 10.19. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Unit except such machinery or equipment as is usual or customary in connection with the use, maintenance or construction of a Condominium or appurtenant structures within the Properties. No appliances, machinery or equipment may be maintained, stored or used outside a Unit.

Section 10.20. Children. Each Owner shall be accountable to the remaining Owners, their families, visitors, guests and invitees, for the conduct and behavior of their children and any visiting children temporarily residing in or visiting his or her Condominium and for any property damage caused by such children.

Section 10.21. Compliance With Local Laws And Activities Affecting Insurance. Subject to rights of reasonable contest, nothing shall be done or kept in any Unit or within the Common Area which will increase the rate of insurance relating thereto without the prior written consent of the Association and no Owner shall permit anything to be done or kept in his Unit or the Common Area which would result in the cancellation of insurance on any Condominium or any part of the Common Area or which would be in violation of any applicable statute, ordinance, law or administrative ruling or regulation.

Section 10.22. Restriction on Further Subdivision and Severability. No Condominium shall be further subdivided nor shall less than all of any such Condominium be conveyed by an Owner thereof. No Owner of a Unit within the Properties shall be entitled to sever that Unit from the Common Area portions of the Properties. No easement or other interest in a Unit shall be given without the prior written approval of the Architectural Committee.

Section 10.23. Diseases and Insects. No Owner shall permit any thing or condition to exist in his Unit which shall induce, breed, or harbor infectious plant diseases or noxious insects.

Section 10.24. Window Coverings. Windows can be covered only by drapes, shutters, or shades and cannot be painted or covered by foil, cardboard, tinted films, bed sheets, towels or other similar materials. The use and the covering of the interior surfaces of the glass doors and windows appurtenant to any Unit in the Properties, whether by draperies, shades or other items visible from the exterior of the building, shall be subject to the Rules and Regulations of the Association; provided, however, that the exterior lining or surface of the draperies, shades or other covering items visible from the exterior shall be white or other neutral color approved by the Board.

Section 10.25. Heavy Use of Electrical Power. No unusually large or heavy use of electrical power shall be permitted within the project where there is a central meter or master meter serving more than one (1) Condominium. In any case where a garage or carport assigned to a particular Condominium is supplied with power through a central meter or master meter, the Owner of the Condominium to which the garage or carport is assigned shall not use electrical outlets in the garage or carport for running appliances, tools, power equipment, battery chargers, or any other machinery or equipment using large amounts of electrical power. The Board may establish regulations regarding the individual use of any utility on a common meter, and may impose reasonable charges for the individual use thereof.

Section 10.26. Flags, Pennants, Banners, Etc. There shall be no exhibiting, flying or hanging of any flags, pennants, banners, kites, towels, etc., from any area of the Properties that would be visible from the street, Common Area, or the other Units, except under reasonable Rules adopted by the Board or the Architectural Control Committee, and except as expressly permitted by statute.

Section 10.27. Floor Coverings. No change in the floor covering materials originally installed in the Units shall be permitted except with the consent of the Architectural Control Committee. To reduce sound transmission, all Units which are above other Units shall have all floor areas, except kitchens and bathrooms, covered with carpet or other material which provides equivalent insulation against sound transmission to the Unit below.

Section 10.28. Variances. Upon application by any Owner, the Board of Directors shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article X, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

ARTICLE XI

Easements

Section 11.01. Encroachment Easements. Each Unit is hereby declared to have an easement over adjoining Units and Common Area for the purpose of accommodating any encroachment due to roof overhang and fences or walls which are built in accordance with the original design, plans and specifications, and due to engineering errors in original construction, settlement or shifting of the building, or similar causes. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of each Owner 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 occurs due to the willful misconduct of said Owner or Owners. In the event any Condominium is partially or totally destroyed, and is repaired or rebuilt, the Owners of each adjoining Condominium agree that minor encroachments over adjoining Condominiums shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 11.02. Maintenance Easements. An easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area, Exclusive Use Common Area and any Unit to perform the duties of maintenance and repair of the Common Areas provided for herein.

Section 11.03. Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under all of the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, drainage and electricity, cable television and a master television antenna system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Properties. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially constructed or thereafter approved by the Association's Board of Directors. The easements provided for in this Section 11.03 shall in no way affect any other recorded easement on the Properties.

ARTICLE XII

Insurance

Section 12.01. Liability Insurance. The Association shall obtain and maintain comprehensive general liability insurance insuring the Association, any manager, and the Owners and occupants of Condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than One Million Dollars ($1,000,000) covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such insurance shall include coverage against liability or risk customarily covered with respect to projects similar in construction, location and use. In addition, the Association shall obtain and continue in effect additional umbrella coverage of One Million Dollars ($1,000,000), or as an alternative may carry a Two Million Dollar ($2,000,000) single limit policy.

Section 12.02. Fire and Extended Coverage Insurance.

(a) Association Fire Insurance. The Association shall obtain and maintain a master or blanket policy of hazard insurance coverage covering the full insurable replacement value of all of the insurable property of the Properties (i.e., including all the Common Area and all the Units and fixtures, to the extent they are part of the common elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Association), and against loss or damage from all other perils which are customarily covered with respect to condominium development similar in construction, location and use. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional first mortgagees. If more than one institutional first mortgagee has a loan of record against a Condominium in the Project, the policy and endorsements shall meet the maximum standards of the various institutional first mortgagees represented in the Project. To the extent available the policy shall contain an agreed amount endorsement or its equivalent; an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or their equivalent; an extended coverage endorsement; vandalism, malicious mischief coverage; a special form endorsement; and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the Board. The policy shall name as insured the Association, the Owners and all mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described in the following paragraph of this Section 12.02.

All fire and casualty insurance proceeds payable under this Section 12.02 for losses to real property and improvements, may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the County in which the Project is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.

(b) The Association shall obtain and maintain flood insurance if the Properties are in an area designated by an appropriate governmental agency as a special flood hazard area.

(c) Individual Fire Insurance Provisions. Except as provided in this clause no Owner shall separately insure his Unit against loss by fire or other casualty covered by any

insurance carried under Section 12.02 of this Article XII. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under policies described in Section 12.02 that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance, and such Owner will be liable to the Association to the extent of any such diminution. Insurance maintained by the Association does not cover the Owner's or occupant's personal property and does not cover personal liability for damages or injuries occurring within the Unit. An Owner can insure his personal property against loss. In addition, any improvements made by an Owner within his Unit may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." A policy may be carried by an Owner which insures against losses not covered by the Association's policy by virtue of deductible or other reason.

Section 12.03. Demolition, Workers' Compensation, Fidelity Bond and Other Insurance. The Association may purchase and maintain demolition insurance in adequate amounts to cover demolition, in case of total or partial destruction of the Project and a decision not to rebuild. The Association shall purchase and maintain workers' compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Association also shall purchase and maintain fidelity bonds or insurance sufficient to meet the requirements of any mortgagee. The Association shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, that it deems necessary.

Section 12.04. Provision To Adjust Losses. The Association is authorized to negotiate and agree on the value and extent of any loss under any policy carried pursuant to Sections 12.01-12.03 of this Article XII. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Section 12.05. Distribution to Mortgagees. Subject to the provisions of Article XVII, Section 17.05, any Mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the Mortgage of such Mortgagee.

Section 12.06. Director and Officer Liability Insurance. To the extent insurance is available, the Association shall purchase and maintain insurance in an amount not less than Two Million Dollars ($2,000,000) on behalf of any Director, Officer, or Member of a Committee of the Association (collectively the "agents") against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as

such, regardless of whether the Association would have the power to indemnify the agent against such liability under applicable law.

Section 12.07. Earthquake and Other Insurance. The Board may, in its discretion, purchase earthquake insurance and/or other insurance with such coverages and in such amounts as the Board may deem prudent from time to time, including, by way of example and not of limitation, insurance on personal property owned by the Association.

Section 12.08. Deductible. Policies purchased by the Board may provide for a reasonable deductible amount from the coverage thereof, as determined by the Board in its reasonable discretion. In the event of any loss which relates in part to insurable portions of a Unit and in part to the Common Area, the Board shall apportion the deductible amount directly proportional to the amount of such loss related to such Unit and the amount of the loss related to the Common Areas and Facilities. Where such loss is solely to a Unit, the deductible amount shall be borne solely by the Unit Owner thereof. Where such loss is solely to the Common Area, the deductible amount shall be borne from the common funds.

Section 12.09. Owner's Liability Insurance. An Owner may carry whatever personal liability and personal property insurance with respect to his Condominium that he desires.

Section 12.10. Adjustment of Insurance Specifications. Should the Board, despite its reasonable efforts to do so, be unable to obtain insurance coverage meeting all the specifications set forth above, it shall observe such specifications as closely as possible, and where forms of coverage or insuring agreements specified above are unavailable, the Board shall substitute available forms of coverage and insuring agreements which in its judgment are the nearest equivalent to those specified.

Section 12.11. Annual Insurance Review. The Board shall at least annually determine whether the amounts and types of insurance obtained provide adequate coverage in light of increased construction costs, inflation, practice in the area in which the Properties are located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under the existing policies are necessary or desirable to protects the interests of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 12.12. Annual Insurance Disclosure. In accordance with Civil Code Section 1365.9(c), the Association shall, upon issuance or renewal of insurance, but no less than annually, notify the Members as to the amount and type of insurance carried by the Association, and it shall accompany this notification with statements to the effect that the Association is or is not insured to the levels specified by Civil Code Section 1365.9(c), and that if not so insured, Owners may be liable for the entire amount of a judgment, and if the Association is insured to such levels, then Owners may be individually liable only for their proportional share of assessments levied to pay the amount of any judgment which exceeds the limits of the Association's insurance.

ARTICLE XIII

Particular Reconstruction and Insurance Distribution Proceeds

Section 13.01. Destruction: Proceeds Exceed 85 Percent of Reconstruction Costs. If there is a total or partial destruction of any of the improvements in the Project, and if the available proceeds of the insurance carried pursuant to Article XII are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt, unless, within ninety (90) days from the date of destruction, Owners then holding at least seventy-five percent (75%) of the total voting power of Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determined that repair and reconstruction shall not take place. If such a meeting is called, the Association shall solicit and obtain bids from at least two reputable contractors to repair and reconstruct the improvements in accordance with the original plans and shall present this information to the Owners at the meeting. If repair and reconstruction is to take place and the Association shall be required to execute, acknowledge, and record in the Office of the County Recorder of the County not later than one hundred twenty (120) days from the date of destruction, a certificate declaring the intention of the Owners to rebuild.

Section 13.02. Destruction: Proceeds Less than 85 Percent of Reconstruction Costs. If the proceeds of insurance carried pursuant to Article XII are less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, Owners then holding at least sixty-six and two thirds percent (66 2/3%) of the total voting power of Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If such a meeting is called,

the Association shall solicit and obtain bids from at least two reputable contractors to repair and reconstruct the improvements in accordance with the original plans and shall present this information to the Owners at the meeting. If repair and reconstruction are to take place, the Association shall execute, acknowledge, and record in the Office of the County Recorder of the County not later than one hundred twenty (120) days from the date of destruction a certificate declaring the intention of the Owners to rebuild.

Section 13.03. Apportionment of Assessments for Reconstruction. If the improvements are to be rebuilt pursuant to Sections 13.01 or 13.02 of this Article XIII, each Owner shall be obligated to contribute his proportionate share of the cost of reconstruction or restoration over and above the available insurance proceeds. The proportionate share of each Owner shall be based on the ratio that the square footage of the living area of his Unit bears to the total square footage of the living area of all Units. If any Owner fails or refuses to pay his proportionate share, the Board may levy a special assessment against the Condominium of such Owner, which may be enforced under the lien provisions contained in Article VI or in any other manner provided in this Declaration.

Section 13.04. Rebuilding Contract. If rebuilding is authorized, the Association or its authorized representative shall, after having obtained bids from at least two reputable contractors as required by Sections 13.01 and 13.02 of this Article XIII, award the repair and reconstruction work to the lowest bidder that otherwise meets the requirements set forth by the Association in soliciting bids. The Association shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the Association to take all steps necessary to assure the commencement and completion of authorized rebuilding at the earliest possible date.

Section 13.05. Election Not to Rebuild and Distribution of Proceeds.

(a) Association Purchase of Uninhabitable Units If the Owners determine not to rebuild, and if, prior to the expiration of one hundred twenty (120) days from the date of destruction, Owners holding seventy-five percent (75%) of the total voting power of Owners consent in writing or by vote at a duly constituted meeting and seventy-five percent (75%) of institutional first Mortgagees with Mortgages encumbering Condominiums in the Project consent, the Association shall have the right to purchase the Condominiums of which the Units were rendered uninhabitable by such damage or destruction at their fair market value immediately prior to the damage or destruction, as determined by an appraiser in accordance with the provisions in Section 13.07 of this

Article, using the available proceeds of insurance for such purchase. Any shortage of insurance proceeds shall be made up by a special assessment levied against all remaining Owners in the manner described in Article XIII, Section 13.03 (but without the consent or approval of Owners, despite any contrary provisions in the Declaration). The Board's decision as to whether a Unit is uninhabitable shall be final and finding on all parties. Any payment of the purchase price shall be made jointly to the selling Owner and all Mortgagees of that Owner's Condominium, and each Owner by accepting a deed to a Condominium agrees to be bound by these provisions and to sell his Condominium and to convey it by grant deed to the Association as provided in this clause. Concurrently with such purchase, the Association or individuals authorized by the Board, acting as attorney-in-fact of all Owners, shall amend the Condominium Plan, the Subdivision Map (if necessary), and this Declaration to eliminate from the Project the Condominiums so purchased and to adjust the undivided ownership interest of the remaining Owners to reflect the reduced number of Condominiums in the Project; and the Association shall convey to each remaining Owner a proportionate share of the undivided interests in the Common Area represented by the Condominiums purchased. This proportion shall be in the ratio that each remaining Owner's undivided interest in the Common Area bears to all remaining Owners' undivided interest in the Common Area.

Notwithstanding the determination not to rebuild uninhabitable Units pursuant to Section 13.01 of this Article XIII, if the uninhabitable Units are to be purchased by the Association, then any Units that have not been rendered uninhabitable shall be repaired and restored to a condition as near as possible to their condition immediately before such damage or destruction. Such repair and restoration shall be paid for, first from the insurance proceeds, if any, remaining after the purchase of Units, and second, from a special assessment levied against all remaining Owners in the manner described in Section 13.03 of this Article XIII (but without the consent or approval of Owners, despite any contrary provisions in this Declaration).

(b) Apportionment if Purchase Not Authorized. If the Owners elect not to rebuild, and if the required seventy-five percent (75%) of all Owners and institutional first Mortgagees do not consent to purchase the Condominiums of which the Units were rendered uninhabitable, an appraiser shall determine the relative fair market values of all Condominiums in the Project in accordance with the provisions in Article XIII, Section 13.07 as of a date immediately prior to any damage or destruction and the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to such relative values. The Board shall have the duty, within one hundred twenty (120) days from the date of destruction, to execute, acknowledge, and record in the Office of the County Recorder of the County, a certificate declaring the intention of the

Owners not to rebuild. On recordation of the certificate, the right of any Owner to partition through legal action as described in Article II, Section 2.03 shall revive immediately.

Section 13.06. Minor Repair and Reconstruction. The Association shall have the duty to repair and reconstruct improvements, without the consent of Owners and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed One Hundred Thousand Dollars ($100,000).

The Association is empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Article XIII, Section 13.03 (but without the consent or approval of the Owners, despite any contrary provisions in this Declaration).

Section 13.07. Fair Market Value as Appraisal Standard. Wherever in this Article XIII reference is made to a determination of the relative fair market value of one or more Condominiums by an appraiser, this means the relative fair market value of such Condominiums as of a date immediately prior to any damage or destruction, as determined by an appraisal by an independent appraiser selected by the Board, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale or insurance proceeds, as the case may be.

ARTICLE XIV

Condemnation

Section 14.01. Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of the Project is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional Mortgagees, the Project, or a portion of it, may be sold and conveyed to the condemning authority by the Association or its designees acting as the attorney-in-fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Condominium in the Project grants to the Association and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board. If the requisite number of Owners or

institutional Mortgagees do not consent to a sale of all or a portion of the Project, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

Section 14.02. Distribution of Sale Proceeds or Condemnation Award.

(a) Total Sale or Taking. If there is a total sale or taking of the Project, meaning a sale or taking (1) that renders more than fifty percent (50%) of the Units uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking) or (2) that renders the Project as a whole uneconomical as determined by the vote or written consent of sixty six and two-thirds percent (66 2/3%) of those Owners and their respective institutional Mortgagees whose Units will remain habitable after the taking, the right of any Owner to partition through legal action as described in Article II, Section 2.03 shall revive immediately. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Project, together with the proceeds of any sale pursuant to a partition action, after payment of all expenses relating to the sale, taking, or partition action, shall be paid to all Owners and to their respective Mortgagees in proportion to the respective fair market value of their Condominiums. The fair market values of Condominiums shall be determined in the condemnation action, if such be instituted, or by an Appraiser pursuant to Section 14.03 of this Article XIV.

(b) Partial Sale or Taking. In case of a partial sale or taking of the Project, meaning a sale or taking that is not a total taking as described in this Section 14.02, the proceeds from the sale or taking shall be paid or applied in the following order of priority, and any judgment of condemnation shall include the following provisions as part of its terms:

(1) To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then

(2) To Owners and their respective Mortgagees, as their interests may appear, of Condominiums in the Project whose Units have been sold or taken, an amount up to the fair market value of such Condominiums as determined by the Court in the condemnation proceeding or by an appraiser selected by the Board, who meets the qualifications described in Section 14.03 of this Article XIV, less

such Owner's share of expenses paid pursuant to the preceding subsection (i) (which share shall be in proportion to each Owner's undivided interest in the Common Area). After such payment, the recipient shall no longer be deemed an Owner, and the Board or individuals authorized by the Board, acting as attorney-in-fact of all Owners shall amend the Condominium Plan, the Subdivision Map (if necessary), and this Declaration to eliminate from the Project the Condominiums so sold or taken and to adjust the undivided ownership interest of the remaining Owners in the Condominium Area based upon the ratio that each remaining Owner's undivided interest bears to all the remaining Owners' undivided interest in the Common Area; then

(3) To any remaining Owner and to his Mortgagees, as their interest may appear, whose Condominium has been diminished in fair market value as a result of the sale or taking disproportionately to any diminution in value of all Condominiums, as determined pursuant to Section 14.03, but as of a date immediately after any announcement of condemnation, an amount up to the total diminution in value; then

(4) To all remaining Owners and to their respective Mortgagees, as their interest may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Condominium bears to the fair market value of all remaining Owners' Condominiums as determined by the Court in the condemnation proceeding or by an appraiser pursuant to Article XIV, Section 14.03.

Section 14.03. Fair Market Value as Appraisal Standard. Wherever in this Article XIV reference is made to a determination of the value or fair market value of one or more Condominiums, it shall mean the relative fair market value of each such Condominium as of a date immediately prior to the announcement of condemnation, as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale proceeds.

ARTICLE XV

Breach and Default

Section 15.01. Remedy at Law Inadequate. Except for the non-payment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration is inadequate and that the failure of any Owner, tenant, occupant or user of any Unit, or any portion of the Common Area or Common Facilities, to comply with any provision of this Declaration or any rule, regulation, decision or resolution of the Board of Directors or Bylaws or Articles of Incorporation of the Association, all as may be amended from time to time, may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

Section 15.02. Nuisance. Without limiting the generality of the foregoing, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 15.03. Costs and Attorney's Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the Court may award to any party to such action such attorney's fees and other costs as it may deem just and reasonable.

Section 15.04. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 15.05. Failure Not a Waiver. The failure of any Owner, the Board of Directors or the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute

a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 15.06. Suspension, Fines and Enforcement.

(a) Limitations. The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his Unit on account of a failure by the Owner to comply with the provisions of the Articles or Bylaws of the Association or this Declaration or of duly-enacted Association Rules except (1) where the loss or forfeiture is the result of the judgment of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association, or (2) where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association (including, without limitation, voting rights) or other appropriate discipline (including, without limitation, the imposition of monetary penalties pursuant to Rules and Regulations of the Association as adopted and published by the Board) for failure to comply with the Association Management Documents.

(b) Complaint. Upon a finding by the Board of a violation of a provision of the Association Management Documents, the Board shall deliver a complaint to the Owner who is alleged to have violated, or whose family, tenants, guests, invitees or agents are alleged to have violated, any such provision. The complaint shall be delivered in the manner prescribed for the delivery of notices in the Article entitled "Notices" of the Declaration and shall contain the following information:

(1) A brief description of the alleged violation and, in the event the correction of the alleged violation requires actions such as the installation, removal, repair, replacement, reconstruction or maintenance of improvements, the date by which such violation is to be corrected.

(2) The disciplinary and/or corrective action and/or penalties, such as the levying of a Special Individual Assessment or the suspension of voting and other membership rights, which have been imposed by the Board and become effective in the event the hearing is waived. A suspension of voting or other privileges may be imposed for a period of not more than thirty (30) days unless the infraction (including the nonpayment of Assessments) continues beyond such period of time, in which event such suspension may be imposed for as long as the violation continue.

(3) Notification that, unless a written request for a hearing signed by the Owner is delivered to the Board within fifteen (15) days after the date of the delivery of such complaint, such Owner shall be deemed to have accepted the findings of the Board, including without limitation, the date established by the Board for the completion of any corrective work that is required to cure the violation, and has waived his right to a hearing and his right to object to the findings of the Board and the disciplinary and/or corrective actions and/or penalties imposed by the Board.

(c) Request for Hearing. Upon timely delivery of a request for hearing from the Owner named in the complaint, the Board shall set a date for a hearing before the Board and shall deliver notice of such hearing to the Owner and to any witnesses designated by the Board or the Owner who are to be present for the purpose of presenting any relevant evidence. Such hearing shall be held not less than thirty (30) days nor more than sixty (60) days from the date of said written notice to the Owner. Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to the Owner.

(d) Decision of Board. The Board shall deliver its decision and the reasons therefor to the Owner within seven (7) days after the hearing. The disciplinary and/or corrective action and/or penalties determined by the Board shall become effective five (5) days after delivery of the decision and the reasons therefore to the Owner.

(e) Corrective Work. If a violation requiring corrective work continues to exist after the expiration of the time limitation established by the Board for the completion of such corrective work, the Board shall have the right, but not the obligation, to enter upon such Owner's Unit or Exclusive Use Common Area as necessary to accomplish such corrective work. Entry for such purpose may be made after notice to the Owner of not less than fifteen (15) days unless such Owner has agreed to permit earlier entry for such purposes. Unless Owner and the Board otherwise agree, such entry upon such Residence to perform such corrective work shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) Reimbursement. If the Association pays for all or any portion of any corrective work required to correct a violation, such amount shall be reimbursed by Owner. Notwithstanding the foregoing, as provided in the Declaration, judicial proceedings must be initiated before any item of construction can be altered or demolished.

(g) Exceptions. The provisions of this Section 15.06 shall not apply to the imposition of late charges or interest for the late payment of any assessment nor to the recordation of a lien or foreclosure of a lien in the case of delinquent assessments. Further, nothing in this Section 15.06 shall limit the power of the Board to take immediate action that may be necessary to alleviate an emergency situation.

(h) Schedule of Penalties. The Board shall adopt and distribute to each Member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed. The Board of Directors shall distribute, in like manner, additional schedules of monetary penalties whenever changes to the schedule are adopted.

Section 15.07. Violation of Law. Any violation of any state, municipal or local law, or ordinance or regulation pertaining to the ownership, occupation or use of any property within the Properties is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 15.08. Alternative Dispute Resolution.

(a) ADR Procedure. Unless the applicable time limitation for commencing the action would run within one hundred twenty (120) days prior to the filing of a civil action by either the Association or an Owner solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages, other than assessments, not in excess of five thousand dollars ($5,000), related to the enforcement of the Association Management Documents, the parties shall endeavor as provided herein, to submit their dispute to a form of alternative dispute resolution, such as mediation or arbitration. The form of alternative dispute resolution chosen may be binding or nonbinding at the option of the parties. Any party to such a dispute may initiate this process by servicing on another party to the dispute a Request for Resolution. The Request for Resolution shall include (1) a brief description of the dispute between the parties, (2) a request for alternative dispute resolution, and (3) a notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected. Service of the Request for Resolution shall be in the same manner as prescribed for service in a small claims action as provided in Section 116.340 of the California Code of Civil Procedure. Parties receiving a Request for Resolution shall have thirty (30) days following service of the Request for Resolution to accept or reject alternative dispute resolution and, if not accepted within the thirty (30) day period by a party, shall be deemed rejected by that party. If alternative dispute resolution is accepted by the party upon whom the Request for Resolution is served, the alternative dispute resolution shall be completed within ninety (90) days of receipt of the acceptance

by the party initiating the Request for Resolution, unless extended by written stipulations signed by both parties. The costs of the alternative dispute resolution shall be borne by both parties. Any Request for Resolution sent to the Owner shall include a copy of Civil Code Section 1354.

(b) Notice of ADR Procedure. The Board of Directors annually shall provide the Members a summary of the provisions of California Civil Code Section 1354, which summary shall include the following language:

> "Failure by any member of the association to comply with the prefiling requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents."

The summary shall be provided either at the time the pro forma of budget required by Section 1365 is distributed or in the manner specified in Section 5016 of the Corporations Code.

(c) Conformance with Statute. The provisions of this Section 15.08 conform with California Civil Code Section 1354. In the event said statute is amended, such amendments and any successor statute or statutes relating to the enforcement of covenants and restrictions in the Declaration shall be deemed incorporated by reference into this Declaration.

ARTICLE XVI

Amendment of Declaration

Section 16.01. Amendment.

(a) Amendment In General. This Declaration may be amended or revoked in any respect by the vote or assent or by written ballot of the holders of not less than seventy-five percent (75%) of the voting power of the Members.

(b) Effective Date of Amendment. The amendment shall be effective upon the recordation in the Office of the Recorder of Santa Clara County of an instrument setting forth the terms thereof duly certified and executed by the President and Secretary of the Association. Notwithstanding anything to the contrary herein contained, no such

amendment shall affect the rights of the holder of any first deed of trust or mortgage recorded prior to the recordation of such amendment.

Section 16.02. Control if Amendment Provisions Conflict With Mortgagee Protection or Other Provisions. To the extent any provisions of this Article XVI conflict with the provisions of Article XVII or any other provisions of this Declaration, the provisions of Article XVII or the other provisions shall control.

Section 16.03. Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

Section 16.04. Provision That Amendments Conform With Mortgagee Requirements. It is the intent of the Association that this Declaration and the Articles and Bylaws of the Association, and the Properties in general, shall now and in the future meet all requirements necessary to purchase, guarantee, insure or subsidize any mortgage of a Condominium in the Properties by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration, and the Veterans Administration. The Association and each Owner shall take any action or shall adopt any resolutions required by the Association or any Mortgagee to conform this Declaration or the Properties to the requirements of any of these entities or agencies.

ARTICLE XVII

Provisions to Satisfy Lender Requirements

Section 17.01. Mortgage Permitted. Any Owner may encumber his Condominium with a Mortgage.

Section 17.02. 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 Mortgage unless the Mortgagee expressly subordinates its interest, in writing, to such lien. If any Condominium is encumbered by a first Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in the Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the Mortgage. On foreclosure of the Mortgage,

the lien for assessments or the installments that have accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Condominium free of the lien for assessments or installments that have accrued up to the time of the foreclosure sale. On taking title to the Condominium the foreclosure-purchaser shall be obligated to pay only assessments or other charges levied or assessed by the Association that became due or payable on or after the date the foreclosure-purchaser acquired title to the Condominium. The subsequently levied assessments or other charges may include previously unpaid assessments, provided all Owners including the foreclosure purchaser and his successors and assigns are required to pay their proportionate share as provided in this clause.

Section 17.03. Restriction on Certain Changes. In addition to the requirements of Article XVI, unless two-thirds (2/3) of the holders of first mortgages (based upon one (1) vote for each mortgage or deed of trust owned), or two-thirds (2/3) of the Owners of the individual Units in the project have given their prior written approval, neither the Association nor the Owners shall be entitled:

(a) By act or omission to seek to abandon or terminate the Condominium project, except for abandonment provided by statute in case of substantial loss to the Units and Common Area.

(b) To change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner, or to change the pro rata interest or obligations of any Condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Owner in the Common Area provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner.

(c) To partition or subdivide any Unit.

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

(e) To use hazard insurance proceeds for losses to Units or Common Area improvements in the development or to any other Association property, for other than the

repair, replacement, or reconstruction of such improvements or property except as provided by statute in case of substantial loss to the Units or Common Area of the Project.

(f) By act or omission to change, waive, or abandon the provisions of this Declaration, or the enforcement of any of them, pertaining to architectural design or control of the exterior appearance of structures in the development, the maintenance of the Common Area, walks, fences, and driveways, or the upkeep of lawns and plantings in the Project.

(g) To fail to maintain fire and extended coverage insurance on insurable Association property, including any Common Area improvements, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

Section 17.04. Mortgagee's Right to Examine Books and Records. Institutional first Mortgagees shall have the right to examine the books and records of the Association and the right to require the submission of financial data concerning the Association, including annual audit reports, budgets, and operating statements as furnished to the Owners. Such audits and financial statements shall be furnished free of charge to such requesting Mortgagee and shall be furnished within a reasonable amount of time following such request.

Section 17.05. Priority in Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of institutional first Mortgagees of Condominiums pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the development 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 institutional first Mortgagees, naming the Mortgagees as their interests may appear.

Section 17.06. Status of Amenities. All amenities (such as parking, recreation, and service areas) and Common Area shall be available for use by Owners, their tenants and guests as set forth in this Declaration, and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities shall be owned (a) in fee by the Owners in undivided interests or (b) by the Association free of encumbrances except for any easements granted

for public utilities or for other public purposes consistent with the intended use of such property by the Owners, their tenants and guests or by the Association.

Section 17.07. Payments by Mortgagees. Mortgagees of Condominiums may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Area improvements or other insured property of the Association and, upon making any such payments such Mortgagees shall be owed immediate reimbursement from the Association, provided that said lender(s) have given notice to the Association prior to the making of such payment(s) and the Association has failed to pay the same. This provision shall constitute an agreement by the Association for the express benefit of all Mortgagees and, upon request of any Mortgagee, the Association shall execute and deliver to such Mortgagee a separate written agreement embodying this provision.

Section 17.08. Effect of Breach of Declaration on Mortgagee.

(a) Lien Not Invalidated. No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

(b) Mortgagee Need Not Cure Breach. Any Mortgagee who acquires title to a Condominium by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is noncurable or of a type that is not practical or feasible to cure.

Section 17.09. Status of Loan to Facilitate Resale. Any first mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed in lieu of foreclosure or by an assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of mortgages under this Declaration.

Section 17.10. Right to Appear at Meetings. Because of its financial interest in the Project, any Mortgagee may appear (but cannot vote) at meetings of Owners and the Board to draw attention to violations of this Declaration that have not been corrected or that have been made the subject of remedial proceedings or assessments.

Section 17.11. Right to Furnish Information. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

Section 17.12. Right to First Refusal Inapplicable to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Condominium shall be granted to the Association without the written consent of any Mortgagee of the Condominium. Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other person, firm, or entity) shall not impair the rights of a first Mortgagee (a) to foreclose or take title to a Condominium pursuant to the remedies provided in the mortgage; or (b) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the mortgage; or (c) to sell or lease a Condominium acquired by the Mortgagee.

Section 17.13. Notice of Action. Upon written request to the Association, identifying the name and address of the Eligible Mortgage Holder or Eligible Insurer or Guarantor, and the Unit number or address, such Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of: (a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Condominium on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable; (b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (c) any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in Section 17.03 of this Declaration.

Section 17.14. Limitation on Term of Management Contract. Any agreement for professional management by a manager shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days' written notice or the same for cause on thirty (30) days' written notice and shall have a maximum contract term of one (1) year, provided that the Association can renew any such contract on a year-to-year basis.

Section 17.15. Control if Mortgagee Protections Conflict With Other Provisions. In the event of any conflict between any of the provisions of this Article XVII and any other provisions of this Declaration, the provisions of this Article XVII shall control.

ARTICLE XVIII

Notices

Section 18.01. Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

If to any Owner:	To the street address of Condominium or to such other address as he may from time to time designate in writing to the Association.
If to the Association:	At such address as the Association may from time to time designate by resolution.
If to a Mortgagee:	To the last known address of the Mortgagee as shown in the Official Records of Santa Clara County or as specifically designated by the Mortgagee, in written notice to the Association.

Section 18.02. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-owners of any Condominium, to any general partner of a partnership which is the Owner of record of the Unit, or to any officer or agent for service of process of a corporation which is the Owner of record of the Unit, shall be deemed delivered to all such co-owners, to such partnership, or to such corporation, as the case may be.

Section 18.03. Deposit in U. S. Mails. All notices and demands served by mail shall be by first class mail, with postage prepaid, and shall be deemed delivered twenty-four hours (24) after deposit in the United States mail in Santa Clara County, California.

ARTICLE XIX

General Provisions

Section 19.01. Construction and Severability; Singular and Plural; Titles.

(a) Restrictions Construed Together. All of the covenants, conditions and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Properties as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) Restrictions Severable. Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

(e) Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision of the Declaration shall not constitute a waiver of the right to enforce the provision thereafter.

Section 19.02. No Discriminatory Restrictions. No Owner shall execute or cause to be recorded any instrument that imposes a restriction upon the sale, leasing, or occupancy of his Unit on the basis of race, sex, marital status, national ancestry, color, or religion.

Section 19.03. Notification of Sale. Concurrently with the consummation of sale of any Condominium under circumstances where the transferee becomes an Owner of the Condominium, or within five (5) business days thereafter, the transferee shall notify the Association in writing of such sale. Such notification shall set forth the name of the

transferee and his Mortgagee and transferor, the common address of the Condominium purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Before the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board, or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to the transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Association. Notices shall be deemed received twenty-four (24) hours after mailing if mailed to the transferee, or to his transferor if the Association has received no notice of transfer as above provided.

Section 19.04. Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, whether or not this Declaration is referred to in the deed to a Unit.

Section 19.05. No Fixed Term. This Declaration shall continue in full force and effect until the Project is partitioned as authorized in Article II, Section 2.03, or until this Declaration is revoked pursuant to Article XVI.

Section 19.06. Conflicts Between Documents. The terms and provisions set forth in this Declaration are not exclusive, as Owners are also subject to the terms and provisions of other Association Management Documents, including the Articles of Incorporation, Bylaws, Rules and Regulations, and Architectural Standards. In the event of a conflict between any provisions of any of said Association Management Documents with the provisions of any other Association Management Documents, the order of superiority of such documents shall be (a) Articles of Incorporation, (b) Declaration of Covenants, Conditions and Restrictions, (c) Bylaws, (d) Architectural Standards, and (e) Association Rules and Regulations, and the provisions of any such documents shall be

superseded by the provisions of the document shown above to be superior to such document to the extent of such conflict.

Dated: ~~March~~ April 23, 1996

Sierra Square Homeowners Association

By _____
(President)

By _____
(Secretary)

EXHIBIT "A"

ALL OF LOT 1 and 2, as shown on the Map of TRACT NO. 5211, SIERRA VISTA SQUARE, which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on August 9, 1972 in Book 306 of Maps at Pages 21 and 22.

EXHIBIT "B"

Sierra Square Homeowners Association Assessments

All Condominiums of residing and nonresiding Owners shall be assessed each year for the estimated costs attributable to the operation and maintenance of the Association Common Areas and Expenses, including but not limited to the following:

1. Maintenance, Management, Operation, Repair and Replacement of all real property and the improvements thereon which the Association is obligated to maintain pursuant to the provisions of this Declaration.

2. Unpaid assessments.

3. Management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees.

4. To the extent not metered or billed to owners, utilities and services which generally benefit and enhance the value and desirability of the Properties.

5. Premiums on all insurance and fidelity bonds maintained by the Association pursuant to the Declaration (except for fidelity bonds obtained by a management agent for its officers, employees and agents).

6. Reserves for the periodic maintenance, repair and replacement of the improvements maintained by the Association pursuant to this Declaration.

7. Taxes paid by the Association.

8. Discharge of any lien or encumbrance levied against Association property or portions thereof.

9. Security systems or services, if any, installed or maintained by Association.

10. Other expenses incurred by the Association in connection with the Common Area or the cost of any other item or items designated by the Declaration or Bylaws, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

Officers' Certification of Amendment
of
First Restated Declaration of
Covenants, Conditions and Restrictions

We, the undersigned, say:

That we are the duly elected and acting President and Secretary, respectively, of Sierra Square Homeowners Association, a California non-profit mutual benefit corporation, that First Restated Declaration of Covenants, Conditions and Restrictions to which this Certification is attached which amends that certain Declaration of Covenants, Conditions and Restrictions recorded October 31, 1972, in Book 91, Page 301 et seq., File No. 4382504 Official Records of the County Recorder of Santa Clara County, California, has been duly approved by vote of not less than seventy-five percent (75%) of the Members of Sierra Square Homeowners Association pursuant to and as required by Paragraph J10 of said Declaration.

That this Certification is made pursuant to Section 1355 of the Civil Code of the State of California, and is to be recorded together with said First Restated Declaration of Covenants, Conditions and Restrictions in the records of the County Recorder of Santa Clara County, the County in which said common interest subdivision is located.

We declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Sierra Square Homeowners Association

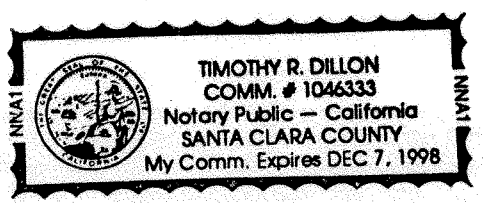
Ronald J. Roth
(President)

Suzy L. O'Connor
(Secretary)

State of California)
) ss
County of Santa Clara)

On ~~March~~ April 23, 1996, before me, the undersigned Notary Public, in and for said State, personally appeared Ronald Roth & Mary E. O'Connor personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public
State of California

[seal]