



State
of
California

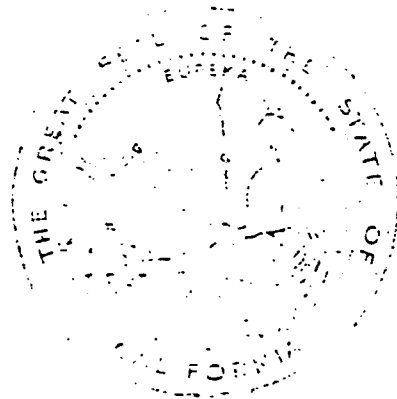
OFFICE OF THE SECRETARY OF STATE

I, *MARCH FONG EU*, Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

OCT 10 1984



March Fong Eu

Secretary of State

GERALD B. FERRARI
A PROFESSIONAL CORPORATION
ATTORNEY AT LAW
LA FERIA BUILDING
SUITE 250-A, 170 STATE STREET
LOS ALTOS, CALIFORNIA 94022
TELEPHONE (415) 948-0800

ENDORSED
FILED
OFFICE OF THE CLERK
OF SUPERIOR COURT
001101884
RECORDED
INDEXED
MAY 11 1994
BY MAR. ANN. BROWN

ARTICLES OF INCORPORATION

OF

KENTFIELD COMMONS HOMEOWNERS ASSOCIATION

I

The name of this corporation is KENTFIELD COMMONS HOMEOWNERS ASSOCIATION (hereinafter sometimes called "the Association").

II

A. This corporation is a non-profit mutual benefit corporation organized under the Non-Profit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

b. The specific purpose of this corporation is to provide for the management, maintenance, care, administration, preservation and architectural control of the Units, Common Area and improvements from time to time constructed within that certain parcel of real property in the City of Redwood City, County of San Mateo, State of California, more particularly described as the Subdivision Map entitled, "KENTFIELD COMMONS, CITY OF REDWOOD CITY, COUNTY OF SAN MATEO, CALIFORNIA".

Said management, maintenance, care, administration, preservation and architectural control is to be accomplished according to the terms and provisions set forth in that certain Declaration of Covenants, Conditions & Restrictions (hereinafter referred to as "the Restrictions") recorded or to be recorded with respect to the above-described real property in the Office of the Recorder of the County of San Mateo, State of California. Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purpose of this corporation.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

Gregory Erickson
350 Bridge Parkway
Redwood City
California 94065

IV

This Corporation is intended to qualify as a "homeowners association" as that term is used in Section 528(c) of the Internal Revenue Code and as a corporation exempt from tax under Section 23701(t) of the California Revenue and Taxation Code, and the Corporation shall engage in no activity that would cause it to fail to be exempt from taxation by virtue of those Sections, except such taxes as may be levied upon the Corporation's "homeowners association taxable income," if any, according to the provisions of those Sections.

V

No part of the net earnings of the Association shall inure to the benefit of any private individual (except through acquiring, constructing, or providing management, maintenance, care, administration, preservation and architectural control of the property held by the Association, or commonly held by the members of the Association, or located in the development and owned by members of the Association, or through rebates of excess membership dues, fees or assessments).

In the event of the dissolution, liquidation, or winding up of this corporation for any reason whatsoever, after paying or adequately providing for the debts and obligations of the corporation, the governors or persons in charge of the liquidation shall divide the remaining assets among the members in accordance with each member's obligation to pay maintenance assessments.

Until the Class B membership becomes Class A memberships, these Articles of Incorporation may be amended only by a resolution of a majority of the Board of Directors who shall be known as the Board of Governórs and by the vote or written consent of fifty-one percent (51%) of the voting power of each class of membership. When all memberships become Class A memberships, these Articles may be amended only by resolution of a majority of the Board of Directors and by the vote or written consent of fifty-one percent (51%) of the total voting power of the Association and fifty-one percent (51%) of the votes of the members other than Grantor, as defined in the Restrictions. However, the percentage of a quorum or of the voting power of the Association or of members other than Grantor necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Dated: 10/9/84

[Handwritten Signature]
GREGORY ERICKSON

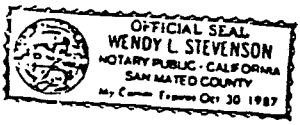
I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

[Handwritten Signature]
GREGORY ERICKSON

STATE OF CALIFORNIA
COUNTY OF San Mateo

On this 9th day of October, in the year 1984
before me, Wendy L. Stevenson, a Notary Public, State of California,
duly commissioned and sworn, personally appeared Gregory J. Erickson
personally known to me (or proved to me on the basis of satisfactory evidence) to be
the person whose name is subscribed to this instrument, and acknowledged that he executed it
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal
in the San Mateo County of San Mateo on the date set forth above
in this certificate.

[Handwritten Signature]
Notary Public, State of California
My commission expires 10/30/87



This document is only a partial form which may be printed for use in simple transactions and does not constitute a substitute for the services of an attorney. The printed form may be used only when the nature of the business is such as to be the legal validity of any provision in the instrument of these forms in any special circumstance.

BY-LAWS

KENTFIELD COMMONS HOMEOWNERS ASSOCIATION

ARTICLE I

DEFINITIONS

Section 1. "Restrictions" shall mean that certain Declaration of Covenants, Conditions and Restrictions filed in the Office of the Recorder of the County of San Mateo, State of California, on _____ in Book ____ at Page ____ and following, as the same may be amended from time to time in accordance with the terms hereof.

ARTICLE II

QUALIFICATIONS FOR MEMBERSHIP

Section 1. Proof of Membership. No person or persons shall exercise the rights of membership until satisfactory proof has been furnished to the Secretary of the Association of qualification as a member pursuant to the terms of the Restrictions and the Articles of Incorporation. Such proof may consist of a copy of duly executed and acknowledged grant deed, contract of purchase, or title insurance policy showing said person qualified in accordance therewith, which said deed, contract, or policy shall be deemed conclusive in the absence of a conflicting claim based upon a later deed, contract, or policy.

Section 2. Membership Inseparable from Ownership. "Owners" (as defined in the Restrictions), including the Declarant, shall be entitled to exercise the rights and privileges of membership in the Association. No person other than an Owner may be a member of the association. Not more than one (1) membership may be issued to any member. Membership shall be appurtenant to and may not be separated from ownership of any Units or Lots which are subject to assessment by the Association.

Section 3. No Additional Qualifications. No initiation fees, costs or dues shall be assessed against any person as a conditions upon his exercise of the rights of membership except such assessments, levies and charges as are specifically authorized under the Articles of Incorporation or the Restrictions.

ARTICLE III

POWERS

Section 1. Exercise of Powers. The corporate powers of the Association shall be vested in, exercised by and under the authority of, and the affairs of the Association shall be controlled by a Board of Governors consisting of three (3) persons. The Board members other than those originally appointed shall be Owners.

ARTICLE IV

MEETINGS

Section 1. Place of Meeting. Regular meetings of the Board of Governors shall be held at a time and at a meeting place fixed by the Board from time to time. The meeting place shall ordinarily be within the subdivision itself unless in the judgement of the Board a lesser meeting room is required than exists within the subdivision in which case the meeting room selected shall be as close as possible to the subdivision. Special meetings of the Board may be held at a place so designated or at the principal office.

Section 2. Organizational Meetings. A regular meeting of the Board of Governors shall be held immediately after each annual meeting of members for the purpose of organization, the election of officers, and the transaction of other business.

Section 3. Regular Meetings. Unless otherwise fixed by the Board regular meetings of the Board of Governors, other than organizational meetings, shall be held monthly, if necessary, but otherwise quarterly on the 1st day of April, June, September and December at 8:00 p.m. Should said date fall on a holiday, then the regular meetings of the Board of Governors shall be held at the same hour but on the next business day thereafter.

Section 4. Special Meetings, How Called. All special meetings of the Board of Governors shall be called by written notice signed by the President, or by any two (2) Governors other than the President.

Section 5. Notice of Special and Regular Meetings. Written notice of the time and place of special meetings and of regular meetings and the nature of any special business to be considered, shall be delivered personally to each governor, or sent to each governor by mail at least five (5) days before the meeting, provided, however, that notice of a meeting need not be given to any governing body member who has signed a waiver of notice or written consent to holding of the meeting. If the address of a governor is not shown on the records and is not readily ascertainable, notice shall be addressed to him at the principal office of the corporation. Notice of the time and place of special or regular meetings and the nature of any special business to be considered shall be posted at a prominent place or places within the Common Area not less than four (4) days prior to the scheduled time of the meeting.

Section 6. Quorum. A majority of the authorized number of governors constitutes a quorum of the Board for the transaction of business.

Every act or decision done or made by the majority of the governors present at a meeting duly held at which a quorum is present, is the act of the Board of Governors unless the law, the Articles, or these By-Laws require a greater number.

In the absence of a quorum, a majority of the governors present may adjourn from time to time until the time fixed for the next regular meeting of the Board.

The Board may, with the approval of a majority of a quorum of its members, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Regular and special meetings of the Board shall be open to all members of the Association provided, however, that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of majority of a quorum of the Board.

KENTFIELD COLONS HOMEOWNERS ASSOCIATION BY-LAWS

ARTICLE V

NOMINATION AND ELECTION OF GOVERNORS

Section 1. Nomination. Nomination for election to the Board of Governors shall be made by a Nominating Committee. Nominations may also be made from the floor at any election. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Governors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Governors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Governors as it shall in its discretion determine, but not fewer than the number of vacancies that are to be filled. Nominations may be made from among members or non-members so long as Class B membership exists. Thereafter, nominations shall only be made from among members.

ARTICLE VI

POWERS AND DUTIES OF BOARD OF GOVERNORS

Section 1. Powers and Duties Set Forth in Restrictions. The Board of Governors shall have the exclusive right and responsibility to perform diligently all of the obligations and functions of the Association as set forth in the Restrictions and shall have all rights of the Association in connection therewith.

Section 2. Accounting for Maintenance Fund. The Board shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles.

Section 3. Other Books and Records. The Board shall cause to be maintained a complete record of all their minutes and acts and of the proceedings of the members. Such records and documents shall be kept and maintained in a manner consistent with reasonably prudent practice which would be applicable to a business for profit.

KENTFIELD COMMONS HOMEOWNERS ASSOCIATION BY-LAWS

Section 4. Appointment and Removal of Officers. The Board shall appoint and remove at pleasure all officers, agents and employees of the Association, prescribing their duties, fixing their compensation and requiring from them security or a fidelity bond for faithful performance of the duties to be prescribed for them to the extent deemed reasonably necessary by the Board or required by the Restrictions.

Section 5. Supervision of Officers. The Board shall supervise all officers, agents and employees of the Association and see that their duties are properly performed.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration and Qualifications of Officers. The officers of this Association shall be a President, Vice-President, Secretary, and a Chief Financial Officer. Said officers shall consist only of members in good standing of the Association. Any member serving as a Governor of the Association may also simultaneously serve as an officer thereof.

Section 2. Term. The officers of this Association, except such officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board and each shall hold his office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer may be removed from office either with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or other cause may be filled in the manner prescribed in the By-Laws for regular appointment to such office. The appointee to such vacated office shall serve the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of Secretary or Assistant Secretary and Chief Financial Officer may be held by the same person. No person shall be appointed to more than one of any of the other offices except in the case of special offices created pursuant to Section 3 of this Article.

ARTICLE VIII

PRESIDENT

Section 1. Election. At their first meeting, the Board shall elect one of their number to act as President.

Section 2. Duties. The President shall:

- (a) preside over all meetings of the members and of the Board;
- (b) sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- (c) call meetings of the Board in accordance with Article IV hereof. The notice period shall, with the exception of emergencies, in no event be less than three (3) days;
- (d) have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE IX

VICE PRESIDENT

Section 1. Election. At its first meeting, the Board shall elect one of its number to act as Vice President.

Section 2. Duties. The Vice President shall:

- (a) act in the place and stead of the President in the event of his absence, inability or refusal to act;

(b) exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE X

SECRETARY AND ASSISTANT SECRETARY

Section 1. Election. At its first meeting, the Board shall elect a Secretary.

Section 2. Duties. The Secretary shall:

- (a) keep a record of all meetings and proceedings of the Board and of the members;
- (b) keep the corporate seal of the Association and affix it on all papers requiring said seal;
- (c) serve such notices of meetings of the Board and the members required either by law or by these By-Laws;
- (d) keep appropriate current records showing the members of this Association together with their addresses;
- (e) sign as Secretary all deeds, contracts and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature unless the Board has authorized another officer to sign in the place and stead of the Secretary by duly adopted resolution.

Section 3. Appointment and Duties of the Assistant Secretary. The Board may, in its discretion, appoint an Assistant Secretary who, in the case of absence, inability or refusal to act on the part of the Secretary, shall perform the duties thereof. The Assistant Secretary shall also perform such other duties as may be required of him by the Board.

ARTICLE XI

CHIEF FINANCIAL OFFICER

Section 1. Election. At its first meeting, the Board shall elect a Chief Financial Officer.

Section 2. Duties. The Chief Financial Officer shall:

- (a) receive and deposit in such bank of banks as the Board may, from time to time, direct all of the funds of the Association;

(b) be responsible for and shall supervise the maintenance of books and records and to account for such funds and other Association assets;

(c) disburse and withdraw said funds as the Board may from time to time direct and in accordance with prescribed procedures.

ARTICLE XII

SUBORDINATE OFFICERS

Section 1. Appointment. The Board may appoint such subordinate officers as it deems desirable from time to time.

Section 2. Duties. Such subordinate officers shall have the duties that the Board may, from time to time, prescribe, including the right to act in the place and stead of such officers, other than the President, as the Board may designate.

ARTICLE XIII

CERTIFICATES OF MEMBERSHIP

Section 1. Issuance of Certificates. The Board of Governors may provide for the issuance of certificates evidencing membership in the Association which shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each member and the date of issuance of the certificate shall be entered on the records of the corporation maintained by the Secretary. If the certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board may direct.

ARTICLE XIV

INSPECTION OF BOOKS AND RECORDS

Section 1. The Board shall establish reasonable rules with respect to:

- (a) Notice to be given to the custodian of the records by the member desiring to make the inspection;
- (b) Hours and days of the week when such an inspection may be made; and
- (c) Payment of the cost of reproducing copies of documents requested by a member.

Every Governor shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association. The right of inspection by a Governor includes the right to make extracts and copies of documents.

ARTICLE XV

MISCELLANEOUS

Section 1. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: KENTFIELD COMMONS HOMEOWNERS ASSOCIATION, INCORPORATED

19

Section 2. Amendment of these By-Laws. Until the Class B membership becomes Class A membership, these By-Laws may be amended only by the vote or written consent of fifty-one percent (51%) of the voting power of each class of membership. When all memberships become Class A memberships, these By-Laws may be amended only by the affirmative vote or written consent of members representing fifty-one percent (51%) of the voting power of the Association and fifty-one percent (51%) of the voting power of the Association vested in members other than Declarant. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 3. Regular Meeting. There shall be a regular meeting of members on the first Tuesday of each March of each year at 7:30 p.m. within the subdivision or at a meeting place as close thereto as possible or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Board delivered to the members not more than sixty (60) days nor less than ten (10) days prior to the date fixed for said meeting.

Section 4. Action without a Meeting. The Board of Governors may take actions without a meeting if all of its members consent in writing to the action to be taken. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted in a prominent place or places within the common area within three (3) days after the written consents of all the Board have been obtained.

KENTFIELD COMMONS HOMEOWNERS ASSOCIATION BY-LAWS

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of the Association known as Kentfield Commons Homeowners Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Governors of said Association on the _____ day of _____, and that they now constitute said By-Laws.

JAMES W. SIEVERS, Secretary

MAIL TO: FIRST AMERICAN
555 MARSHALL ST
Redwood City, CA
Att: Susan Mills

DECLARATION OF THE ESTABLISHMENT OF COVENANTS, CONDITIONS
AND RESTRICTIONS WITH RESPECT TO LAND IN
SAN MATEO COUNTY, CALIFORNIA

TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
1. Lots, Common Area and Easements	1
2. Definitions	5
3. Covenants to Run With the Land	6
4. Association	6
5. Voting Rights	7
6. Meetings of Members	8
7. Notices	9
8. Election and Tenure of Board of Directors	9
9. Authority of Board	11
10. Insurance	16
11. Duties of First Governors	18
12. Board's Powers Exclusive	18
13. Owner's Obligation to Repair	18
14. Maintenance Fund	18
15. Default in Payment of Assessments	23
16. Mortgage Protection	25
17. Architectural Control Committee	26
18. Alterations, Additions and Improvements of Residences	27

5501115

19. Delegation to Manager	28
20. Entry for Repairs	28
21. Damages to or Destruction of Residences	29
22. Partition	29
23. Taxes and Assessments	30
24. Condemnation	30
25. Limitation of Liability of Board of Governors	31
26. Indemnification of Board of Governors	32
27. Inspection of Association's Books and Records	32
28. Use of Lots and the Common Area	33
29. Action on Common Area Bond	36
30. City Requirements	37
31. Acceptance of Common Area Improvements by the Board	38
32. Amendment	41
33. Declarant's Pre-Completion Assessment Exemption	42
34. Gender or Number	42
35. Interpretation	42
36. Severability	43
37. Term	43

85011118

DECLARATION OF THE ESTABLISHMENT OF COVENANTS, CONDITIONS
AND RESTRICTIONS WITH RESPECT TO LAND IN
SAN MATEO COUNTY, CALIFORNIA

Kentfield Partners, a limited partnership, hereinafter referred to as "Declarant," is the owner of all that certain real property situate in the City of Redwood City, County of San Mateo, State of California, described as follows:

Lots 23 through 29, inclusive, in Block B; Lots 1 through 5, inclusive, in Block I; Lots 4 through 19, inclusive, in Block K; Lots 4 through 12, inclusive, in Block L, and C.A. (Common Area) "D", "J", "K", "L", "M", "N", "S", "O", "Q", "T" and "T" inclusive, as shown upon the Subdivision Map entitled "KENTFIELD COMMONS", CITY OF REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA, which Map was filed for record in the Office of the Recorder of the County of San Mateo in Book 112 of Maps at Pages 49, 50, 51 and 52 (hereinafter referred to as "the Map");

WHEREAS, it is Declarant's intention of subjecting said real property to certain covenants, conditions and restrictions and of developing said real property pursuant to a general plan and scheme in order to carry out a uniform plan of development. Declarant desires and intends to subdivide the hereinbefore described real property by means of deeds similar in form to the one attached hereto, marked Exhibit A (hereinafter called "the deed") and to impose thereon mutually beneficial restrictions under a general plan or scheme of improvement for the benefit of all said Lots, the structures thereon and the future Owners thereof:

NOW, THEREFORE, IT IS DECLARED that all of the real property hereinbefore described is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to and restricted for the benefit of all said real property to the covenants, conditions and restrictions hereinafter set forth, which shall constitute mutual equitable servitudes and rights which shall run with the land for the benefit of all of the real property hereinbefore described and shall be binding upon any future Owner of an interest in said property.

1. Lots, Common Area, Easements, and Phasing. In order to permit the orderly use and occupancy of residence buildings and surrounding area, in order to permit the development of a residential scheme, in order to permit pedestrian and

KENTFIELD COMMONS

vehicular ingress and egress and to provide freedom of movement through portions of said real property, it is necessary that certain Lots and Common Areas be established as follows:

(a) There are hereby established one hundred seventy-one (171) parcels on the Map showing locations, sizes, and boundaries of each parcel as follows:

The "numbered parcels" are:

- Block A, Lots 1 through 6, inclusive;
- Block B, Lots 1 through 29, inclusive;
- Block C, Lots 1 through 14, inclusive;
- Block D, Lots 1 through 15, inclusive;
- Block E, Lots 1 through 20, inclusive;
- Block F, Lots 1 through 5, inclusive;
- Block G, Lots 1 through 6, inclusive;
- Block H, Lots 1 through 7, inclusive;
- Block I, Lots 1 through 5, inclusive;
- Block J, Lots 1 through 10, inclusive;
- Block K, Lots 1 through 22, inclusive;
- Block L, Lots 1 through 12, inclusive.

The "lettered parcels" are C.A. "A" through "T", inclusive.

(b) The lettered parcels are hereby declared to be the Common Areas.

(c) All the parcels, whether unimproved or improved with a structure, shall be affected by and subject to the Covenants, Conditions, and Restrictions in this Declaration (hereinafter referred to as "Restrictions").

(d) There are hereby created the following easements for the benefit of the Owners over the Common Area:

(i) The right of pedestrian and vehicular ingress and egress to and from each of the numbered Lots.

(ii) The right to use the Private Streets on C.A. "A", "B", "C", "D", and "E" for street and driveway purposes.

(iii) The right to use, occupy and enjoy C.A. "F", "G", "H", "J", "K", "M", "O", "P", "Q", "R" and "S".

(iv) The right to construct, maintain and operate utilities within the Public Service Easements designated on the map.

(v) The right to construct, maintain and operate through, in or across the Common Area public or private sewers, storm drains or pipes for water and gas mains, wires and conduits for the transmission of electricity for lighting, power, telephone, cable TV, antennae and other purposes and for the necessary attachments in connection therewith, and the right to construct any public or quasi-public utility through, in or across such Common Area. Said right shall be exercised along the shortest and most convenient route between each Lot and the nearest public utility line or lines without interfering with any of the other improvements in the Common Area and only with written permission of the Board of Governors.

KENTFIELD COMMONS

(a) Each of the above easements are declared to be appurtenant to the numbered Lots and any conveyance of a Lot or a portion thereof unaccompanied by a like conveyance of a corresponding appurtenant easement over the Common Area shall nevertheless convey such easement by reason of its appurtenance; and any conveyance of any such easement unaccompanied by a like conveyance of a corresponding interest in a Lot shall be void.

The KENTFIELD COMMONS SUBDIVISION will be developed in five phases. The residential lots and common areas in each phase are as follows:

PHASE NUMBER	RESIDENTIAL LOT NUMBERS	COMMON AREAS
1	Lots 23-29, inclusive, in Block B, Lots 1-5, inclusive, in Block I, Lots 4-19, inclusive, in Block K, Lots 4-12, inclusive, in Block L.	C.A. "D", "J", "K", "L", "M", "N", "S", "O", "Q", "R" and "T".
2	Lots 15-22, inclusive, in Block B, Lots 1-7, inclusive, in Block H, Lots 1-10, inclusive, in Block J, Lots 1-3, inclusive, and Lots 20-22, inclusive, in Block K, Lots 1-3, inclusive, in Block L.	C.A. "C", "E", and "P".
3	Lots 9-14, inclusive, in Block B, Lots 1-6, inclusive, in Block D, Lots 5-20, inclusive, in Block E, Lots 1-3, inclusive, in Block F, Lots 1-6, inclusive, in Block G.	C.A. "B", "H", and "T".
4	Lots 1-6, inclusive, in Block A, Lots 1-8, inclusive, in Block B, Lots 1-14, inclusive, in Block C, Lots 7-15, inclusive, in Block D.	C.A. "A", "F", and "G".
5	Lots 1-4, inclusive, in Block E, Lots 4 and 5, in Block F.	

The real property which initially shall be held, used, leased, sold and conveyed subject to these Restrictions is Phase 1.

In addition to owning the real property in Phase 1, Declarant is the owner of the real property in Phases 2, 3, 4, and 5.

Prior to conveyance of the first lot in Phase 1, Declarant will convey C.A. "D", "J", "K", "L", "M", "N", "O", "Q", "R", "S", and "T" to the KENTFIELD COMMONS HOMEOWNERS ASSOCIATION. Prior to the conveyance of the first lot in Phase 2, Declarant will convey C.A. "E", "C", and "P" to the Association. Prior to

85011118

FENTIFIELD COMMONS

the conveyance of the first lot in Phase 3, Declarant will convey C.A. "B", "H", and "I" to the Association. Prior to the conveyance of the first lot in Phase 4, Declarant will convey C.A. "A", "F", and "G" to the Association.

Declarant hereby reserves to itself, its successors and assigns, the right to, and agrees that it will, grant to the Owners of Lots in each subsequent phase, non-exclusive easements for ingress and egress, for utility services and construction activity over C.A. "A", "B", "C", "D", and "E". By the terms of a Declaration of Reciprocal Covenants and Easements recorded concurrently herewith, if the Owner of record (Record Owner) shall develop or cause to be developed any of the other lots increments, such Record Owner shall have the right to annex such additional real property to Phase 1, and to bring such real property within the general plan and scheme of these Restrictions without approval of the Association, its Board of Governors, or members; provided, however, the proposed annexation must be in substantial conformance with a detailed plan of phased development submitted to the commissioner with the application for a public report for the first phase of the subdivision and must be effected prior to the third anniversary of the original issuance of the most-recently-issued public report for a phase of the development, or otherwise upon the vote or written assent of not less than 66-2/3% of the total votes residing in Association members for the first and all annexed phases other than the subdivider.

If a rental program conducted by Declarant for the use and occupancy of residential units of a phase to be annexed is in effect for a period of at least one year prior to the closing of escrow of the first sale in such a phase, Declarant will pay to the association concurrently with such closing such appropriate amounts for reserves for replacement or for deferred maintenance of common area improvements in the to be annexed phase necessitated by or arising out of such use and occupancy. A copy of a written commitment by Declarant pursuant to the Real Estate Commissioner's Regulation 2792.27(b)(5) to do so will be submitted to the Association at or before recordation of the Declaration of Annexation.

85011118

KENTFIELD COMMONS

In the event that the second, through fifth phases, inclusive, or any of them, are not annexed to the project, and subdivision interests are developed and sold or leased to persons whose use and occupancy thereof results in use of the private streets and or utilities within C.A. "A", "B", "C", "D" or "E", said subdivision interests and the Owners thereof shall be subject to regular and special assessments levied by the Board for the cost of maintenance and repair of said streets and or utilities. The costs of maintenance and repair under such circumstances shall be prorated equally among all the subdivision interests in the project and shall be enforced in the same manner as the assessments provided in Articles 13 and 14 herein. In the event of any disagreement as to the reasonableness of such assessments or the division thereof among the subdivision interests, the matter will be submitted to arbitration under the rules of the American Arbitration Association, with the arbitrator to determine the amount of the assessment against all the subdivision interests.

2. Definitions. "Owner" or "Owners" shall mean the holder or holders of record fee title to a Lot, including Declarant for unsold Lots, provided, however, that said term shall mean contract vendee of any Lot being purchased under a bona fide, duly recorded contract of sale, and not the fee Owner thereof. Owners including Declarant, shall be entitled to exercise the rights and privileges of membership in the Association for themselves for each Lot owned.

"Association" shall mean the KENTFIELD COMMONS HOMEOWNERS ASSOCIATION, a California non-profit mutual benefit corporation, membership in which shall be limited to Owners and in which all Owners shall have a membership interest.

"Member" shall mean the holder or, collectively, the holders of a membership in the Association.

"Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense.

8501118

KENTFIELD COMMONS

"Mortgagee" shall mean and include a beneficiary under or holder of a deed of trust as well as a mortgagee.

"Board" or "Board of Governors" shall mean the governing body of the project elected pursuant to Article 8 hereof.

"Residence" shall mean the residential improvements built or to be built pursuant to a planned unit development on the lots to be sold to Owners.

3. Covenants to Run With the Land. In the event of any conveyance of any portion of the property subject to these covenants, conditions and restrictions, each grantee shall accept the same subject to all of the covenants, conditions and restrictions herein and each shall agree to be bound by the same. The burdens imposed by the covenants, conditions and restrictions in this Declaration are to be imposed upon the grantees of all Lots, will constitute a general scheme for the benefit of all Owners, and will be imposed upon grantees by express covenants in deeds they receive and shall constitute covenants running with the land or equitable servitudes on the land, as the case may be, and are intended to and shall be binding upon any future Owner of an interest in the herein described property. Any breach or interference with any of the rights or benefits herein established may be enjoined or abated by appropriate proceedings by Declarant, its successors in interest or any other Owner. Failure to enforce any condition or covenant herein contained shall not constitute a waiver of the right to do so thereafter.

4. Association. All Owners shall be members of a California non-profit mutual benefit corporation to be known as KENTFIELD COMMONS HOMEOWNERS ASSOCIATION, for the purpose of regulating and conducting the business affairs of the development. It was created by Articles of Incorporation and its affairs are governed in accordance with its By-Laws.

There shall be no dissolution of the Association until the partition of the Common Area as provided in Article 22 hereof. There shall be no sale or development of land owned in common (except for sale of individual Lots).

8501118

KENTFIELD COMMONS

Each Owner, including Declarant, by virtue of being an Owner and for so long as he is an Owner, shall be a member of the Association. Where there is more than one record Owner, any or all of such persons may attend any meeting of the Owners, but it shall be necessary for those present to act unanimously in order to cast the vote to which they are entitled. Any designation of an agent to act for such persons must be signed by all such persons.

There shall be no judicial partition of the Common Area, or any part thereof, nor shall any such member or other person acquiring any interest in said property, or any part thereof, seek any such judicial partition.

5. Voting Rights. Voting rights attributable to subdivision interest shall not vest until assessments against those interests have been levied by the Association. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be Owners, with the exception of Declarant, and shall be entitled to one (1) vote for each Lot owned by such Owner on all matters properly submitted for vote to the members of the Association.

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

- (a) when the total votes outstanding in Class A membership equal the total votes outstanding in the Class B membership; or
- (b) the second anniversary of the original issuance of the most-recently issued public report for a phase in the development;
- (c) the fourth anniversary of the original issuance of the subdivision public report for a phase of the development.

The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of any Lot to a new Owner, including foreclosure sale, shall operate to transfer the appurtenant vote without the requirement of any express reference thereto.

KENTFIELD COMMONS

Any member entitled to vote may attend and vote at meetings in person, or by proxy holder duly appointed by a written proxy signed by the member and filed with the Secretary. Any proxy shall be for a term not to exceed eleven (11) months unless otherwise expressly provided therein and may be revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of such member or upon termination of such member's status by transfer or conveyance of any Lot to a new Owner.

6. Meetings of Members.

(a) Quorum. The presence, either in person or by proxy, at any meeting of the members having the vote of fifty percent (50%) of members shall constitute a quorum. Unless otherwise expressly provided herein, any action may be taken at any meetings of the members upon the affirmative vote of a majority of the total votes present at such meeting in person or by proxy. If any meeting cannot be held because a quorum is not present, the members present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirements shall be twenty-five percent (25%) of the total voting power of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the manner prescribed for regular meetings. Any action which may be taken by the vote of members at a regular or special meeting, except the election of governing body members where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporations Code.

(b) Organizational Meeting. The first meeting of the Association, whether a regular or special meeting, shall be held within 45 days after the closing of the sale of the subdivision interest which represents the 51st percentile interest authorized for sale under the first public report for the subdivision, but in no event shall the meeting be held later than six (6) months after the closing of the sale of the first subdivision interest.

(c) Annual Meeting. There shall be a meeting of the members on the first Tuesday of March of each year at 7:30 p.m. within the subdivision or at a meeting place as close thereto as possible or time (not more than sixty (60) days before or after such date) as may be designated by written notice of the Board delivered to the members not more than sixty (60) days nor less than ten (10) days prior to the date fixed for said meeting. More than ten (10) days prior to the annual meeting the Board shall deliver to all members an annual operating statement of the maintenance fund, itemizing receipts and disbursements for the preceding fiscal year.

(d) Special Meetings. Special meetings of the members may be called at any time for the purposes of considering matters which, by the terms of these Restrictions, the Articles of Incorporation or the By-Laws, require the approval of all or some of the members, or for any

8501118

LENTFIELD COMMONS

other reasonable purpose. A special meeting shall be promptly scheduled by the Board upon the vote for such a meeting by the Board itself or upon receipt of a written request therefor signed by members representing five percent (5%) of the total voting power of the Association. Written notice of regular and special meetings shall be given to members by the governing body by any means which is appropriate given the physical setup of the subdivision. This notice shall be given not less than ten (10) days nor more than ninety (90) days before the date of any meeting at which members are required or permitted to take any action. The notice shall specify the place, day, and hour of the meeting and, in case of a special meeting, the nature of the business to be undertaken. Special meetings shall be held within the subdivision or as close thereto as possible. Unless unusual conditions exist, members' meetings shall not be held outside the County of San Mateo.

7. Notices. Any notice permitted or required to be delivered as provided herein may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each such person at the address given by such person to the Secretary for the purpose of service of such notice or to the Lot of such person if no address has been given to the Secretary. Such address may be changed from time to time by notice in writing to the Secretary.

8. Election and Tenure of Board of Governors.

(a) Election. The originally appointed Board members shall serve until the organizational meeting at which time the members shall elect a Board of Directors who shall be known as the Board of Governors, consisting of three (3) Association members. All positions on the Board are to be filled at the election.

From the first election of the Board and thereafter for so long as a majority of the voting power of the Association resides in the Declarant, not less than twenty percent (20%) of the incumbents, the "specially elected Governors", on the Board shall have been elected solely by the votes of Owners other than the Declarant. At a special election held immediately before the regular election of Governors at a duly constituted meeting of members nominations for the specially elected Governor shall be made from the floor. When nominations have been closed, the special election shall take place. Declarant shall not have the right to participate in or vote in such special election and the candidate receiving the highest number of votes shall be deemed to be the specially elected Governor and his term shall be the maximum for Governors elected at that meeting.

The three (3) Governors, including the specially elected Governor, receiving the highest number of votes will serve until the next annual meeting. Thereafter, at each annual meeting, the members shall elect Governors to fill the expired terms of the Board of Governors to serve a one (1) year term.

In the case of the death, resignation or removal of a specially elected Governor, his successor shall be elected at a special meeting of members, and the provisions set forth in this Article 8, subsection (a) respecting the election of a specially elected Governor shall apply to the election of a successor.

For all elections in which more than two positions on the governing body are to be filled, if, prior to the voting: (a) the candidate's name has been placed in nomination; and (b) a member has given notice at the meeting of his intention to cumulate votes; the members shall accumulate their votes and give any one or more candidates a number of votes equal to the number of Governors to be elected. He

85011118

may give one candidate all his votes or distribute his votes over two or more candidates in any manner he wishes. The candidates receiving the highest number of votes up to the number of members of the Board to be elected shall be deemed elected. All votes shall be cast by secret written ballot.

(1) Term. Except as provided above in subparagraph (a) members of the Board shall serve for a term of one (1) year commencing on the first day of the month following the meeting at which they are elected or until their respective successors are elected, or until their death, resignation or removal, whichever is earlier; provided, that if any member ceases to be an Owner, his membership on the Board shall thereupon terminate and, provided further that if the election is held at a meeting after April 1, the Board terms shall commence on the date of such meeting.

(2) Resignation. Any member may resign at any time by giving written notice to the Secretary.

(3) Proceedings. Two (2) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. The Board shall elect a President who shall preside over both its meetings and those of the Owners. Meetings of the Board may be called and held as prescribed in the By-Laws.

(4) Notice of Election. Any two (2) persons who are designated of record as being members of the most recent Board may execute, acknowledge and record an affidavit stating the names of all of the members of the then current Board. The most recently recorded affidavit shall be prima facie evidence that the persons named therein are all the incumbent members of the Board and shall be conclusive evidence thereof in favor of all persons who rely thereon in good faith.

(b) Vacancies. A vacancy in the Board of Governors exists in case of the happening of any of the following events:

- 1) The death, resignation or removal of any Governor;
- 2) The authorized number of Governors is increased; or
- 3) At any annual, regular or special meeting of members at which any Governor is elected, the members fail to elect the full authorized number of governors to be voted for at the meeting.

Except with the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant, the Board is prohibited from filling a vacancy on the Board created by the removal of a Board member. Otherwise vacancies may be filled by a majority of the remaining governors, though less than a quorum, or by a sole remaining governor. Each governor so elected shall hold office until his successor is elected at an annual, regular or special meeting of the members.

The members may elect a Governor any time to fill any vacancy not filled by the Governors. If the Board of Governors accepts the resignation of a governor tendered to take effect at a future time, the Board or the members may elect a successor to take office when the resignation becomes effective. A reduction of the authorized number of governors does not remove any governor prior to the expiration of his term of office.

85011118

(c) Removal of Governors. The entire Board of Governors may be removed from office by a vote of members holding a majority of the outstanding memberships entitled to vote at an election of governors, provided a Board member who has been elected solely by the vote of members of the Association other than Declarant may be removed from Office prior to the expiration of his term of office only by the vote of at least a simple majority of the voting power residing in members other than Declarant. In any other situation, unless the entire governing body is removed from office by the votes of members of the Association, no individual governing body member shall be removed prior to the expiration of his term of office if the votes cast against removal would be sufficient to elect the governing body member if voted cumulatively at an election at which the same total number of votes were cast and the entire number of governing body members authorized at the time of the most recent election of the governing body member were then being elected. If any or all governors are so removed, new governors may be elected at the same meeting.

9. Authority of the Board. The Association shall have all of the powers set forth in the Articles of Incorporation together with its general powers as a California non-profit mutual benefit corporation, generally to do any and all things that a corporation organized under the laws of California may lawfully do in operating for the benefit of its members, subject only to the limitations upon exercise of such powers as are expressly set forth in the Articles, the By-Laws and these Restrictions, and to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of these Restrictions 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 or for the peace, health, comfort, safety and/or general welfare of the Owners and their guests.

Without in any way limiting the generality of the foregoing, the Board shall have the following authority, duties and powers to be exercised for the benefit of the Lots and Owners:

(a) To levy monthly assessments in advance for maintenance and other purposes as hereinafter provided (Maintenance includes maintenance of storm drainage grading within storm drainage easements as shown on lots 1, 2, 3, and 4, block B (S.D.E. on the map), as such grading is established by fill slopes or other provisions on the improvement plans applicable to the development of Kentfield Commons);

(b) To create assessment funds into which the Board shall place all sums collected by assessment or otherwise, such funds to be used and expended for the purposes herein set forth;

(c) To increase the annual assessment or vote a special assessment in excess of that amount if required to meet any necessary additional expenses, subject to Article 14 (1) and (2);

(d) To use and expend the assessments collected to manage, paint, maintain, repair and/or replace, care for and preserve the grounds and improvements located on the Common Area and all its facilities, improvements and landscaping, including the private streets, curbs, sidewalks, pavement, pavement markings, traffic and street signs, lighting system for private streets including parking areas, the storm drainage system within the private streets and other common areas to closest outlet points in public streets, sanitary sewer facilities to connections in public service easements or public streets, water lines from city meters to points of use, and landscaping irrigation, to a standard of maintenance comparable to the condition of original installation as approved by the city. (The City of Redwood City shall operate and maintain the sanitary sewer system and water system within "Public Service Easements" up to and including the sanitary sewer cleanouts and water meters at the property line of the individual numbered lots). The Board shall determine, in its absolute discretion, when such painting, maintenance or repairs shall be necessary;

(e) To pay taxes and assessments levied and assessed against the real property or jointly owned personal property (except taxes or assessments assessed to the separate Lots) and to pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance;

(f) To pay for all public utilities (except for utilities individually metered to separate Lots), legal and accounting services necessary in the proper operation of the Common Area or the enforcement of these Restrictions, insurance and other expenses;

(g) To repair and replace common facilities, machinery and equipment, and to maintain the street lights on the private streets and the on site storm drainage system including any required subdrains;

(h) To insure and keep insured all jointly owned personal property, any buildings or other improvements erected upon the Common Area against destruction by fire and other casualties;

(i) To collect delinquent assessments by suit or otherwise and to commence and maintain actions for damages or by court action to restrain or enjoin any actual threatened breach of any provision of these Restrictions or of the Articles of Incorporation or By-Laws, or of the Association rules or Board resolutions and to enforce by mandatory injunction, or otherwise, all of these provisions and to compromise and settle claims or controversies, provided the Board shall not compromise or settle any claim in an amount in excess of Ten Thousand Dollars (\$10,000.00) without vote or written consent of a majority of the voting power.

(j) To employ the services of a person or firm to manage the affairs of the Association herein called the "Manager" to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the Manager; provided, however, any contract for such services must provide for termination: (1) for cause upon thirty (30) days written notice by the Association; (2) by either party without cause or payment of a termination fee on ninety (90) days or

85011118

KENTFIELD COMMONS

less written notice; and (3) shall be limited in duration to one (1) year unless a longer period is approved by a majority of the members of the Association other than Declarant. The Board may delegate any of its duties, powers or functions to the Manager (except the power to levy fines, hold hearings, impose discipline, make capital expenditures, file suit, record a claim of lien, and foreclose for failure to pay assessments) providing such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board. In the absence of any appointment, the President of the Association shall act as Manager;

(k) To enter into contracts subject to the limitations in subparagraph (y) of this Article, except that neither the Board nor any officer may encumber or dispose of any interest of any Owner except in order to satisfy a judgment against such Owner for violation of these Restrictions or the deeds to grantees;

(l) To make reasonable rules and regulations concerning the use of the herein described real property and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Owners when the Board has approved them in writing; a copy of such rules and regulations and all amendments shall be delivered to each Owner prior to the time when the same shall become effective;

(m) To impose fines of up to Fifty Dollars (\$50.00) each for violations of these Restrictions or said rules and regulations, after notice and a hearing satisfying the minimum requirements of Section 7341 of the Corporations Code, prior to any decision to impose discipline;

(n) To landscape and maintain the gardens on the numbered Lots and on the area between the back of sidewalk and the right-of-way in public streets along Kentfield Road and Horgan Avenue within the boundaries of the development. The Association's landscape and maintenance obligation shall extend only to the care of the open areas of the numbered lots. It shall include cultivating, weed control, cutting, edging, watering, fertilizing and pruning of lawns, trees and shrubs. Such maintenance is to be performed to no less standard than utilized by the City of Redwood City for its parks, buildings and streets. All maintenance and landscaping within enclosed patio or yard areas shall be the obligation and expense of the Lot Owner.

(o) To acquire and pay for out of the assessment fund any materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments, which the Board is required to secure or pay for pursuant to the terms of these Restrictions or by law, or which in its opinion shall be necessary or proper for the operation of the Common Area or for the enforcement of these Restrictions, provided that if any such materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments are provided for particular Lots, after written notice to the Owner of time and place of hearing and an opportunity to be heard before the Board, the cost thereof shall be specially assessed the Owners of such Lots;

(p) To pay any amount necessary to discharge any lien or encumbrance levied against the entire property or any part thereof which constitutes a lien against the Common Area. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the costs of discharging it, and any costs

STANTFIELD COMMONS

incurred by the Board by reason of said lien or liens shall be specially assessed to said Owner, after notice and a hearing satisfying the minimum requirements of Section 7341 of the Corporations Code prior to any decision to impose discipline;

(q) The responsibility of the Association for maintenance and repair shall not extend to repairs or replacement 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. If, in the opinion of the Board, any Lot is in need of maintenance or repair to protect the Common Area or to preserve property values, the Board may give written notice to an Owner of the necessity of the Owner's duty to perform such maintenance or repair. If said Owner has failed and refused to perform the required maintenance or repair and within a reasonable time, after notice and a hearing, satisfying the minimum requirements of Section 7341 of the Corporations Code, the Board may seek a judgment of any court of competent jurisdiction or may file an arbitration proceeding with the American Arbitration Association. After judgment or arbitration decision favorable to Association, the Board may acquire and pay out of the assessment fund any materials, supplies, labor, services, maintenance, repairs or structural alterations as are authorized by the judgment or arbitration decision and shall levy a reimbursement charge against the Lot of such Owner for the expenses and for all costs of litigation, including court cost, arbitration fees and attorneys' fees actually incurred prior to any decision to impose discipline;

(r) The vehicular and pedestrian circulation system (including parking spaces) shall remain irrevocably as "private streets"; provided, however, the City is hereby granted an irrevocable right of access over such vehicular circulation system. The maintenance of such circulation system including curbs, sidewalks, pavement, pavement markings, traffic and street signs, street lighting system, storm drainage system, and accessories shall be irrevocably the responsibility of the Association.

(s) To dedicate, transfer or grant licenses to 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 upon by the members. No such dedication, transfer or grant of license shall be effective unless an instrument signed by two-thirds (2/3) of members (including a majority of the voting power of the Association residing in members other than Declarant) agreeing to such dedication, transfer or grant of license has been recorded;

(t) To engage legal, accounting and management services for the Common Area;

(u) To expend funds, including court costs and attorneys' fees for enforcing these Restrictions within the limits set forth in Article 14 (1), (2), and Section y of Article 9;

(v) The Association may, at its option, retain a Manager as it deems necessary and proper;

(w) Unless two-thirds (2/3) of the first mortgagees (based upon one vote for each first mortgage owned) or Owners (other than the Declarant) have given their prior written approval, the Association shall not be entitled to:

85011118

KENTFIELD COMMONS

(1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by the Association as common property for the benefit of the Lots; provided, however, the granting of easements for public utilities or for other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause;

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residences, the maintenance of common property party walls, or the upkeep of lawns and plantings in the development;

(4) Fail to maintain Fire and Extended Coverage on insurable development common property 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);

(5) Use hazard insurance proceeds for losses to Residences or to any common property for other than the repair, replacement or reconstruction of such improvements;

(x) To delegate any of its powers or functions to the officers of the Association or to committees of Association members, or subject to Article 19, to the person or firm acting as Manager;

(y) The Board shall not, except with the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant:

(1) Enter into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Owner's Association for a term longer than one (1) year with the following exceptions:

(A) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(B) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(C) Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits for short rate cancellation by the insured.

(2) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(3) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

LENTFIELD COMMONS

(4) Pay compensation to members of the governing body or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the governing body may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association;

(z) To elect officers of the Association and to fill vacancies on the Board except the Board shall not fill a vacancy created by removal of a Board member.

10. Insurance. The Association (or Declarant until the election of the first Board) shall purchase and maintain the following insurance policies:

(a) A master blanket comprehensive liability bodily injury and property damage policy insuring the interest of the Association, its Board, any manager, the Declarant and the Owners and occupants (including guests, invitees, agents and employees of each) against public liability as a result of their ownership or use of the Common Area or any other Association owned or maintained real or personal property with a combined single limit of not less than One Million Dollars (\$1,000,000.00) per occurrence (such limits and coverage shall be reviewed at least annually by the Board and increased at its discretion). Such policy shall:

(i) be maintained with respect to the Common Area and the buildings or structures owned in common by the Owners;

(ii) provide for cross liability endorsement wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured;

(iii) contain a special endorsement for directors and officers liability;

(iv) contain a provision requiring the insurer to defend any suit against any insured, even if the allegations are fraudulent, but authorizing the insurer to make such investigation and settlement of any claim or suit within the policy limits as it deems expedient; and,

(v) include coverage against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

Such liability insurance shall not cover the personal bodily injury and property damage exposure of the individual Owner within his Lot or in any other Lot in the development or upon any Common Area resulting from the negligence of the Owner. Obtaining such insurance coverage by each Owner is optional;

(b) A policy of insurance covering all buildings, structures, furnishings, equipment and personal property owned in common by the Owners, if any, or by the Association for the interests of the Owners, and all the Owners and mortgagees, as their interests may appear in an amount that shall be at least equal to one hundred percent (100%) of the full insurable replacement value of all of them against the perils covered by California Standard Fire Policy, Extended Coverage Endorsement (or its equivalent). Such policy shall name as insureds Declarant, the Association, all Owners and mortgagees to the extent of their

insurable interests, if any. 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; 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;

(c) Workers' Compensation Insurance shall at all times be carried as required by law with respect to the employees, if any, of the Association;

(d) A fidelity bond covering loss or theft of funds, naming the Manager and such other persons as may be designated by Declarant as principals and the Owners as obligees in an amount equal to at least one-half (1/2) of the estimated cash requirement of the Association for the succeeding year;

Should the Board, despite its reasonable efforts to do so, be unable to obtain insurance coverage meeting all of the specifications set forth above, it shall observe such specifications as closely as possible, and where forms of coverage or insuring agreement 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;

The Board may engage one or more reputable insurance brokers or consultants to assist it in complying with the insurance provisions of these Restrictions and may rely upon the analysis and recommendations of the persons so engaged;

Each policy of insurance obtained by the Association pursuant to the foregoing provisions shall be written by a company rated no lower than Class XIII in the edition of Best's Insurance Guide current at the time such policy is written. Each such policy shall be written so as to be primary insurance with respect to the risk covered by it, and any "no other insurance" clause in such policy shall exclude from consideration insurance carried by any Owner and shall contain an agreement that the said clause cannot be cancelled, invalidated or suspended on account of the conduct of any one or more individual Owner;

All premiums upon insurance purchased by the Association shall be included in the Association's budget in accordance with Article 9 hereof;

Proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account and distributed to the Association and the Owners and their mortgagees subject to the provisions of these Restrictions, as their interest may appear; provided, however, whenever repair or reconstruction is required the proceeds of any insurance received by the Association as a result of any loss shall be applied to such repair or reconstruction. Upon the vote or written assent of a majority of the voting power of the Association residing in members other than Declarant, the Board shall levy a special assessment against all Owners to make up for any deficiency in making necessary repairs or reconstruction;

Each Owner shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the Master Policy. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance,

85011118

to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the Owners and their respective mortgagees (subject to the provisions of these Restrictions) as their interests may appear, to execute releases of liability and to execute documents and to do all things on behalf of the Owners as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for procurement or maintenance of any insurance covering the Residences, the contents or the interior of any Residence nor the liability of any Owner for occurrences therein not caused by or connected with the Association's operation, maintenance or use of the Common Area.

11. Duties of First Governors. The originally appointed Governors shall perform the foregoing duties until the election of the first Board of Governors. Declarant agrees to pay when due all general and special assessments on unsold Lots levied according to the within provisions and to be bound by the rules and regulations promulgated by the Board.

12. Board's Powers Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to do so, except as otherwise provided herein.

13. Owner's Obligation to Repair. Except for those portions which the Board is required to maintain and repair hereunder, each Owner shall, at his sole cost and expense, maintain and repair his Lot and Residence, keeping the same in good condition.

14. Maintenance Fund

(a) The following financial information shall be regularly prepared and distributed by the governing body to all members regardless of the number of members or the amount of assets of the Association:

(1) A budget for each fiscal year consisting of at least the following information shall be distributed not less than 45 days prior to the beginning of the fiscal year.

(A) Estimated revenue and expenses on an accrual basis.

(B) The amount of the total cash reserves of the Association currently available for current replacement or major repair of common facilities and for contingencies.

(C) An itemized estimate of remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

(D) A general statement setting forth the procedures used by the governing body in the calculation and the establishment of reserves to defray the cost of repair, replacement or additions to major components of the common areas and facilities for which the Association is responsible.

(2) A balance sheet - as of an accounting date which is the last day of the month closest in time to six months from the date of closing of the first sale of an interest in the subdivision - and an operating statement for the period from the date of the first closing to said accounting date, shall be distributed within 60 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the entity assessed.

(3) A report consisting of the following shall be distributed within 120 days after the close of the fiscal year.

(A) A balance sheet as of the end of the fiscal year.

(B) An operating (income) statement for the fiscal year.

(C) A statement of changes in the financial position for the fiscal year.

(D) For any fiscal year in which the gross income to the Association exceeds \$75,000.00 a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

(b) If the report referred to in (a) (3) above is not prepared by an independent accountant, it shall be accompanied by a certificate of an authorized officer of the Association that the statement was prepared from the books and records of the Association without independent audit or review.

85011118

KENTFIELD COMMONS

(c) In addition to the financial statements, the governing body shall annually distribute within 60 days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against members for default in the payment of regular and special assessments including the recording and foreclosing of liens against members' subdivision interests.

(d) Regular Assessments. Within six (6) months after the first conveyance of the first Unit and not less than sixty (60) days prior to the beginning of each fiscal year thereafter, the Board shall estimate the total charges to be paid during such year and shall distribute the proposed pro forma operating statement to each Owner. The estimated annual cash requirement shall be assessed equally to the Owners of each subdivision interest. Regular assessments against all subdivision interests shall commence on the first day of the month following the conveyance of the first subdivision interest in such phase.

All funds budgeted, allocated and collected for contingencies, deferred maintenance and replacement of capital improvements, shall be held in trust by the Association for and on behalf of each Owner and shall be used solely for contingencies, deferred maintenance and replacement of capital improvements. Said funds shall be deposited in common trustee accounts, either commercial or interest-bearing, entitled KENTFIELD COMMONS HOMEOWNERS ASSOCIATION DEFERRED CAPITAL MAINTENANCE AND REPLACEMENT TRUSTEE ACCOUNT. The Owners shall not be entitled to receive their share of the principal amount of such accounts except on dissolution of the Association. Each Owner's interest in the account will be appurtenant to the Unit and will transfer with the conveyance of the Unit without express reference thereto.

All funds collected for current operation and maintenance shall be deposited in and expended from accounts, either commercial or interest-bearing, entitled KENTFIELD COMMONS HOMEOWNERS ASSOCIATION CURRENT MAINTENANCE AND OPERATION ACCOUNT. Funds for current operation and maintenance which are unexpended at the end of the fiscal year may be refunded to the Owners or credited to the following year's assessment at the discretion of the Board.

85011118

FRINTFIELD COMMONS

(e) Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including, but not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements on the Common Area, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board it shall become a special assessment. The Board may, in its discretion, pro rate such special assessment over the remaining months of the fiscal year or levy the assessment immediately against each subdivision interest.

If the estimated total charges for the year prove inadequate for any reason, including non-payment of any Owner's assessment, the Board may at any time levy a further assessment, which shall be assessed to the Owners in like proportions, unless otherwise provided herein; provided, however:

(1) In any fiscal year, the Board may not, without the vote or written consent of a majority of the voting power of the Association residing in members other than the Grantor: (a) levy special assessments to defray the costs of any action or undertaking on behalf of the Association which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year; and (b) impose a regular annual assessment per subdivision interest which is more than twenty percent (20%) greater than the regular assessment for the immediately preceding year.

(2) Every special assessment shall be levied upon the same basis as that prescribed for the levying of regular assessments.

Every general special assessment shall be levied upon the same basis as that prescribed for levying of regular assessments. Each Owner, including Declarant, shall be obligated to pay the Board all assessments levied in accordance with this paragraph, other provisions of these Restrictions or the By-Laws, in equal monthly installments on or before the first day of each month during the year, or in such other reasonable manner as the Board shall designate. All funds collected hereunder shall be expended for the purposes designated herein. No Owner may avoid the burdens or obligations incidental to membership or waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Regular assessments against all Lots shall commence on the

first day of the month following the first conveyance of a subdivision interest. Declarant shall be responsible for the payment of assessments against all unsold subdivision interests. Upon conveyance, sale or assignment of a Lot to a new Owner or Owners, the selling Owner or Owners shall not be liable for any assessments levied upon the membership in the Association appurtenant to such Lot after the date of such sale.

In the event any installment payment of an assessment levied pursuant to the provisions of these Restrictions remains delinquent or in the event of a breach of the provisions of these Restrictions, the Articles of Incorporation, the By-Laws or the rules and regulations promulgated from time to time by the Board, in addition to the other remedies provided in these Restrictions, after written notice to the Owner in breach or in default of payments prior to any decision to impose discipline the Board may suspend the voting privileges of such Owner or suspend such Owner's rights to use and enjoy the recreational facilities on the Common Area. Any suspension for default in payments shall last until the assessment payments of such Owner are paid currently. Any suspension for other breaches shall be for a period of not to exceed sixty (60) days.

In a voluntary conveyance of a Lot, the Grantee of the same shall be jointly and severally liable with the selling Owner for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the selling Owner the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled upon written request therefor, to a statement from any officer of the Association or the management agent, setting forth the amount of the unpaid assessments against the selling Owner due the Association and such Grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for any unpaid assessments made by the Association against the selling Owner in excess of the amount set forth in the statement; provided, however, the Grantee shall be liable for any such assessment becoming due after the date of any such statement.

85011118

Where the mortgagees of a first mortgage (meaning any mortgage with first priority over other mortgages) of record or other purchaser of a Lot obtains title to the same as a result of foreclosure of any such first mortgage, excluding a deed in lieu of foreclosure, such acquirer of title, his successors and assigns shall not be liable for the share of the Common expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectable from all of the Lots, including such acquirer, his successors and assigns.

15. Default in Payment of Assessments. The Owners shall pay all assessments promptly after the levy thereof by the Board of Governors. The account of any Owner who fails to pay any assessment within thirty (30) days of such levy shall be considered delinquent. The Board of Governors is hereby given a lien against the interest of any Owner who is delinquent in the amount of any assessment, whether regular or special, assessed to the Owner of any Lot, plus interest at the rate of ten percent (10%) and costs, including reasonable attorneys' fees. Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the Owner against whom the same are assessed. In the event of a default or defaults in payment of any such assessment or assessments and in addition to any other remedies herein or by law provided, the Board of Governors may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special meeting or by unanimous written consent of the Board and any such suit may be instituted by any one member of the Board. Each such action shall be brought in the name of the Association and the Board shall be deemed to be acting on behalf of all the Owners. Any judgment rendered in any action shall include, where permissible under any law, a sum for reasonable attorneys' fees in such amount as the court may adjudge against such defaulting Owner. Upon full satisfaction of any such judgment, it shall be the duty of the Board to authorize and two members thereof, acting in the name of the Board, to execute and deliver to the judgment debtor an appropriate satisfaction thereof;

85011118

KENTFIELD COMMONS

(7) If any Residence or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional lender of any first mortgage on a Residence shall be entitled to timely written notice of any such proceeding or proposed acquisition, and no provision in this Declaration shall be interpreted to entitle the Owner of a Residence or any other party to priority over such institutional holder with respect to the distribution to such Residence of the proceeds of any awards or settlement;

(h) First mortgage holders on Residences may pay taxes or other charges which may or have become a charge against the common area and which are in default and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. This provision shall constitute an agreement by the Association for the express benefit of all Mortgagees.

(i) First mortgage holders on individual Lots upon request are entitled to written notification from the Association of any default by the mortgagor in the performance of obligations under these Restrictions which is not cured within sixty (60) days;

(j) First mortgagees shall have the right to examine the books and records of the Association or to any other entity which owns the common property of the Association.

(k) Any mortgagee who acquires title to a Residence by foreclosure or by deed 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.

17. Architectural Control Committee. The committee for the control of structural and landscaping architecture and design (Architectural Control Committee) within the subdivision shall consist of three (3) members.

The Declarant may appoint all of the original members of the Committee and all replacements until the first anniversary of the issuance of the original public report for the subdivision. The Declarant reserves to itself the power to appoint a majority of the members of the Committee until ninety (90%) of all the subdivision interests in the overall development have been sold or until the fifth anniversary of the issuance of the final public report for the first (or only) phase of the subdivision, whichever first occurs.

After one year from the date of the sale of the first subdivision interest, the Board of the Association shall have the power to appoint one member to the Architectural Control Committee until ninety percent (90%) of all of the

KENTFIELD COMMONS

subdivision interests in the overall development have been sold or until the fifth anniversary date of the issuance of the final public report for the first (or only) phase of the subdivision, whichever first occurs. Thereafter, the Board of the Association shall have the power to appoint all of the members of the Architectural Control Committee.

Members appointed to the Architectural Control Committee by the Board shall be from the membership of the Association. Members appointed to the Committee by Declarant need not be members of the Association.

18. Alterations, Additions and Improvements of Residences. No Owner shall paint, make any alterations, repairs of or additions to his Residence which said alterations, repairs or additions would substantially affect the exterior appearance thereof without the prior written approval of color samples or the plans and specifications therefor by the Architectural Control Committee. The Committee shall grant its approval only in the event that the proposed work will benefit and enhance the entire subdivided property in a manner generally consistent with the plan of the development thereof. The Committee's approval or disapproval shall be in writing. In the event that the Committee fails to approve or disapprove within thirty (30) days after the appropriate plans and specifications have been submitted to it, or in any event, if no suit to enjoin such work has commenced before completion thereof, approval will be deemed given and compliance with the terms of this Article conclusively presumed.

No fences, awnings, ornamental screens, screen doors, sunshades, or walls of any nature shall be erected or maintained in or around the enclosed yard or patio areas of the numbered lots except those that are installed in accordance with the original construction of the development, and their replacements or as are authorized and approved by the Board or the Committee.

Owners shall not alter the landscaping or erect any fence or wall on the unenclosed areas of the numbered lots which are to be cared for by the Association.

KENTFIELD COMMONS

Nothing shall be done in or to any Lot or in the Common Area which will impair the structural integrity of any Residence except in connection with alterations or repairs specifically permitted or required hereunder.

Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall without the prior consent of all Owners of any interest therein, whether by way of easement or in fee. Declarant hereby reserves for itself and for its successors in interest a perpetual and reciprocal right of support between the respective Owners of each party wall. In the event it shall become necessary to repair or rebuild the whole or any portion of a party wall, the expenses of said repair or rebuilding shall be borne equally by the Owners of the respective Residences adjoining said wall. Any such repair or rebuilding shall be erected in the same spot and where the wall was first built and of the same size and of the same or similar material.

19. Delegation to Manager. The Board may delegate any of its duties, powers or functions, (except the right to levy fines, hold hearings, impose discipline, make capital expenditures, file suit, record a claim of lien, and foreclose for failure to pay assessments), but not limited to, the authority to give the certificate provided for in Article 14 hereof to any person or firm, to act as Manager of the project, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board. In the absence of any appointment, the President shall act as Manger.

20. Entry for Repairs. The Board or its agents may enter any privately owned subdivision interest as necessary in connection with construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common. In the event of an emergency, entry may be made without notice. Non-emergency entry may be made only upon forty-eight (48) hours prior notice to the Owner. Any damage caused thereby shall be repaired by the Board at the expense of the maintenance fund.

85011116

21. Damages to or Destruction of Residences. Each Owner shall be responsible for the maintenance and landscaping the enclosed areas of his Lot and all improvements thereon, and, in the event of a casualty, for the reconstruction, repair or replacement of his Residence.

22. Partition. An action may be brought by one or more Owners for partition by sale of the entire project as if the Owners in such project were tenants-in-common in the entire project; provided, however, that a partition shall be made only upon the showing that (a) three (3) years after damage or destruction to the project which renders a material part thereof unfit for its use prior thereto, the project has not been rebuilt or repaired substantially to its state prior to its damage or destruction, or (b) that three-fourths (3/4) or more of the project has been destroyed or substantially damaged, and that the Owners holding in the aggregate more than fifty percent (50%) of the voting power of the Association are opposed to restoration or repair of the project, or (c) the project has been in existence in excess of fifty (50) years, that it is obsolete and uneconomic, and, that the Owners holding in the aggregate more than fifty percent (50%) of the voting power of the Association are opposed to restoration or repair of the project, or (d) that the project is obsolete and uneconomic and the Owners holding in the aggregate more than seventy-five (75%) of the voting power of the Association have given their written consent to such action for partition. If the conditions for partition have been met, the Association will be dissolved and the property of the Association shall be distributed to the members in proportion to fair market value of the Residences prior to the event which was the cause for partition. The proceeds of any such sale of the entire project or partition action shall be distributed to the Owners or their mortgagees as the respective interests of the various parties appear. Otherwise, there shall be no judicial partition of the Common Area, nor shall Declarant or any person acquiring any interest in the subdivided property, or any part thereof, seek any judicial partition thereof; provided, however, that if any Lot shall be owned by two (2) or more co-tenants as tenants-in-common, or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants.

8600114

23. Taxes and Assessments. If any taxes and/or assessments shall be a lien on the entire subdivided property or any part of the Common Area, they shall be paid by the Board and shall be assessed by the Board to the Owners. Each Owner shall be obligated to pay the taxes or assessments assessed by the San Mateo County Assessor or the City of Redwood City against his own Lot, or personal property, or interest in the Common Area. Each Owner shall be obligated to pay an assessment by the Board for a portion of any taxes or assessments assessed by the San Mateo County Assessor or the City of Redwood City against the entire subdivided property or any part of the Common Area; such payment to be made to the Board at least thirty (30) days prior to delinquency of such tax or assessment. Such Board assessments may be enforced in the manner provided in Article 15 hereof.

24. Condemnation. In the event of any taking of all or any portion of the herein described real property by eminent domain, or threat thereof, the award or settlement which is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners shall be allocated among the affected Owners and their respective mortgagees based upon the amounts of loss suffered in the relative fair market value of the Residences affected as a result of the taking as determined by independent appraisal, adjusted for the expense, if any, required to repair or restore damage to Common Area or to Residences occasioned by such taking. Said appraisal shall be paid for by the affected Owners in proportion to the amount of their respective awards. If an award is for the acquisition of all of the herein described real property, the amount payable shall be paid to the Association, as Trustee, for distribution to the Owners subject to the rights of mortgagees holding mortgages on the Units and subject to any unpaid assessments of such Owners.

In the event of a total sale or taking of the Project, meaning a sale or taking (i) that renders more than fifty percent (50%) of the Residences 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 (ii) that renders the Project as a whole uneconomic as determined by the vote or written consent of sixty-six and two-thirds percent (66

8501113

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 22 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, shall be paid to all Owners and to their respective mortgagees in the proportion that the fair market value of each Residence bears to the fair market value of all Residences in the Project. The fair market value of Residences shall be determined in the condemnation action, if such be instituted, or by an appraiser.

If the award is for taking a part of a Lot, the Owner of each Lot taken shall be entitled to receive the award for such taking subject to the rights of mortgagees and unpaid assessments and shall have the option to apply the proceeds to restoring the portion of his Lot remaining or to terminate his interest in the development. In the event he terminates his interest and any repair or rebuilding of the remaining portions of the real property is required as a result of the taking, the Association will be entitled to so much of the award as is required for such repair or rebuilding. After any taking the project may be resurveyed and appropriate amendments to maps, assessments or to these Restrictions may be recorded.

In the event of any taking the Association shall poll the members on the desirability of engaging counsel to represent the Owners as a group. Expenses of such representation shall be specially assessed against the Owners who consent in writing to be so represented. Owners at their own expense may engage independent counsel.

25. Limitation of Liability of Board of Governors. Neither the Board nor the Association shall be liable for any failure of any service to be obtained and paid for by the Association hereunder, or for injury or damage to person or property caused by the elements or by another Owner in the Common Area, unless caused by gross negligence of the Association. No diminution or abatement of common expense

RECEIVED

assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Area or from any action taken to comply with any law, ordinance or orders of a governmental authority.

26. Indemnification of Board of Governors. Each member of the Board of Governors shall be indemnified by the Owners against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Governors, or any settlement thereof, whether or not he is a member of the Board of Governors at the time such expenses are incurred, except in such cases wherein the member of the Board is adjudged guilty of willful misfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

27. Inspection of Association's Books and Records. The membership register, books of account and minutes of meetings of the members, of the governing body and of committees of the governing body of the Association shall be made available for inspection and copying by any member of the Association—or by his duly-appointed representative—at any reasonable time and for a purpose reasonably related to his interest as a member, at the office of the Association or at such other place within the subdivision as the Board shall prescribe.

The Board shall establish reasonable rules with respect to:

- (1) Notice to be given to the custodian of the records by the member desiring to make the inspection.
- (2) Hours and days of the week when such an inspection may be made.
- (3) Payment of the cost of reproducing copies of documents requested by a member.

RECEIVED

Every governor shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Governor includes the right to make extracts and copies of documents.

28. Use of Lots and the Common Area. The Lots and the Common Area shall be occupied and used as follows:

(a) Each Lot shall be used as a residence for a single family and for no other purpose. No gainful occupation, profession, trade or other non-residential use shall be conducted on a Lot or any dwelling or other building constructed thereon. No dwelling unit on a Lot may be used as a residence by more than the following numbers of persons: (i) two-bedroom structure, four(4) persons; (ii) three-bedroom structure, six (6) persons. Declarant reserves the right, for a period of five (5) years from recordation hereof or until all Lots in the project are sold, whichever shall first occur, to carry on normal sales activity on the project, including the operation of models and a sales office.

(b) Nothing in this Article or elsewhere in these Restrictions shall limit the right of Declarant to complete construction of improvements to the Common Area and to Lots owned by Declarant or to alter the foregoing or to construct such additional improvements according to a plan approved by the California Department of Real Estate as Declarant deems advisable prior to completion and sale of the entire project. The rights of Declarant under these Restrictions may be assigned by Declarant to any successor to all or any part of Declarant's interest in the project, as developer, by an express assignment incorporated in a recorded deed transferring such interest to such successor;

(c) There shall be no obstruction of the Common Area. No Owner shall allow to be placed in the Common Area any furniture, packages, or objects of any kind.

(d) Nothing shall be done or kept in any Residence or in the Common Area which will increase the rate of insurance without prior written consent of the Board. No Owner shall permit anything to be done or kept in his Residence or in the Common Area which will result in the cancellation of insurance on any Residence, or any part of the Common Area, or which will be in violation of any law. No waste shall be committed in the Common Area;

(e) No television or radio poles, antennae, flag poles, clotheslines, or other external fixtures other than those originally installed by Declarant or approved by the Board and any replacements shall be constructed, erected, or maintained on any Lot or Residence. No wiring, insulation, air-conditioning, or other machinery or other mechanical equipment other than originally installed by Declarant or the Board, and their replacements shall be constructed or maintained on or within the Common Area or any structures on it;

(f) No sign of any kind shall be displayed to the public view on or from any Lot or the Common Area without the prior consent of the Board, except one sign of reasonable dimensions, as determined by the local governing body advertising: (i) that the property is for sale or rent; (ii) the Owner's or agent's name; and (iii) the Owner's or agent's

85011118

address and telephone number may be displayed. Nothing contained herein shall prohibit or restrict in any way the Declarant's right to construct such promotional sign or other sales aids on or about any portion of the premises which it shall deem reasonably necessary in connection with its original sales program;

(g) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Lot or in the Common Area, except that one (1) dog or one (1) cat or other ordinary household pet may be kept, provided that it is not kept, bred or maintained for any commercial purpose and shall have such care and restraint so as not to be obnoxious on account of unreasonable noise, odor or unsanitary conditions. Owners shall prevent their pet from running loose upon the Common Area. Owners shall prevent their pet from making excessive noise and from soiling walks, paths, patios, courtyards, and all portions of the Common Area. Each Owner shall be financially responsible for any damage caused by his pet;

(h) In general, no activities shall be carried on nor condition maintained by any Owner which despoils the appearance of the project. No Owner shall make any alterations, additions or modifications to or on any portion of the Common Area. In the event the Architectural Control Committee deems any such condition objectionable, after written notice to the Owner, and an opportunity to be heard before the Board, the Owner shall correct such condition;

(i) No Owner shall store any dangerous explosive or inflammable liquids in his Lot or in the Common Area;

(j) Each Owner shall be responsible for any damages to the Common Area or to any of the equipment or improvements thereon which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, relatives, guests or invitees, both minor and adult;

(k) No Owner shall park or store in or on the project any boats, trailers, campers, pickup trucks or other commercial type of trucks, or motorcycles so that they are visible from the Private Streets. The temporary parking of boats, trailers, campers, or other vehicles not customarily used for means of general transportation for periods of short duration, but not to exceed four (4) hours within any forty-eight (48) hour period as an incident to loading or unloading therefor, shall not be deemed a violation of this paragraph. Unless specific approval is granted by the Board, no Owner shall park more than two passenger vehicles on the premises;

(l) None of the rights and obligations of the Owners created herein, or by the Deed creating the Lots, shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments as long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners;

(m) Each Owner, tenant or occupant of a Residence shall comply with the provisions of these Restrictions, the Articles of Incorporation and By-Laws of the Association, decisions, rules, regulations and resolutions of the Association or its duly authorized representative, all as lawfully amended from time to time, and failure to comply with any

85011118

such provisions, decisions, rules, regulations or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief;

(n) The administration of the real property herein described shall be in accordance with these Restrictions, the Articles of Incorporation and By-Laws of the Association. In the event of any inconsistency, the Articles shall prevail over the By-Laws and these Restrictions shall prevail over the By-Laws;

(o) Regulations concerning use of the project shall be promulgated by the original Board of Governors of the Association and such regulations shall be binding on all Owners unless duly amended by a majority of the voting power of the Association residing in members other than Declarant;

(p) An easement for vehicular ingress and egress to and from each Lot over the private streets in the Common Area is reserved for the non-exclusive use of each Lot. Parking of automobiles and other motor driven vehicles on the private streets shall not be permitted. Parking bays in the Common Area are reserved for guest parking. Owners shall not park their personal vehicles in such parking bays. Owners shall use the driveway aprons on their Lots only for temporary parking and for guest parking. Storing of vehicles overnight on the driveway aprons is forbidden. After notice and a hearing before the Board satisfying the minimum requirements of Section 7431 of the Corporations Code, the Board is authorized to cause vehicles of Owners offending the provisions of this paragraph to be towed to a public storage facility and stored, all at the expense of the offending Owner.

(q) An easement for pedestrian ingress and egress to and from each Lot over the sidewalks, paths and private road in the Common Area is reserved for the non-exclusive use of each Lot;

(r) Nothing shall be altered or constructed in or removed from the Common Area, without prior written consent of the Board of Governors;

(s) No exterior speakers, horns, whistles, bells, or other sound devices, except devices used exclusively for security purposes shall be used, located, or placed on a Lot. No outside clotheslines or other outside clothes drying or airing facilities shall be maintained on a Lot, unless concealed so as not to be visible from any other portion of the property. No fence, hedge, wall, or other dividing instrumentality shall be erected or maintained on a Lot other than those initially installed by Declarant, unless first approved by the Architectural Control Committee. No fire shall be permitted outside the dwelling on a Lot except a barbecue fire contained within a receptacle designed for such purpose. No exterior newspaper tubes of free standing mailboxes may be maintained on a Lot, except those initially installed by Declarant or approved by the Architectural Control Committee. The door to any garage on a Lot shall be kept closed at all times except when necessary for movement of motor vehicles and other items;

(t) Declarant reserves the exclusive right to design and construct the Residences, the landscaping, the private paths, driveways, roads and all the amenities in the Common Area. The Association will not exercise its powers in a manner which will impede Declarant's construction program. Declarant reserves the right to use unsold Residences as sales models and to display "for sale" signs on all unsold Lots, at the entrance to the project and at any reasonable location;

(u) Nothing shall be done in or to any Residence or in the Common Area which will impair the structural integrity of any Residence except in connection with alterations or repairs specifically permitted or required hereunder;

(v) In the event of arbitration or litigation between the Association and any member, the prevailing party shall be entitled to an arbitration decision or judgment for all costs of the controversy, including arbitration fees and costs, court costs and attorneys' fees actually incurred;

(w) No Owner shall be permitted to lease his Residence for transient or hotel purposes. No Owner may lease less than the entire Residence. All lease agreements shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of these Restrictions and By-Laws, and that any failure by the lessee to comply with the terms of such documents shall constitute a default under the lease. Other than the foregoing, there are no restrictions on the right of an Owner to lease his Residence.

(x) C.A. I, L, N and T are planter strips which will be owned and maintained by the Association. Use or occupancy of C.A. I, L, N, and T for any other purpose is forbidden.

29. Action on Common Area Bond. The Association is obligee under a bond to secure performance of the commitment of Declarant to complete certain Common Area improvements. Unless a Notice of Completion for said improvements is recorded in the Office of the County Recorder of San Mateo, California within sixty (60) days after the completion date in the planned construction statement appended to the bond, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of the extension. Not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Association of a petition for such meeting signed by members representing five percent (5%) or more of the total voting power of the Association, the Board shall hold a special meeting of members for the purpose of voting to override a decision of the Board not to initiate action to enforce the obligations under the bond or on the failure of the Board to consider and vote on the question. Declarant shall not be entitled to vote on the question at the special meeting. A vote of a majority of the

85011118

voting power of the Association residing in members other than Declarant to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

30. City Requirements. The Association shall maintain and operate the common area of the project in accordance with all applicable municipal, state, and federal ordinances and statutes, as the case may be. The Association shall also, as a separate and distinct responsibility, insure that third parties (including owners and their guests) utilize the common area in accordance with the aforementioned regulations. The Association guarantees that when it becomes aware of any violation of the aforementioned regulations, it will expeditiously correct such violations. All improvements or structures (referred to in these Restrictions) shall be in conformance with the provisions of Planned Development Permit PD#10309-3, final map, subdivision improvement agreement, and architectural permit. Notwithstanding any other provision of these Restrictions to the contrary, the City of Redwood City is hereby granted the right, but in no event the duty, to enforce the maintenance obligations of the owners and of the Association for the common area described in these Restrictions, insofar as the common area shall be maintained in a manner which complies with all applicable City, state and federal ordinances and statutes and which does not create or perpetuate nuisances, health or safety hazards. In the event of a breach of the maintenance provisions contained in this section, the City shall give written notice to the Association, specifying the nature of the deficiency. Such written notice of deficiency shall be addressed to the Association and shall require that the Association take appropriate corrective action within thirty (30) days of receipt of such written notice unless there exists a hazardous condition creating an immediate possibility of serious injury to persons or property, in which case the time for correction may be reduced to a minimum of twenty-four (24) hours. The Association will have the right, within ten (10) days of receipt of such written notice of deficiency, to file an appeal with the City Council of the City of Redwood City for public hearing before the City Council to consider the reasonableness of the City's

85011118

WENTFIELD COMMONS

requirements as set forth in the written notice of deficiency. The decision of the City Council on such hearing shall be binding upon all parties but may be appealed by the Association through an appropriate action in any court having jurisdiction. If the Association, within, the time set forth in the notice of deficiency (subject to such extension of time as may be required to appeal the notice of deficiency to the City Council) does not undertake to complete the corrective work required in the notice of deficiency, the City is granted the right, but in no event the duty, to complete such corrective measures as are set forth in the notice, and assess the costs thereof against the Association as a lien against Association property or against lots benefited by the remedial measures. The written notice of deficiency from the City shall state the anticipated costs that the City would assess against the Association for the corrective work to be accomplished, which costs shall be no more than those charged by competitive private industry for similar work. The Association recognizes that it has the primary responsibility for enforcement of its maintenance responsibilities that are contained in these Restrictions and unequivocally guarantees to institute and expeditiously prosecute any required legal action to obtain compliance with the provisions contained in this section. The City, in enforcing the provisions contained in this section, shall be entitled to all expenses of enforcement, including the enforcement by private legal counsel, and shall have the authority to lien the subject property (including individual units to owners) if the Association does not pay the City for all expenses of correction and enforcement. All funds obtained by lien or other legal proceeding by the City shall be utilized by the City to repay the City for the costs of correcting the breach after costs of expenses of enforcement shall first have been deducted.

31. Acceptance of Common Area Improvements by The Board.

Declarant may notify the Board when the Common Area Improvements for Phase 1, or for any other annexed Phases, have been completed. Within thirty (30) days after the later to occur of (a) Declarant's giving such notice or (b) the date on which Board Members other than representatives of Declarant constitute a majority of the

KENTFIELD COMMONS

Board, Declarant and the Board shall jointly request that a qualified engineer or

85011118

architect employed by the City of Redwood City inspect the Common area Improvements as to which Declarant has given such notice. If the City of Redwood City is unwilling or unable to provide an engineer or architect to make such inspection, Declarant and the Board shall jointly select an independent and qualified engineer or architect to perform the inspection. If Declarant and the Board are unable to agree on the selection within thirty (30) days after joint selection is requested by either, then Declarant and the Board, within the next thirty (30) days, shall each select a licensed engineer or architect and the persons so selected within fifteen (15) days after both are selected, shall jointly select a third engineer or architect. If either Declarant or the Board fails to select an engineer or architect within the time provided, then that party shall be deemed to irrevocably waived its right to select, and the inspection shall be performed by the engineer or architect selected by the other party. If the engineers or architects selected by Declarant and the Board shall fail to select a third person within the time provided, then either Declarant or the Board may petition any court of competent jurisdiction for appointment of such third person. Each person selected or appointed pursuant to this paragraph is referred to herein as an "Expert", and all Experts are referred to collectively as the "Expert". Declarant shall pay the reasonable compensation of the Expert.

Promptly upon selection of the Expert, as provided above, the Expert shall inspect the Common Area Improvements as to which Declarant has given notice of completion and requested inspection. Declarant and the Board may accompany the Expert during the inspection. The inspection shall be limited to a visual inspection, and under no circumstances shall improvements be uncovered. The Expert shall not be responsible for identifying latent defects. Promptly after the inspection is completed, the Expert shall submit a written report (the "Report") to Declarant and the Board specifying the respects, if any, in which the improvements do not conform to the plans and specifications therefor or are defective, and if there are no departures from plans and specifications and are no such defects, the Report shall state that the improvements conform to the plans and specifications and are free from

85011118

defects. The Report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent defects, if any, the improvements have been constructed satisfactorily in accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any defects specified in the Report and except with respect to latent defects, if any, and the separate repair obligations of Declarant under express written warranty, if any.

Declarant shall correct any defects specified in the report, and the Expert shall reinspect such improvements within thirty (30) days after Declarant's request. Such reinspection shall be performed in the same manner as provided for the first inspection and shall be limited to only those items contained in the Report. Promptly after the reinspection is completed, the Expert shall submit another written report ("the Reinspection Report") to Declarant and the Board specifying the defects specified in the Report which have not been corrected, if any, and if all such defects have been corrected, the Reinspection Report shall state that the improvements have been constructed satisfactorily according to the plans and specifications therefor. The Reinspection report shall constitute conclusive and binding evidence that, except as otherwise provided therein and except for latent defects, if any, the improvements have been constructed satisfactorily in accordance with the plans and specifications therefor, and thereafter Declarant shall have no further liability, duty or obligation with respect to such improvements, except to remedy any defects specified in the Reinspection Report, and except with respect to latent defects, if any, and the separate obligations of Declarant under express written warranties, if any. Additional inspections and Reinspection reports shall be made, if necessary, all with the same effect as provided above.

If the improvements to be inspected are landscaping improvements, then, notwithstanding anything to the contrary contained herein, the Expert shall be a horticulturalist or a landscape architect. In all other respects, the provisions of the Article shall apply to the inspection of landscaping improvements.

85011113

KENTFIELD COMMONS

Within ten (10) days after all defects have been corrected, as evidenced by a Report or a Reinspection Report and evidence of payment to assure lien free completion for such improvement(s), the Board shall accept the improvements, or portion thereof covered by that Report, in writing and shall release in writing any and all rights under any and all payment and performance, labor and material, and completion bonds, or other security arrangements pertaining to the improvements or portion thereof.

32. Amendment. Until the Class B membership becomes Class A memberships, these Restrictions may be amended only by the vote or written consent of fifty-one percent (51%) of the voting power of each class of membership. When all memberships become Class A memberships, these Restrictions may be amended only by the vote or written consent of seventy-five percent (75%) of the voting power and fifty-one percent (51%) of the voting power of the Association vested in members other than Declarant. However, the percentage of voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The amendment shall be effective when executed by the President and Secretary of the Association, who shall certify that the amendment or modification was approved as herein provided, and recorded in the Office of the County Recorder of the County of San Mateo, California.

Prior to the sale of the first subdivision interest, the governing instruments may be amended unilaterally by Declarant. Until all the lots are sold, the Secretary of the Association shall notify the California Department of Real Estate of any amendments to these Restrictions, the Articles of Incorporation or the By-Laws. No amendment of this paragraph which would materially change an owner's rights to ownership, possession or use of subdivision interests will be valid without the prior written consent of the California Department of Real Estate during the time the subdivider or his successor controls as many as one-fourth of the votes that may be cast to effect such change.

In addition to aforesaid provisions regarding amendment, no such amendment or modification to this Declaration which would affect the terms and provisions of this Declaration as it relates to the maintenance responsibilities of the Association (including maintenance of the common area and private streets), or which would terminate or materially impair the rights of the City as set forth in this Declaration shall be effective without the prior written consent of the City of Redwood City as authorized by its City Manager.

33. Declarant's Pre-Completion Assessment Exemption. Declarant and any other owner of a subdivision interest which does not include a structural improvement for human occupancy is exempted from the payment of the portion of the regular maintenance assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and the use of the structural improvements. This exemption includes the following:

- 1) Roof replacement;
- 2) Exterior Maintenance; and
- 3) Walkway and carport lighting;
- 4) Refuse disposal and Cable Television.

This exemption from payment of assessments shall be in effect only until a notice of completion of the structural improvement has been recorded or until 120 days after the issuance of a building permit for the structural improvement, whichever first occurs.

34. Gender or Number. In these Restrictions, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

35. Interpretation. The provisions of these Restrictions shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a residential project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any provision hereof.

8501118

36. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not effect the validity or enforceability of any other provision thereof.

37. Term. These Restrictions shall run with and bind the land and shall continue in full force and effect for a term of fifty (50) years from the date hereof, after which time these Restriction shall be automatically extended for successive periods of ten (10) years unless removed by the terms hereof.

IN WITNESS WHEREOF, the undersigned has executed the within instrument this 15th day of January 1984.

KENTFIELD PARTNERS, a limited partnership

By: GREGORY GROUP, INC., a California corporation
(GENERAL PARTNER)

BY [Signature]
GREGORY J. ERICKSON

STATE OF CALIFORNIA
COUNTY OF [Signature]

On January 15, 1985, before me, a Notary Public in and for said County and State, personally appeared Gregory J. Erickson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the President of Gregory Group, Inc., a California corporation, the corporation that executed the within instrument and personally known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being personally known to me (or proved to me on the basis of satisfactory evidence) to be the General Partner of Kentfield Partners, a limited partnership, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such General Partner and that such partnership executed the same.

WITNESS my hand and official seal.

[Signature]
Notary Public, State of California



85011118

GRANT DEED

KENTFIELD PARTNERS, a limited partnership, hereinafter called Grantor grants to

hereinafter called "Grantee," that certain real property located in the City of Redwood City, County of San Mateo, State of California, described as follows:

PARCEL 1:

Lot __, in Block __, as shown on the subdivision map entitled, "KENTFIELD COMMONS, CITY OF REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA", hereinafter referred to as the "Map," filed in the Office of the Recorder of the County of San Mateo, State of California, on _____ in Book _____ of Maps of Pages _____.

PARCEL 2:

TOGETHER WITH the following appurtenant easements:

- A. The non-exclusive right of pedestrian and vehicular ingress and egress over the Common Area (Lots A, B and C) to and from said Lot __; provided, however, that such right shall not be exercised in a manner which will interfere with landscaped areas or vehicular traffic on the Private Street in the Common Area.
- B. The non-exclusive right to use and enjoy Lots A, B, and C, provided, however, that such right shall not be exercised in a manner which will interfere with the landscaped area.
- C. Non-exclusive right of the Owners and their invitees to use the Private Street for street and driveway purposes.
- D. The right, subject to prior written approval of the Board of Governors, to construct, maintain and operate through, in or across the Common Area, public or private sewers, storm drains or pipes for water and gas mains, pipes for water laterals and for irrigation, wires, conduits for transmission of electricity for lighting, power, telephone, antennae and any other purpose and for the necessary attachments in connection therewith, and the right to construct any public or quasi-public utility through, in or across the Common Area and the unenclosed areas of the Lots. Said right shall be exercised along the shortest and most convenient route between said Lot __ and the nearest public utility line or lines.

"EXHIBIT A"

85011118

Each of the foregoing grants is subject to a lien for real property taxes and assessments not delinquent and all covenants, conditions, easements, restrictions.

This Deed is made and accepted subject to all the provisions contained in the:

A. Declaration Of The Establishment of Covenants, Conditions, and Restrictions With Respect To Land In San Mateo County, California (hereinafter called the "Restrictions"), recorded as Instrument No. _____ Official records of San Mateo, County, California;

B. The Declaration of Reciprocal Covenants and Easements recorded concurrently with the Restrictions;

C. Deed to the KENTFIELD COMMONS HOMEOWNERS ASSOCIATION recorded as Instrument No. _____ Official Records of San Mateo County;

each of which documents is incorporated herein by reference with the same effect as though fully set forth herein.

By acceptance hereof, Grantee shall become a member of the KENTFIELD COMMONS HOMEOWNERS ASSOCIATION pursuant to the terms of the Restrictions and upon all of the terms, covenants and conditions therein contained and contained in said Association's Articles of Incorporation and By-Laws.

IN WITNESS WHEREOF, the undersigned have executed the within Deed this _____ day of _____.

KENTFIELD PARTNERS, a limited partnership

By: THE GREGORY GROUP, a California corporation

By: _____

GRANTOR

"EXHIBIT A"

85011116

We, the undersigned Grantees, hereby accept the foregoing Deed, subject to all of the terms, conditions and restrictions contained therein.

GRANTEE

GRANTEE

85011116

COORDINATION STATEMENT

The undersigned, being the beneficiary and trustee under that certain Deed of Trust recorded October 3, 1984 as Document No. 84107796, San Mateo County Official Records, do hereby subordinate the same to the above Declaration of Covenants, Conditions and Restrictions for Kentfield Commons executed by Kentfield Partners and we agree that any sale made under the provisions of said Deed of Trust shall be subject to said Declaration of Covenants, Conditions and Restrictions.

The beneficiary hereby directs the trustee to execute this subordination.

Beneficiary
Commercial Lending Corporation

By: [Signature]

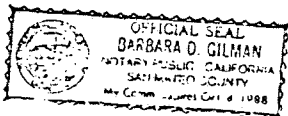
Dated: 1/8/85

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO) ss.

On JANUARY 8, 1985, before me, the undersigned, a Notary Public in and for said State, personally appeared Scott P. Parke, personally known to be (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as VICE PRESIDENT or on behalf of the corporation therein named and acknowledged to me that the corporation executed it, as Beneficiary.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said State



Trustee

First American Title Insurance Company

By: [Signature]
EDWARD D. WEBSTER, ASSISTANT SECRETARY

Dated: FEB 4, 1985

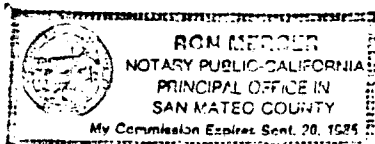
STATE OF CALIFORNIA)
County of) ss.



On FEBRUARY 4TH, 1985, before me, the undersigned a Notary Public in and for said State, personally appeared EDWARD D. WEBSTER, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as ASSISTANT SECRETARY or on behalf of the corporation therein named and acknowledged to me that the corporation executed it, as Trustee.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said State



8501116

SUBORDINATION STATEMENT

The undersigned, being the beneficiary and trustee under that certain Deed of Trust recorded August 29, 1984 under Document No. 84095558 San Mateo County Official Records, do hereby subordinate the same to the above Declaration of Covenants, Conditions and Restrictions for Kentfield Commons executed by Kentfield Partners and we agree that any sale made under the provisions of said Deed of Trust shall be subject to said Declaration of Covenants, Conditions and Restrictions.

The beneficiary hereby directs the trustee to execute this subordination.

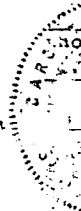
Beneficiary
American Federal Savings And Loan Association

By: Russell A. Martini

Dated: January 28, 1985

STATE OF OREGON)
) ss
County of Marion)

On this 28 day of January, 1985, personally appeared Russell A. Martini who by sworn did say that he, the said Russell A. Martini is the Assistant Vice President of American Federal Savings and Loan Association, and that the foregoing instrument is the corporate seal of said Association and that said instrument was signed and sealed in behalf of said Association by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.



Before me:

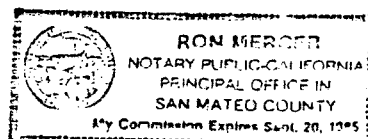
Barbara A. Hanger
Notary Public for Oregon
My Commission Expires: 4-23-85

STATE OF CALIFORNIA)
COUNTY OF) ss.

On FEBRUARY 4TH, 1985, before me, the undersigned a Notary Public in and for said State, personally appeared EDWARD D. WEBSTER, personally known to me (or proved on the basis of satisfactory evidence) to be the person who executed the within instrument as ASSISTANT TRUSTEE for on behalf of the corporation therein named and acknowledged to me that the corporation executed it, as trustee.

WITNESS my hand and official seal.

Ron Mercer
Notary Public in and for said State



85011118

Return to:
 First American Title Insurance Co
 Attn: Ed Webster
 555 MARSHALL
 Redwood City CA.

RF	4
LN	
MF	1
AF	2
LM	1

85035629
 RECORDED AT REQUEST OF
 FIRST AMERICAN TITLE INSURANCE CO
 777 MARSHALL COUNTY TITLE DIVISION
 APR 16 10 18 AM 1985
 SAN MATEO COUNTY
 OFFICIAL RECORDS

FIRST AMENDMENT TO
 DECLARATION OF THE ESTABLISHMENT OF COVENANTS, CONDITIONS
 AND RESTRICTIONS WITH RESPECT TO LAND IN
 SAN MATEO COUNTY, CALIFORNIA

Kentfield Partners, a limited partnership, hereinafter referred to as "Declarant," is the owner of the real property in the City of Redwood City, County of San Mateo, State of California shown on the Subdivision Map entitled "KENTFIELD COMMONS, CITY OF REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA," which Map was filed for record in the Office of the Recorder of the County of San Mateo in Book 112 of Maps at Pages 49, 50, 51 and 52 (hereinafter referred to as the "Map").

Declarant has not conveyed any lot shown on the Map to a purchaser.

Declarant hereby amends the Declaration of the Establishment of Covenants, Conditions and Restrictions With Respect to Land in San Mateo County, California, which declaration was recorded under Recorder's Serial Number 85011118 as follows:

Article 9(w)(3) is hereby deleted and the following substituted in its place:

"(3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residences or the upkeep of lawns and plantings in the development;"

Article 18 is hereby amended by deleting the last paragraph thereof from page 28 beginning with the word "Notwithstanding" and ending with the word "material."

Article 28(g) is hereby deleted and the following substituted in its place:

"(g) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Lot or in the Common Area, except that up to two (2) ordinary household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose and shall have such care and restraint so as not to be obnoxious on account of unreasonable noise, odor or unsanitary conditions. Owners shall prevent their pets from running loose on the Common Area. Owners shall prevent their pets from making excessive noise and from soiling walks, paths, courtyards, and all portions of the Common Area. Each Owner shall be financially responsible for his pets."

Article 28(k) is hereby amended by deleting the last sentence thereof.

Article 28(p) is deleted and the following substituted in its place:

"(p) An easement for vehicular ingress and egress to and from each Lot over the private streets in the Common Area is reserved for the non-exclusive use of each Lot. Parking of automobiles and other motor driven vehicles on the private streets shall not be permitted. Parking bays in the Common Area are reserved for guest parking. Owners shall not park their personal vehicles in such parking bays. After notice and

85035629

a hearing before the Board satisfying the minimum requirements of Section 7431 of the Corporations Code, the Board is authorized to cause the vehicles of owners offending the provisions of this paragraph to be towed to a public storage facility and stored, all at the expense of the offending Owner."

The date on page 44 is amended to read "this 15th day of January, 1985."

IN WITNESS WHEREOF, the undersigned has executed the within instrument this 12 day of April, 1985.

KENTFIELD PARTNERS, a limited partnership

By: GREGORY GROUP, INC., a California corporation
(GENERAL PARTNER)

BY [Signature]
GREGORY J. ERICKSON, President

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO) SS.

On this day of April in the year 1985, before me, a Notary Public, State of California, personally appeared Gregory J. Erickson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the President of Gregory Group, Inc., a California corporation, the corporation that executed the within instrument and personally known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being personally known to me (or proved to me on the basis of satisfactory evidence) to be the General Partner of Kentfield Partners, a limited partnership, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such General Partner and that such partnership executed the same.

85035629

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

Notary Public, State of California

STATE OF CALIFORNIA)
COUNTY OF San Mateo) ss.

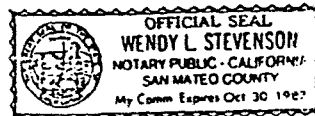
On April 12, 1985 before me, the undersigned, a Notary Public in and for said State, personally appeared Gregory J. Erickson and _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as _____ President and _____ Secretary, on behalf of Kentfield Partners

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

known to me to be one of the partners of The Gregory Group the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

Signature Wendy L. Stevenson



(This area for official notarial seal)

3005 (6/82) - (Corporation as Partner of Partnership)
First American Title Company

ORIGINAL DOCUMENT RECORDED January 15, 1985, #8501118

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

KENTFIELD COMMONS HOMEOWNER ASSOCIATION
c/o HS MANAGEMENT
P.O. BOX 951
REDWOOD CITY, CA 94064
(415) 368-1805

RF	5
CO	
LN	
MF	1
AF	3
HS	9

88064179

RECORDED AT REQUEST OF

MAY 25 4 19 PM '88

WARREN SLOCUM RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

SECOND AMENDMENT TO
THE COVENANTS, CONDITIONS AND RESTRICTIONS OF
KENTFIELD COMMONS HOMEOWNER ASSOCIATION

THIS SECOND AMENDMENT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS OF KENTFIELD COMMONS HOMEOWNER ASSOCIATION is made this 14th day of April, 1988, by Kentfield Commons Homeowner Association, a California Non-Profit Corporation (hereinafter "Association").

RECITALS

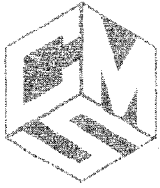
1. The amended CC&R's of the Association were duly adopted at a meeting of the Board of Directors and recorded on April 16, 1985.

2. Association now desires to amend its CC&R's pursuant to Article 32, as hereinafter provided.

NOW THEREFORE, Association hereby amends and modifies its original CC&R's as follows:

1. Article 8, Section (a) paragraph three of the CC&R's, contained on page 9 of the amended CC&R's, is amended to read in its entirety as follows:

88064179



COMMUNITY MANAGEMENT SERVICES, INCORPORATED

December 5, 2003

Re: Kentfield Commons
CC&R Amendment

Dear Kentfield Commons Homeowner:

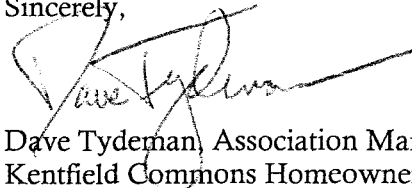
Enclosed is a copy of the proposed CC&R amendment granting the Board of Directors the authority to approve an alternative material, other than wood shakes, for the replacement of roofs at the Association. This vote was requested by a group of owners who petitioned the Board to send this matter to ballot by the membership.

Although no alternative material has been approved, the Architectural Committee has recommended a heavy composition material called Presidential Trilaminate by Certaineed. The suggested color is "Weathered Wood". A sample of this product will be installed at 221 Sheffield Lane for illustration.

The balloting period for this vote will be 60 days. Please send in your response in the postage paid envelope provided at your earliest opportunity. The management company makes no opinion on this issue. This is a vote of the Association, by its members.

Thank you for your participation and prompt attention to this matter.

Sincerely,



Dave Tydeman, Association Manager
Kentfield Commons Homeowners Association

cc: File # 4
encls.

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

KEVIN D. FREDERICK, ESQ.
702 MARSHALL STREET, SUITE 620
REDWOOD CITY, CA 94063
(650) 365-9800

THIRD AMENDMENT TO
DECLARATION OF THE ESTABLISHMENT OF
COVENANTS, CONDITIONS AND RESTRICTIONS
WITH RESPECT TO LAND IN SAN MATEO COUNTY, CALIFORNIA

THIS THIRD AMENDMENT TO THE DECLARATION OF THE
ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS WITH
RESPECT TO LAND IN SAN MATEO COUNTY, CALIFORNIA is made on _____, 2003,
by KENTFIELD COMMONS HOMEOWNER ASSOCIATION, a California nonprofit
corporation (hereinafter "Association").

RECITALS

A. A DECLARATION OF THE ESTABLISHMENT OF COVENANTS,
CONDITIONS AND RESTRICTIONS WITH RESPECT TO LAND IN SAN MATEO
COUNTY, CALIFORNIA was recorded in the Office of the Recorder of San Mateo County, as
Document No. 85011118, for the Association and its members, applicable to the real property
located in the City of Redwood City, County of San Mateo, State of California, more particularly
described in that certain Subdivision Map entitled "KENTFIELD COMMONS, CITY OF
REDWOOD CITY, SAN MATEO COUNTY, CALIFORNIA", filed in the Office of the County
Recorder of San Mateo County, State of California, in Book 112 of Maps at Pages 49, 50, 51 and
52.

B. On April 16, 1985, a First Amendment to the Declaration was recorded in the Office of the Recorder of San Mateo County, as Document No. 85035629.

C. On May 25, 1988, a Second Amendment to the Declaration was recorded in the Office of the Recorder of San Mateo County, as Document No. 88064479

D. Association now desires to make a Third Amendment to the Declaration of the Establishment of Covenants, Conditions and Restrictions With Respect to Land in San Mateo County, California, pursuant to Article 32, as hereinafter provided.

NOW, THEREFORE, Association hereby amends and modifies said Declaration as follows:

1. Article 18 is amended to read as follows:

18. **Alterations, Additions and Improvements of Residences**: No Owner shall paint, make any alterations, repairs of or additions to his or her Residence, which said alterations, repairs or additions would substantially affect the exterior appearance thereof, without the prior written approval of color samples or the plans and specifications therefor by the **Board and the Architectural Control Committee**. The **Board and the Committee** shall grant **its their** approval only in the event that the proposed work will benefit and enhance the entire subdivided property in a manner generally consistent with the plan of the development thereof. The **Boards' and the Committee's** approval or disapproval shall be in writing. In the event that the **Board and the Committee** fail to approve or disapprove within thirty (30) days after the appropriate plans and specifications have been submitted to it, **them**, or in any event, if no suit to enjoin such work has commenced before completion thereof, approval will be deemed given and compliance with the terms of this Article conclusively presumed.

The Board and the Architectural Control Committee shall have the authority to approve an alternative roofing material consistent with the overall appearance of the property in addition to the existing wood shakes.

No fences, awnings, ornamental screens, screen doors, sunshades, or walls of any nature shall be erected or maintained in or around the enclosed yard or patio areas of the numbered lots except those that are installed in accordance with the original construction of the development, and their replacements or as authorized and approved by the Board or **and** the Committee.

Owners shall not alter the landscaping or erect any fence or wall on the unenclosed areas of the numbered lots that are to be cared for by the Association.

Nothing shall be done in or to any Lot or in the Common Area that will impair the structural integrity of any Residence except in connection with alterations or repairs specifically permitted or required hereunder.

Notwithstanding anything to the contrary herein contained, there shall be no impairment of the structural integrity of any party wall without the prior consent of all Owners of any interest therein, whether by way of easement or in fee. Declarant hereby reserves for itself and its successors in interest a perpetual and reciprocal right of support between the respective Owners of each party wall. In the event it shall become necessary to repair or rebuild the whole or any portion of a party wall, the expenses of said repair or rebuilding shall be borne equally by the Owners of the respective Residences adjoining said wall. Any such repair or rebuilding shall be erected in the same spot and where the wall was first built and of the same size and of the same or similar material.

IN WITNESS WHEREOF, this Third Amendment to the Declaration of the Establishment of Covenants, Conditions and Restrictions With Respect to Land in San Mateo County, California, is executed by the President of the Association.

////

///

//

/