

AFTER RECORDING MAIL TO:

THE ANDEN GROUP
2483 E. Bayshore Road
Suite 102
Palo Alto, CA 94303

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RECORDED AT REQUEST OF
FIRST AMERICAN TITLE INSURANCE CO.
SAN MATEO COUNTY TITLE DIVISION

JAN 4 4 04 PM 1984

MARVIN CHURCH, RECORDER
SAN MATEO COUNTY
OFFICIAL RECORDS

ENABLING DECLARATION ESTABLISHING
MASTER ASSOCIATION

THIS DECLARATION, executed on the date hereinafter set forth, by The Anden Group, a California general partnership, hereinafter referred to as "Declarant", is made with reference to the following facts:

A. Declarant is the owner of ten adjacent parcels of land located in the City of San Mateo, County of San Mateo, State of California, more particularly described in Exhibit A attached hereto and incorporated by reference herein (Parcel One through Parcel Ten, collectively, "The Parcels.")

B. Declarant intends to improve the Parcels by constructing thereon housing units in a series of projects.

C. Declarant intends by this document to impose upon the Parcels mutually beneficial restrictions under a general plan of improvement for the benefit of all the Owners.

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

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ARTICLE I

DEFINITIONS

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

1.2 "Assessment" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the

Property which is to be paid by each unit owner as determined by the Association and as shown on Exhibit C.

1.3 "Association" shall mean and refer to the Edgewater Isle Master Association, Inc., a California nonprofit mutual benefit corporation.

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

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

1.6 "Common Facilities" shall mean and refer to the Common Facilities particularly described on Exhibit B attached hereto and incorporated by reference herein.

1.7 "Common expenses" means and includes the actual and estimated expenses of operating the common Facilities and any reasonable reserve for such purposes as found and determined by the Board.

1.8 "Declarant" shall mean and refer to The Anden Group, its successors and assigns.

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

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

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

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

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

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

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

1.16 "Owner" or "Owners" shall mean and refer to the record holder or holders of title, if more than one, to a unit. If a unit is sold under a recorded contract of sale,

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the purchaser, rather than the fee owner, shall be considered the "Owner".

1.17 "Parcels" means the Parcels of real property described on Exhibit A.

1.18 "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

1.19 "Project" shall mean and refer to the entire real property above-described, and including all structures and improvements erected or to be erected thereon.

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

1.21 "Property" or "Properties" means and includes the real property above-described and all improvements erected thereon and all property, real, personal or mixed intended for or used in connection therewith.

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

1.23 "Unit" means and includes any form of housing unit including but not limited to townhouse units, condominium units, apartment units, single family units and/or cooperative units, as well as a vacant parcel. A vacant, unimproved parcel constitutes one unit and vote and is assessed as one unit. A housing facility is not a unit until an occupancy permit allowing its use has been issued by the City of San Mateo.

ARTICLE II

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

2.1 Description of Project: The project consists of the ten Parcels. The Parcels shall make use of and benefit from the Common Facilities described on Exhibit B.

2.2 Partition Prohibited: The Common Facilities shall remain undivided. No Owner shall bring an action for partition of the Common Facilities, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project.

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ARTICLE III

ASSOCIATION, ADMINISTRATION, MEMBERSHIP
AND VOTING RIGHTS

3.1 Association to Manage Common Areas: The management of the Common Facilities shall be vested in the Association in accordance with its Bylaws. The Owners of each Parcel covenant and agree that the administration of the Common Facilities shall be in accordance with the provisions of this Declaration, the Articles and Bylaws of the Association.

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

3.3 Transferred Membership: Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of the unit to which it is appurtenant, and then only to the purchaser, in the case of a sale, or mortgagee, in the case of an encumbrance of such unit. Upon death of a member, his membership passes automatically along with title to his unit, to his heirs. A mortgagee does not have membership rights until he becomes an owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void. No member may resign his membership. In the event the owner of any unit should fail or refuse to transfer the membership registered in his name to the purchaser of his unit, the Association shall have the right to record the transfer upon its books and thereupon any old membership outstanding in the name of the seller shall be null and void.

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

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each unit owned. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any unit. [See Article I, Section 1.23 for the definition of a unit for purposes of this document.]

Class B: The Class B member(s) shall be the Declarant and shall be entitled to vote as follows: Voting shall be the same as for Class A members, except that Class B member(s) may triple its votes for each unit owned. The Class B memberships shall

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cease and be converted to Class A memberships upon the happening of any of the following events, whichever occurs earlier:

(a) The total outstanding votes held by Class A members equal the total outstanding votes held by the Class B member.

(b) Not later than the second anniversary of the original issuance of the subdivision public report.

Any action by the Association which must have the approval of the members before being undertaken shall require the vote or written assent of at least a majority of each class of membership during the time that there are two outstanding classes of membership. When two classes are no longer in existence, where the vote or written assent of each class of membership is required, any requirement that the vote of Declarant be excluded is not applicable except as provided in Section 8.11 of the Declaration, and in such event, the vote or written assent of a bare majority of the total voting power of the Association as well as the vote or written assent of 51% of the total voting power of members other than the subdivider is required. Voting rights attributable to units shall not vest until assessments against those units have been levied by the Association. [See Article I, Section 1.23 for the definition of a unit for purposes of this document.]

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ARTICLE IV

MAINTENANCE AND ASSESSMENTS

4.1. Creation of the Lien and Personal Obligation of Assessments: The Declarant, for each unit owned within the project, hereby covenants, and each owner of any unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges (to be billed and paid monthly); and (2) special assessments for purposes permitted herein, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the unit and shall be a continuing lien upon the unit against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such unit at the time when the assessment fell due. No

owner of a unit may exempt himself from liability for his contribution towards the common expenses by waiver of the use of enjoyment of any of the common areas or by the abandonment of his unit. Until such time as Lot Two described on Exhibit A is developed, it shall be counted as one unit for purposes of assessments. As units (as defined in Section 1.23) are constructed on Lot Two, each said unit shall be subject to a separate assessment, which assessment can result in an individual lien on each such unit.

4.2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of all the residents in the entire project and for the improvement and maintenance of the common area for the common good of the project, and to fulfill the legal obligations of the Association under the terms and conditions of approval fixed by the City of San Mateo.

4.3. Annual Assessment:

A. From and after January 1 of the year immediately following the conveyance of the first unit to an owner, the annual assessment may be increased each year by not more than twenty percent (20%) above the maximum assessment for the previous year without a vote of the membership.

B. 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 Declarant, impose a regular annual assessment which is more than twenty percent (20%) greater than the regular annual assessment for the immediately preceding fiscal year.

C. Without membership approval, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum. However, the annual assessment may not be decreased either by the Board or by the members, by more than ten percent (10%) in any one year without the approval of a majority of the voting power of the Association residing in members other than the Declarant, or, where the two class voting structure is still in effect, a majority of each class of members. Failure by the Board to set assessments shall not be deemed a waiver of the assessments but rather the prior year's assessment shall continue.

D. Subject to the limitations on the maximum and minimum amount of assessments herein provided, if at any time during the course of any year the Board shall deem the amount of the annual assessment to be inadequate or excessive, the Board shall have the power, at a regular or

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special meeting, to revise the assessment for the balance of the assessment year, effective on the first day of the month next following the date of the revision.

E. The annual and special assessments shall be spread equally over all units as herein defined. The annual and special assessments at the discretion of the Board may be collected in monthly installments.

4.4. Special Assessments for Capital Improvements Or Extraordinary Expenses; Reserves for Replacement; Trust Funds: The Board of Directors may levy in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the common area, including fixtures and personal property related thereto, or for extraordinary expenses incurred by the Association, provided that in the event special assessment(s) exceed in the aggregate five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the vote or written consent of a majority of the voting power of the Association residing in members other than the Declarant shall be required to approve such assessment(s). Special assessments shall be levied on the same basis as regular assessments.

As part of the regular annual assessments for maintenance authorized above, the Board of Directors shall annually fix the amount to be contributed pro rata by each member to reserve funds for the purpose of defraying, in whole or in part, the cost or estimated cost of any reconstruction, repair, or replacement of improvements, including fixtures and personal property related thereto. Such determination shall be made after consideration of the need for additional funds and of the Association's capital position. The Board shall maintain a separate account for those funds. The Board shall fix the method of payment of such assessments and shall be empowered to permit either lump sum or monthly payments. Separate records shall be maintained for all funds deposited to the said account, which shall be designated as a "Reserve Account".

Amounts received by the Association as contributions, assessments, or dues from the owners shall be held in one or more accounts. Deposits shall be made, and funds accounted for so that reserves for capital improvements and for replacement, can be clearly separated from funds for operating expenses or repair and maintenance funds. Capital improvement and replacement funds shall be used solely for capital improvements and replacements of the common area within the project.

4.5. Notice and Quorum for any Action Authorized Under Sections 4.3 and 4.4: Any action authorized under Sections 4.3 and 4.4, which requires a vote of the membership, shall be taken at a meeting called for that purpose, written notice of which

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shall be sent to all members not less than ten (10) nor more than ninety (90) days in advance of the meeting specifying the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. If a quorum is present and the proposed action is favored by a majority vote of the members present at such meeting, but such vote is less than a majority of the voting power of the Association, including a majority of the members other than the Declarant, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate officers of the Association not later than thirty (30) days from the date of such meeting.

4.6. Division of Assessments: Except as provided in Section 4.4, all assessments, both annual and special, shall be charged to and divided among the unit owners equally.

4.7. Date of Commencement of Annual Assessment; Due Dates: The regular assessments provided for herein shall commence as to all units on the first day of the month following the closing of the first sale resulting in the conveyance of the first unit. In the case of a building which contains exclusively rental units which are not sold, then upon the issuance of an occupancy permit for use of the first unit in said building by the City of San Mateo. The assessment shall be adjusted according to the number of months remaining in the calendar year.

4.8. Effect of Nonpayment of Assessments: Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of fifteen percent (15%) per annum from the due date until paid, and shall incur a late payment penalty of \$25.00.

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

Where the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the same as a result of foreclosure of any such first mortgage, such acquirer of title, his successor and assigns, shall not be liable for the share of the common expenses or assessment by the Association chargeable

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to such unit which became due prior to the acquisition of title to such unit by such acquirer (except for assessment liens recorded prior to the mortgage). Such unpaid share of common expenses or assessment shall be deemed to be common expenses collectible from all of the unit owners including such acquirer, his successors or assigns.

In a voluntary conveyance of a unit the grantee and the grantor shall be jointly and severally liable to the Association for all unpaid assessments against the unit for the grantor's 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 grantor the amounts paid by the grantee therefor. however, any such grantee shall be entitled to a statement from the Association, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor 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.

4.10. Priorities; Enforcement; Remedies: When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective unit prior and superior to all other liens except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deeds of trust with first priority over other mortgages or deed of trust made in good faith and for value.

Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the owner to pay such assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of Sections 2924-2924H of the California Civil Code, applicable to the exercise of powers of sale in mortgages and deeds of trust or in any other manner permitted by law.

Fines and penalties for violations of restrictions are not assessments and are not enforceable by assessment lien.

The Association acting on behalf of the unit owners, shall have the power to bid for the unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Where the purchase of a foreclosure unit will result in a five percent (5%) or greater increase in assessments, the purchase shall require the vote or written consent of a majority of the total voting power of the Association, including a majority of the total voting power of the Association, including a majority of the members other than Declarant. During the

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period a unit is owned by the Association, following foreclosure: (1) No right to vote shall be exercised on behalf of the unit; (2) No assessment shall be assessed or levied on the unit; and (3) Each other unit shall be charged, in addition to its usual assessment, its prorata share of the assessment that would have been charged to such unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

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

The Board may temporarily suspend the voting rights (and right to use common facilities) of a member who is in default in payment of any assessment, after notice and hearing, pursuant to California Corporations Code Section 7341 as provided in the Bylaws.

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

4.12. Exemption From Assessments: All property dedicated to, and accepted by, a local public authority or public agency, and all property owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of California, shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

4.13. Collection of Assessments. Special and annual assessments shall/may be collected monthly at the discretion of the Board.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

5.1. Duties: In addition to the duties enumerated in its Bylaws, or elsewhere provided for in this Declaration, and

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without limiting the generality thereof, the Association shall perform the following duties:

A. Maintenance: The Association shall maintain, repair, replace, restore, operate and manage all of the Common Facilities and all facilities, improvements, furnishings, equipment and landscaping thereon, and all property that may be acquired by the Association, including the shuttle buses. The responsibility of the Association for maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of an Owner, or his guests, tenants, or invitees, the cost of which is not covered by insurance. The cost of repair or replacement resulting from such excluded items shall be the responsibility of each Owner; provided, however, that if an Owner shall fail to make the repairs or replacements which are the responsibility of such Owner, as provided above, then after 30 days notice to the Owner and a public hearing, the Association shall make such repairs or replacements, and the cost thereof shall be paid immediately to the Association by such Owner of such Parcel.

The Association shall at all times insure that every fire hydrant situated on the project shall be accessible to fire department apparatus by way of emergency vehicle roadways. The emergency vehicle roadways shall be extended to within 150 feet of all portions of the exterior walls of the first story of any building on the project. Upon request, the Association shall dedicate to the City of San Mateo an easement for such emergency access. Such emergency vehicle access roadway shall be an all-weather driving surface capable of supporting a vehicle-laden weight of 37,000 lbs., be no less than 20 feet in unobstructed width, have an outside turning radius of not less than 40 feet, and an inside turning radius of not more than 18 feet, and a minimum of 13 feet, 6 inches of vertical clearance. The Association shall at all times maintain the emergency vehicle roadways free of obstructions for a width of 20 feet along its entire length and the Association shall prohibit parking or obstructing of said emergency vehicle roadways. Any barricades, fences, or gates to be installed across an emergency vehicle access roadway shall require the prior approval of the fire department of the City of San Mateo.

B. Insurance: The Association shall maintain such policy or policies of insurance as are required or practical.

C. Discharge of Liens: After notice and hearing the Association shall discharge by payment, if necessary any lien against the Common Facilities, and assess the cost

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thereof, to the member or members responsible for the existence of said lien.

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

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

F. Enforcement: The Association shall enforce this Declaration.

G. Security: The Association shall provide security as responsibly necessary for the Common Facilities.

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

A. Utility Service: The Association shall have the authority to obtain, for the benefit of all the units all water, gas, sanitary sewer, storm sewer, and electric service and refuse collection, and janitorial or window cleaning service and CATV.

B. Easements: The Association shall have authority by document signed or approved by three-fourths (3/4) of the total voting power of the Association, including a majority of the members other than Declarant, to grant easements in addition to those shown on the Map, where necessary for utilities, cable television and sewer facilities over the common area, to serve the common and open space areas and the units.

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

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

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

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

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

H. Acquisition and Disposition of Property: The Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of real property shall be by document signed or approved by a majority of the voting power other than the subdivider.

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

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J. Dedication: The Association shall have the power to dedicate all or any part of the Common Facilities to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication shall be effective unless an instrument has been signed by three-fourths (3/4) of the total voting power of the Association.

K. Contracts: The Association shall have the power to contract for goods and/or services for the Common Facilities or for the Association.

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

M. Security: The Association shall have the power to contract for security services for the Common Facilities.

N. Recreational Vehicle Storage: The Association shall lease the recreational storage area from the City of San Mateo and maintain said facility with a security fence and lighting as a recreational vehicle storage facility for the use of the owners or tenants of owners residing in the project. The Board of the Association shall adopt rules and regulations with regard to the operation and maintenance of said facility. The rules and regulations shall be comparable to rules and regulations then in existence for other recreational vehicle storage facilities situated in the City of San Mateo. The Board of the Association shall establish reasonable charges for the use of said facilities and reasonable and fair rules and waiting lists with regard to the sharing of said facilities by all owners in the project.

O. Transportation: Declarant has provided the Association with shuttle buses. The Board of the Association shall, on an annual basis, poll the members of the Association to determine how to best implement and facilitate the use of these shuttle buses in light of then current demands and/or needs for transportation to work, recreation, domestic or other similar needs of the people living in the project. Based upon the information gathered from this polling, the Board shall establish and must maintain routes for said shuttle buses to provide employment, recreation, domestic and other similar forms of transportation for the residents of the project at reasonable rates to be set by the Board. The Board may

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contract for such transportation services in lieu of owning and maintaining said shuttle buses. The operation of shuttle buses providing transportation on a regularly scheduled basis for the residents of the project may not be terminated without the prior written approval of the City Council of the City of San Mateo.

ARTICLE VI

UTILITIES

6.1 Association's Duties: The Association shall maintain all streets, levees, sewers, water, electric, gas and other utility installations located in the Common Facilities, except for those installations maintained by utility companies, public, private or municipal. The Association shall pay all charges for utilities supplied to the Project except those metered or charged separately to the units.

6.2 Easements for Utilities and Maintenance: Easements over and under the property for the installation, repair, and maintenance of electric, telephone, water, gas, and sanitary sewer lines and facilities, heating facilities, cable or master television antenna lines, storm drainage facilities, levees, walkways, and landscaping as shown on the recorded map of the property and as may be hereafter required or need to service the property, are hereby reserved by Declarant and its successors and assigns, including the Association, together with the right to grant and transfer the same.

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ARTICLE VII

USE RESTRICTIONS

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

7.1. Nuisances: No noxious, illegal, or seriously offensive activities shall be carried on upon any Parcel, or in any part of the Property, nor shall anything be done thereon which may be or may become a serious annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Parcel, or which shall in any way increase the rate of insurance for the project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same.

7.2. Vehicle Restrictions: Parking shall be limited or prohibited on those portions of the Common Facilities upon which emergency vehicle access easements have been dedicated to the City of San Mateo to insure access. Signs which comply with applicable codes of the City of San Mateo giving notice of the restriction, together with appropriate street markings, shall be posted and maintained in place. No trailer, camper, mobile home, motor home, house car, commercial vehicle, truck (other than standard size pickup truck or standard size van) boat, inoperable automobile, or similar equipment shall be permitted to remain upon the Common Facilities. Twenty-four (24) hours after notice has been personally delivered to the owner or placed on the windshield of a vehicle or seventy-two (72) hours after notice has been mailed to the address of the registered owner of a vehicle parked, stored, or maintained on the Common Facilities, in violation of the provisions of this Declaration, or without notice if said vehicle is parked in an emergency access easement, the Owner shall be deemed to have consented to the removal of said vehicle from the project, and the Association or its agents or employees or the City of San Mateo, in accordance with the applicable provisions of the San Mateo Municipal Code and the California Vehicle Code, or any property owner or member of the Association, shall have the authority to tow away and store any such vehicle, whether said vehicle shall belong to a unit Owner, or his tenant, a member of his family, or his guest or invitee. The owner of said vehicle shall be responsible for all charges and expenses incurred in said towing as then provided for in the Municipal Code of the City of San Mateo. The Association shall post appropriate signs setting forth the required notice under the then-applicable City of San Mateo Municipal Code with regard to towing of unauthorized vehicles. Charges for such towing and storage shall be paid either by the owner of such vehicle or by the unit Owner responsible for the presence of such vehicle. In addition, the City of San Mateo may issue a citation for the prohibited parking.

7.3. Liability of Owners for Damage to Common Facilities: The Owner of each parcel shall be liable to the Association for all damage to the Common Facilities or improvements thereon caused by such Owner or occupancy of his parcel or guest or by owner's pet, except for that portion of said damage, if any, fully covered by insurance. Liability of an Owner shall be established only after notice to the Owner and hearing before the Board. In the event an Owner disagrees with the decision of Board on the question of liability, the Owner may petition a court of law or submit the matter to arbitration under the rules of the American Arbitration Association.

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7.4. Levee:

A. The Board shall adopt rules and regulations for the use and maintenance of the levee adjacent to the project, and shall coordinate the enforcement of the same with the City of San Mateo. The Declarant, as a condition of approval of the project, has granted to the City of San Mateo a public access easement to and along the banks of the waterways lying within the project in accordance with Chapter 4, Article 3.5 of the Subdivision Map Act. The rights created by said dedication of said public access easement shall at all times supersede the rights of the Board to adopt rules and regulations for the use and maintenance of the levee adjacent to the project.

B. The Association shall permanently maintain landscaping within the public access easement and along the marina lagoon compatible with the shoreline park specific plan and the park and recreation element to the approval of the Department of Parks and Recreation of the City of San Mateo.

7.5. Fire Protection: The Association shall be responsible for assuring that private fire hydrants, valves, markers and mains shall be maintained in an operable condition at all times. Annual tests of said system shall be conducted by qualified persons approved by the Fire Chief of the City of San Mateo. A written record of said tests shall be maintained and made available to the Fire Chief. The Association shall reimburse the City of San Mateo for all costs the City may incur in the maintenance of the fire hydrant system within the Project.

7.6. Building Identification: All street addresses shall be clearly visible from the street. Numerals shall be a minimum of 4 inches in height. All units not facing on a street shall be identified in a manner acceptable to the police chief and fire chief of the City of San Mateo. All street names, whether for public or private streets, used to identify building locations shall be submitted to the Communications Division of the City of San Mateo for approval.

ARTICLE VIII

GENERAL PROVISIONS

8.1. Enforcement: The Association or any Owner or the City of San Mateo, at its sole discretion and within the legitimate exercise of its police power, after giving due notice to the Association or to the affected Owner shall have the right, but not the obligation, to enforce, by any proceeding, at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Articles and Bylaws and in such

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action, shall be entitled to recover reasonable attorneys' fees as are ordered by the Court. Failure by the Association or by any Owner (or by the City of San Mateo) to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Further provided the Association shall discharge by payment, if necessary, any lien against the common area and assess the costs thereof to the member or members responsible therefor; provided, however:

(1) The Association may not cause a forfeiture or abridgment of a member's right to the full use and enjoyment of his individually owned Unit on account of the failure by the member to comply with the provisions of this Declaration or of duly enacted rules of operation with regard to the common area and facilities, except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the member to pay assessments duly levied by the Association.

(2) The procedures for notice and hearing satisfying the minimum requirements of Section 7341 of the Corporations Code must be followed with respect to any accused member before the Association may render a decision to impose monetary penalties, temporary suspension of the member's rights as a member of the Association, or other appropriate discipline for failure to comply with this Declaration.

(3) A monetary penalty or fine imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments or as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member was allegedly responsible or in bringing the member and his Unit into compliance with the governing instruments may not be treated as an assessment which may become a lien against the member's Unit, enforceable by a sale of the Unit in accordance with the provisions of Sections 2924, 2924(b), and 2924(c) of the Civil Code, with the exception of charges imposed against an Owner consisting of reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred [including attorney's fees] in its effort to collect delinquent assessments, which charges and penalties may become a

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lien against the member's Unit enforceable by a sale of the interest in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code.

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

8.3. Term: The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Parcels subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions in whole or in part, or to terminate the same.

8.4. Amendments: Prior to close of escrow on the sale of the first unit, Declarant may amend this Declaration (with the consent of the Department of Real Estate as to any amendment constituting a material change). After sale of the first unit, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of members representing a majority of the total voting power of the Association and a majority of the affirmative votes or written consent of members other than the Declarant, or where the two (2) class voting structure is still in effect, a majority of each class of membership. However, the percentage of voting power necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment must be recorded in the Recorder's Office of the County of San Mateo. No amendment shall adversely affect the rights of the holder of any mortgage of record prior to the recordation of such amendment. Any amendment which has the effect of modifying a term and condition of the initial approval of the project by the City of San Mateo or the effect of contravening or amending any existing building code or ordinance of the City of San Mateo may not be undertaken by the Owners or the Board without the prior written consent of the City of San Mateo.

8.5. Owner's Right and Obligation to Maintain and Repair: Except for the portions of the Project which the Association is required to maintain and repair, each Parcel Owner shall, at his sole cost and expense, maintain and repair his Parcel.

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

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

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

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

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notices required herein to such parties at the address given on the current request for notice, in the manner provided by Section 8.11.

D. Consent to Action:

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

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

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

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for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of first mortgages on units.

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

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

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

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

(c) Partition or subdivide any parcel or unit.

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

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

E. Right of First Refusal: The project documents contain no provisions creating a "right of first refusal" but should any such rights be created in the future, any such rights shall not impair the rights of any first lender to: (1) foreclose or take title to a parcel or unit pursuant to the remedies provided in the mortgage; or (2) accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgagor, or (3) sell or lease a unit acquired by the mortgagee.

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

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

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

I. Distribution of Insurance or Condemnation Proceeds: No provision of the residential constituent documents gives a parcel or unit owner or any other party, priority over any rights of first mortgagees of

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parcels or units pursuant to their mortgages in the case of a distribution to parcel or unit owners of insurance proceeds or condemnation awards for losses to or taking of parcels or units and/or common elements.

J. Restoration or Repair: Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by eligible mortgage holders holding mortgages on units which have at least fifty-one (51%) of the votes of units subject to eligible holder mortgages.

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

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

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

8.7. Condemnation: The Association shall represent the unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Facilities, or part thereof. In the event of a taking or acquisition of part or all of the Common Facilities by a condemning authority, the award or proceeds of settlement shall be payable to the Association.

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8.8. Owners' Compliance: Each Owner, tenant or occupant of a Parcel shall comply with the provisions of this Declaration, and to the extent they are not in conflict with the Declaration, (the Articles,) and Bylaws, decisions and resolutions of the Association or its duly authorized repred or addressed to the unit of such person if no address has been given to the Secretary.

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

8.12 Limitation of Restrictions on Declarant: Declarant is undertaking the work of construction of units and incidental improvements upon the subject property. The completion of that work and the sale, rental, and other disposal of said units is essential to the establishment and welfare of said property as a residential community. In order that said work may be completed and said property be established as a fully occupied residential

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community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

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

B. Prevent Declarant or its representative from erecting, constructing and maintaining on any part or parts of the property, such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

C. Prevent Declarant from conducting on any part of the property its business of completing said work and of establishing a plan of development and of disposing of said property in units by sale, lease or otherwise (including use of one or more units as a sales office); or

D. Prevent Declarant from maintaining such sign or signs on any of the property as may be necessary for the sale, lease or disposition thereof.

The foregoing limitations or the application of the restrictions to Declarant shall terminate upon sale of Declarant's entire interest in the project, or three (3) years after the date of recordation of the deed of the first unit to be sold in the last phase of the project to be annexed, whichever occurs first.

So long as Declarant, its successors and assigns, owns one or more of the units established and described herein, Declarant, its successors and assigns, shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of their units (and the common area) by owners, while completing any work necessary to said units or common area.

8.13. Rules and Regulations: All owners, tenants, or their employees, or any other person that might use the facilities of the project in any manner, are subject to rules and regulations which will be adopted from time to time by the Board. Acquisition, rental, or occupancy of any unit shall constitute acceptance and ratification of the provisions of this Declaration, and the rules and regulations.

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IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 21st day of December, 1983.

THE ANDEN GROUP, a California General Partnership,
BY: MIDEN CORPORATION, a California Corporation, General Partner

Dennis O'Brien, Vice President

STATE OF CALIFORNIA
COUNTY OF Santa Clara ss.

On Dec. 21, 1983 before me, the undersigned, a Notary Public in and for said State, personally appeared Dennis O'Brien 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

Ula President and _____ Secretary, on behalf of Miden

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 Anden

Execs 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 Joann Hartman



(This area for official notarial seal)

3005 (6/82) — (Corporation First American)
Partner of Partnership Company

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EXHIBIT "A"

DESCRIPTION

The land herein referred to is situated in the State of California, County of San Mateo, City of San Mateo and is described as follows:

PARCEL I: "NORTH"

Lots 1 to 9 as shown on that certain map entitled "EDGEWATER ISLE SUBDIVISION MAP FOR CONDOMINIUM PURPOSES BEING A RESUBDIVISION OF LOT 1 AS SAID LOT IS SHOWN ON THAT CERTAIN MAP ENTITLED 'EDGEWATER PARK SUBDIVISION MAP'", recorded in Book 108 of Maps, pages 66 and 67 and corrected by certificate of correction recorded in Document No. 83061568, San Mateo County Records, City of San Mateo, San Mateo County, California filed in the office of the County Recorder of San Mateo County, State of California on November 29, 1983 in Volume 111 of Maps at pages 2 and 3.

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South

Lot 2 as lies within the exterior boundaries as shown on that certain Map entitled, "EDGEWATER PARK SUBDIVISION MAP FOR CONDOMINIUM PURPOSES BEING A RESUBDIVISION OF ALL OF THAT CERTAIN MAP ENTITLED, "RESUBDIVISION OF PARCEL MAPS 36-79 AND 217 MARINERS ISLAND UNIT 5" (EXCEPT PARCELS E, F AND G THEREOF) RECORDED IN BOOK 104 OF MAPS, PAGES 42 THROUGH 48, SAN MATEO COUNTY RECORDS, CITY OF SAN MATEO, SAN MATEO COUNTY, CALIFORNIA," filed in the office of the County Recorder of San Mateo County, State of California on March 3, 1983 in Volume 109 of Maps at page 66.

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EXHIBIT B

COMMON FACILITIES

The following Common Facilities shall be managed, contributed to, operated by and/or maintained by the Association, as per the conditions of approval imposed on the Project by the City of San Mateo:

1. All private streets, driveways or alleyways on the parcel described in Exhibit A, except those subject to the Master Commercial Association;
2. All private storm sewers situated on any of the Parcels;
3. Any and/or all private storm sewer lift pumps situated on any of the Parcels or serving the parcels;
4. Any and/or all public or private bike paths situated on any of the Parcels;
5. Any and/or all public or private levee areas situated on any of the Parcels;
6. Any and/or private bulkheads for storm sewers situated on any of the Parcels;
7. Any and/or private sanitary sewer trunk lines, outfalls, side sewers, or sewer connections situated on any of the Parcels;
8. The recreational vehicle storage area shown on the adjacent property owned by the City of San Mateo;

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9. Any and/or all private water mains;
10. Any and/or all meters regulating and determining the gallonage of water serving any of the Parcels;
11. Any and/or all private streetlights, private fire hydrants or street landscaping or private garbage receptacle situated on or serving any of the Parcels;
12. Any and/or all private commuter vans or related enterprises with regard to the maintenance and operation of a commuter van system serving any of the Parcels.

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EDGEWATER ISLE MASTER ASSOCIATION

EXHIBIT C

Regular and special assessments will be spread and/or shared and/or paid equally on a per unit basis. For purposes of this instrument, a unit includes an apartment unit for which an occupancy permit has been issued by the City of San Mateo. For purposes of this instrument, a unit includes all forms of housing units, apartments, single-family detached, condominium, cooperative, townhouses, zero lot line. For purposes of this instrument, an individual phase or parcel (in particular, Lot Two), as shown on Exhibit A constitutes a single unit until developed with units.

As residential units are built and added to the Project, the assessment will be re-spread over the then total units in the project as provided for in Article IV.

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FRANCISCAN
Property
Management, LLC

June 29, 2001

Subject: **Amendment of Governing Document**

Fellow Homeowner:

The Edgewater Isle Master Association Enabling Declaration, § V, 5.2, O. **Transportation**, requires that the Board of Directors annually poll the members to determine how to best implement and facilitate the use of the shuttle bus service.

The results of the poll conducted in 2001 are typical of all prior polls:

1. Owners of only 225 units answered the questionnaire — a response of 54%.
2. 220 of the responses indicated that the Master Board should continue to delegate the authority to operate the shuttle bus service to the owners of the Edgewater Isle Senior Apartments, since senior apartment tenants are the primary users of the service — 98% of the responses.

At the 2001 Annual Meeting of Members, the members in attendance voted unanimously that the Master Board seek ownership approval of an amendment of the Enabling Declaration to eliminate the requirement for the shuttle bus poll. Printed on the reverse side of this letter is the language of the proposed Amendment.

The Master Association governing documents require majority approval by the Members to amend the Enabling Declaration. The Edgewater Isle Master Association is seeking your approval by means of a written vote, as allowed in the Bylaws. The Amendment, if passed, will be recorded in the Recorder's Office of the County of San Mateo.

We call your attention to the following:

1. Receipt of at least **209 Yes** votes will result in amending the governing document.
2. Your **Yes** vote **will not result in an increase of dues.**

The Board of Directors recommends your **Yes** vote on this matter.

Please take the time, now, to cast your vote on the enclosed postcard-type ballot and return it before the August 31, 2001 voting deadline. Thank you.

Sincerely,

The Board of Directors
Edgewater Isle Master Association

EDGEWATER ISLE MASTER ASSOCIATION

Amendment To Enabling Declaration, originally recorded January 4, 1984 in the official records of San Mateo County California, document number 84000928.

The Board of Directors of the Edgewater Isle Master Association reports that the following Amendment was passed by the required majority of the members, by a written vote, as authorized in the Association's By Laws.

Section V, 5.2, O, which currently reads * :

- O. Transportation: Declarant has provided the Association with shuttle buses. *The Board of the Association shall, on an annual basis poll the members of the Association to determine how to best implement and facilitate the use of these shuttle buses in light of them current demands and/or needs for transportation to work, recreation, domestic or other similar needs of the people. Based upon the information gathered from this polling, the Board shall establish and must maintain routes for said shuttle buses to provide employment, recreation, domestic and other similar forms of transportation for residents of the project at rates to be set by the Board.* The Board may contract for such transportation services in lieu of owning or maintaining said shuttle buses. The operation of shuttle buses providing transportation on a regularly scheduled basis for the residents of the project may not be terminated without the prior written approval of the City Council of San Mateo.

Shall be amended to read:

- O. Transportation: Declarant has provided the Association with shuttle buses. *The Board may delegate to the owner of the Edgewater Isle Senior Apartments the authority to operate and schedule the shuttle bus so as to meet the demands and/or needs for transportation of the tenants of the Senior Apartments and/or other residents at Edgewater Isle.* The Board may contract for such transportation services in lieu of owning or maintaining said shuttle buses. The operation of shuttle buses providing transportation on a regularly scheduled basis for the residents of the project may not be terminated without the prior written approval of the City Council of San Mateo.

_____	Date	_____	Date
Betsy McCann, President		Barbara Finnegan, Secretary	
Edgewater Isle Master Association		Edgewater Isle Master Association	

* *emphasis, added*



FRANCISCAN
Property
Management, LLC

November 30, 2001

Subject: **Amendment to Enabling Declaration for Edgewater Isle Master Association**

Fellow Homeowner:

Enclosed is the recorded copy of the amendment to the Edgewater Isle Master Association Enabling Declaration, **§ V, 5.2, O. Transportation**. Please attach this amendment to your copy of the enabling declaration.

The Board of Directors thanks those Members who voted to approve this amendment.

Sincerely,

The Board of Directors
Edgewater Isle Master Association

Enclosure

Dawn A. Silberstein
BICKEL & ASSOCIATES
1375 Grand Avenue, Suite 200
Piedmont, CA 94610



**FIRST AMENDMENT
TO THE ENABLING DECLARATION
ESTABLISHING MASTER ASSOCIATION INC.**

This First Amendment the Enabling Declaration Establishing Master Association, Inc. ("Amendment") is made by the Edgewater Isle Master Association ("Association") based on the following recitals:

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RECITALS

- A. The Association is a non-profit mutual benefit corporation established for the purpose of managing and maintaining the Common Facilities of the Edgewater Isle Condominiums as more fully set forth in the Enabling Declaration Establishing Master Association, Inc. ("Declaration") recorded in the official records of San Mateo County as Instrument No. 84000928 on January 4, 1984.

- B. The Edgewater Isle Condominium Development is located in the county of San Mateo, State of California and more specifically described as follows:

Lots 1 to 9 as shown on that certain map entitled "EDGEWATER ISLE SUBDIVISION MAP FOR CONDOMINIUM PURPOSES BEING A RESUBDIVISION OF LOT 1 AS SAID LOT IS SHOWN ON THAT CERTAIN MAP ENTITLED 'EDGEWATER PARK SUBDIVISION MAP,'" recorded in Book 108 of Maps, pages 66 and 67 and corrected by certificate of correction recorded in Document No. 83061568, San Mateo County Records, City of San Mateo, San Mateo County,

California filed in the office of the County Recorder of San Mateo County, State of California on November 29, 1983 in Volume 111 of Maps at pages 2 and 3.

Lot 2 as lies within the exterior boundaries as shown on that certain Map entitled, "EDGEWATER PARK SUBDIVISION MAP FOR CONDOMINIUM PURPOSES BEING A RESUBDIVISION OF ALL OF THAT CERTAIN MAP ENTITLED, 'RESUBDIVISION OF PARCEL MAPS 36-79 AND 217 MARINERS ISLAND UNIT 5' (EXCEPT PARCELS E, F AND G THEREOF) RECORDED IN BOOK 104 OF MAPS, SAN MATEO COUNTY, CALIFORNIA," filed in the office of the County Recorder of San Mateo County, State of California on March 3, 1983 in Volume 109 of Maps at page 66.

- C. This Amendment, once enacted by the Association will amend the Declaration to delete Section 5.2(O) and restate the same omitting the requirement for the Association to poll the owners annually regarding the operation of the shuttle bus.
- D. The words and phrases with initial capital letters shall have the same definitions as set forth in Article I of the Declaration.

NOW, THEREFORE, the Declaration is amended as follows:

Article V, Section 5.2(O) of the Declaration is deleted and replaced by the following:

(O) Transportation: Declarant has provided the Association with shuttle buses. The Board may delegate to the owner of the Edgewater Isle Senior Apartments the authority to operate and schedule the shuttle buses so as to meet the demands and/or needs for transportation of the tenants of the Senior Apartments and/or other residents at Edgewater Isle. The Board may contract for such transportation services in lieu of owning or maintaining said shuttle buses. The operation of shuttle buses providing transportation on a regularly scheduled basis for the residents of the project may not be

California.

Executed this 25 day of September 2001 at Foster City.

EDGEWATER ISLE MASTER
ASSOCIATION

Betsy McCann

Betsy McCann, President

CERTIFICATE

Pursuant to Civil Code § 1355(a), I, the undersigned, declare under penalty of perjury that the following facts are true and correct of my own personal Knowledge:

- A. I am the duly elected President of the Edgewater Isle Mater Association, Inc. a California non-profit mutual benefit corporation.
- B. The required percentage of Master Association Members have given their approval to amend the currently effective Declaration by adopting this First Amended Enabling Declaration Establishing Master Association Inc.

This certificate is executed under penalty of perjury on 25 Sept,
2001, in Foster City, California.

EDGEWATER ISLE MASTER
ASSOCIATION, INC.

Betsy McCann

Betsy McCann, President



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Mateo } ss.

On Sept 25 2001, before me, JOSE J. SAN GABRIEL,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared BETSY MCCANN
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence California Driver License to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.
Jose J. San Gabriel
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: First Amendment to the Enabling Declaration Establishing Master Association, Inc
Document Date: Sept 25, 2001 Number of Pages: 3

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____

Signer Is Representing: _____

