

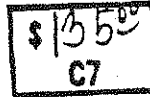
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GLENWOOD ASSN. INC.
Perkam Management Co. Inc.
11901 Gilbert Street
Garden Grove, California 92461

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DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF

GLENWOOD ASSN. INC.

Revised: July 26, 1989

TABLE OF CONTENTS
FOR
GLENWOOD ASSN. INC.

<u>DESCRIPTION</u>	<u>PAGE NO</u>
RECITALS	1
ARTICLE I - DEFINITIONS	2
Section 1 Articles	2
Section 2 Assessment	2
Section 3 Association	2
Section 4 Association Rules	2
Section 5 Board of Directors	2
Section 6 By-Laws	2
Section 7 Common Area	2
Section 8 Common Expense	2
Section 9 Common Facilities	3
Section 10 Common Funds	3
Section 11 County	3
Section 12 Declarant	3
Section 13 Declaration	3
Section 14 Family	3
Section 15 Governing Documents	3
Section 16 Lease	3
Section 17 Lot	3
Section 18 Member	4
Section 19 Mortgage	4
Section 20 Owner	4
Section 21 Owner of Record	4
Section 22 Properties	4
Section 23 Parcel	5
Section 24 Project	5
Section 25 Residence	5
Section 26 Single Family Residential Unit	5
Section 27 Unit	5
Section 28 Regular Assessment	5
Section 29 Special Assessment	5
Section 30 Special Individual Assessment	5
Section 31 Subdivision Map	5
ARTICLE II - PROPERTY RIGHTS AND OBLIGATIONS	6
Section 1 Owners Non-Exclusive Easements of Enjoyment	6

Section 2	Persons Subject to Governing Documents	7
Section 3	Delegation of Use and Leasing	7
Section 4	Obligations of Owners, Owners Lots and Units within Glenwood	7
Section 5	Association Right to Regulate Common Area and Common Facilities	9
ARTICLE III - HOMES ASSOCIATION		10
Section 1	Association Membership	10
Section 2	One Class of Membership	10
Section 3	Voting Rights of Members	10
Section 4	Assessments	10
Section 5	Transfer of Membership	10
Section 6	Powers and Authority of the Association	11
Section 7	Association Rules	11
Section 8	Breach of Rule or Restrictions	12
Section 9	Limitation of Liability of the Associations Directors and Officers	12
Section 10	Specific Authority	13
Section 11	Service Contracts in Excess of One Year	15
Section 12	Enforcement Provisions	15
ARTICLE IV - ASSESSMENTS		16
Section 1	Assessments Generally	16
Section 2	Regular Assessment	17
Section 3	Special Assessment	18
Section 4	Special Individual Assessment	18
Section 5	Purpose and Reasonableness of Assessments	20
Section 6	Exemption of Certain of the Properties from Assessments	20
Section 7	Maintenance of Assessments Funds	20
Section 8	Effect of Nonpayment of Assessments and Remedies of the Association	21
Section 9	Mortgage Protection	22
Section 10	Waiver of Exemptions	23
Section 11	Purpose of Assessments	23
Section 12	Annual Assessments	23
Section 13	Special Assessment	24

Section 14	Notice and Quorum For Any Action Authorized Under Section 3 and 4	24
Section 15	Non-Use of Common Area or Abandonment of Lot and Unit	24
Section 16	Liability of Association	24
ARTICLE V - ARCHITECTURAL CONTROL		24
Section 1	Establishment of an Archi- tectural Committee	25
Section 2	Approval of Improvements	25
Section 3	Drainage	25
Section 4	Special Requirements	26
ARTICLE VI - USE RESTRICTION		26
Section 1	Land Use	26
Section 2	Clothes Line and Storage	26
Section 3	Animals	26
Section 4	Mining and Drilling Operations	27
Section 5	Commercial Activities Prohibited	27
Section 6	Nuisances	27
Section 7	Signs	27
Section 8	Temporary Residences	28
Section 9	Automobiles, Boats and Trailers	28
Section 10	Rooftop Appliances	28
Section 11	Utility Connections	28
Section 12	Cancellation of Insurance	29
Section 13	Compliance with Laws	29
Section 14	Rules for Use of Common Areas	29
Section 15	Compliance	29
Section 16	Conditions	29
ARTICLE VII - EXTERIOR MAINTENANCE RESPONSIBILITIES		30
Section 1	Common Area and Common Facilities	30
Section 2	Owner Maintenance Responsibility	30
Section 3	Temporary Quarters - Restricted Vehicles	31
Section 4	Household Pets	32
Section 5	Signs	32
Section 6	Business Activities	32
Section 7	Garbage	32

Section 8	Activities Affecting Insurance	33
Section 9	No Drilling	33
Section 10	Antennas and External Fixtures	34
Section 11	Variances	34
ARTICLE VIII - EASEMENTS		34
Section 1	Maintenance Easements	35
Section 2	Blanket Utility Easement	35
Section 3	Other Easements	35
Section 4	Priority of Easements	35
Section 5	Common Area	35
Section 6	Lots	35
ARTICLE IX - INSURANCE		36
Section 1	Insurance Coverage	36
Section 2	Coverage Not Available	36
Section 3	Owners Insurance	36
Section 4	Adjustment of Losses	37
Section 5	Additional Insurance and Bonds	37
ARTICLE X - CONDEMNATION		37
Section 1	Sale by Unanimous Consent or Taking	38
Section 2	Distribution and Sale Proceeds of Condemnation Award	38
Section 3	Appraiser	39
ARTICLE XI - OCCUPANCY RESTRICTIONS		39
Section 1	Compliance with Rules	40
Section 2	Remedy for Failure to Observe Rules	40
Section 3	Lease of Units	40
Section 4	Special Management Assess- ment Fee	41
ARTICLE XII - BREACH AND DEFAULT		41
Section 1	Remedy at Law Inadequate	41
Section 2	Nuisance	42
Section 3	Costs and Attorney Fees	42
Section 4	Cumulative Remedies	42
Section 5	Failure Not A Waiver	42

Section 6	Enforcement Rights and Remedies of the Association; Limitations Thereon	42
ARTICLE XIII - AMENDMENT OF DECLARATION		45
Section 1	Amendment in General	45
Section 2	Effective Date of Amendment	45
Section 3	Reliance on Amendments	45
ARTICLE XIV - COMMUNICATION		45
Section 1	Mailing Addresses	45
Section 2	Personal Service Upon Co- Owners and Others	46
ARTICLE XV - NOTICE OF HEARING PROCEDURE		46
Section 1	Suspension of Privileges	46
Section 2	Notice of Hearing	48
Section 3	Hearing	48
ARTICLE XVI - MISCELLANEOUS		49
Section 1	Mortgages	49
Section 2	Term	49
Section 3	Construction	50
LIST OF CURRENT HOMEOWNERS		53

FOURTH AMENDED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
GLENWOOD ASSN. INC.

This Fourth Amended Declaration is made this 26th day of July 1989, by GLENWOOD ASSN. INC. (hereinafter referred to as Declarant).

RECITALS

Whereas, Declarant represents present and future Owners of that certain real property known as Tract 777 (hereinafter referred to as Glenwood, or Glenwood Assn. Inc. Association and as shown on Exhibit "A" attached hereto and made a part hereof by reference) as same as shown on a map filed in Book 307, Pages 42 to 45, inclusive, of the Official Records, in the Office of the County Recorder for the County of Orange, State of California; and

Whereas, said property has now been fully developed and is functioning as a planned urban development known as;

Whereas, Declarant desires to impose upon the property, the project, and the units mutually beneficial restrictions designed to benefit and enhance the value of the property, the project and the units.

Now, Therefore, Declarant hereby declares that all real property above described shall be held, sold, and conveyed subject to the following easement, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with said real property and be binding on all parties having any right, title or interest therein, or in any part thereof, their heirs, successors and assigns, and shall be inure to the benefit of each thereof.

Declarant further declares that this Amended Declaration of Covenants, Conditions, and Restrictions shall supercede, in all respects, the following recorded documents which shall no longer be of any effect:

1. A prior Declaration of Restrictions recorded on November 1, 1972 in Book 10406, Pages 271 to 280, inclusive, of Official Records of Orange County; and
2. Amendment to Declaration of Restrictions recorded

on November 29, 1972, in Book 10447, pages 392 and 393, of Official Records of Orange County; and

3. An Amended Declaration of Restrictions recorded on May 21, 1981, Book 14068, pages 513-535 of Official Records of Orange County.

ARTICLE I. DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of Glenwood Assn. Inc., which are filed in the Office of the Secretary of State of the State of California.

Section 2. "Assessment" means any Regular or Special or Special Individual Assessment made or assessed against an Owner and his lot in accordance with the provisions governing method of assessment contained in this Declaration.

Section 3. "Association" means the Glenwood Assn. Inc. a nonprofit incorporated association in California, its successors and assigns.

Section 4. "Association Rules" shall mean the rules adopted by the Board of Directors of the Association pursuant to those enabling powers given to them in this Declaration.

Section 5. "Board of Directors" or "Board" shall mean the duly elected board of directors of the Association.

Section 6. "By-Laws" shall mean the By-Laws of the Association which are passed to clarify this Declaration and enabled by the inherent rule-making powers of the Board of Directors.

Section 7. "Common Area" shall mean all real property owned by the Association, if any, for the common use and enjoyment of the Owners and shall further mean the entire project (excepts Lots Number 1 - 68 therein granted or reserved) which is owned from time to time by the Association for common use and enjoyment of the Owners. The common area shall also include Lot Number 69 which consists of, but is not limited to roadways, driveways, walkways, parking areas and recreational areas including but not limited to, a swimming pool and a clubhouse.

Section 8. "Common Expense" means any us of

Common Funds authorized by this Declaration and includes all expenses or charges incurred by or on behalf of the Association for the management, maintenance, administration, insurance, operation, repairs, additions, alterations or reconstruction of the properties as incurred or as may be estimated from time to time by the Associations' Board of Directors in accordance with this Declaration.

Section 9. "Common Facilities" shall mean any street, medians, or curbs and any trees, hedges, plantings, lawns, shrubs, landscaping, fences utilities berms, pipes, lines, lighting fixtures, and other facilities constructed or installed or to be constructed or installed, or currently located on Lot 69 of Glenwood Assn. Inc. or any other common area owned by the Association.

Section 10. "Common Funds" means all funds collected or received by the Association pursuant to this Declaration.

Section 11. "County" means the County of Orange, State of California.

Section 12. "Declarant" shall mean and refer to the Glenwood Assn. Inc. and its members.

Section 13. "Declaration" shall mean this Fourth Amended Declaration of Covenants, Conditions and Restrictions. The "previous declarations" shall mean the documents referenced in the recital section of this document.

Section 14. "Family" shall mean one or more persons each related to the other by blood, marriage, or adoption or a group of persons not so related who maintain a common household; however, in no event shall the number of persons in a family exceed the number of persons allowable in any applicable zoning ordinance, building code or governmental regulations; and in no instance, shall such family consist of more than one household per unit within Glenwood Assn. Inc. .

Section 15. "Governing Documents" shall refer collectively to this Declaration, the Articles, the By-Laws and the Association Rules.

Section 16. "Lease" shall mean any agreement, written or verbal, under which a person is permitted to occupy a lot for compensation of any kind including without

limitation, any fee, service, gratuity, or other consideration, while the Owner is not in residence and specifically includes a month to month tenancy arrangement. The verb "leasing" shall include renting or likewise permitting a person other than the owner to occupy a lot for compensation as described herein. The noun "lessee" shall mean that person(s) occupying the unit as described herein and shall specifically include a tenant or renter.

Section 17. "Lot" shall mean and refer to any plot of land shown upon any recorded Subdivision Map of the Properties, excluding the Common Area and to such residential units and other improvements constructed on any such lot defined as that area within the eaves drip line and patio and/or deck fence.

Section 18. "Member" shall mean and refer to every person or entity who holds membership in Glenwood Assn. Inc. and whose rights to membership are not suspended pursuant to provisions of this Declaration, including, but not limited to (whether singular or plural) Owners of a parcel or an entity holding membership in Glenwood Assn. Inc., its successors or assigns as long as their interest is the same as the Owner or Owners.

Section 19. "Mortgage" means any security device encumbering all or any portion of the Lot or Unit 1, including a deed of trust. "Mortgage" means and refers to a beneficiary under a deed of trust as well as a mortgagee in the conventional sense as used in the community.

Section 20. "Owner" means any person, firm, corporation or other entity which owns a fee simple interest in any Lot and includes (except when the context otherwise requires) the family, guests, tenants and invitees of such Owner, including contract purchasers, but excluding those having such interest merely as security for the performance of an obligation.

Section 21. "Owner of Record" and "Member of the Association" includes an Owner and means any person, firm, corporation or other entity in which title to the Lot or Unit is vested as shown by the official records of the Office of the County Recorder, for Orange County, State of California.

Section 22. "Properties" means all of the real property (common area and lots) described in the Recital Section of this Declaration.

Section 23. "Parcel" means the Lot and the undivided interest in the common areas attached thereto. An undivided interest in the common areas shall be deemed attached to each lot and cannot be partitioned therefrom, so that at all times the owner of said lot by virtue of said ownership shall own 1/68th undivided interest in the common areas. A transfer or conveyance of said lot shall be presumed to transfer the entire interest in said parcel.

Section 24. "Project" means the entire parcel of real property as divided into lots and common areas known as Glenwood Assn. Inc. .

Section 25. "Residence" means the dwelling erected on a lot.

Section 26. "Single Family Residential Use" shall mean occupation and use of a residence for single family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state or municipal rules and regulations.

Section 27. "Unit" means the lot and the residence thereon and includes all lots except Lot Number 69 (designated as the common area owed by the Association).

Section 28. "Regular Assessment" means an assessment levied on an Owner and his or her Lot in accordance with this Declaration including, but not limited to, an annual assessment which is an amount of money payable to the Association each year for dues and normally collected from the Owner in twelve monthly installments.

Section 29. "Special Assessment" means an assessment levied on an Owner and his or her Lot in accordance with this Declaration for a purpose provided as specified under the Special powers of the Members and the Board of Directors.

Section 30. "Special Individual Assessment" means an assessment made against a single Owner and his or her Lot in accordance with this Declaration and may include non-payment of fines levied by the Board of Directors for rule violations by an Owner of this Declaration, the By-Laws or guidelines of the Glenwood Assn. Inc. .

Section 31. "Subdivision Map" means that map of the properties recorded in the Office of the Orange County Recorder at Book 307, pages 42 to 45, and more particularly

known as Tract Number 7777.

ARTICLE II

Property Rights and Obligations

Section 1: "Owners Non-Exclusive Easements of Enjoyment." Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area, including ingress and egress to and from his Lot, which shall be appurtenant to and shall pass with the title of each Lot, subject to the following provisions:

(a) The right of the Association to adopt rules and regulations as provided for herein and, in the event of a breach of such Rules or any provision of the governing documents to temporarily suspend the voting rights and right to use the Commons Facilities of any Owners, the Owner's tenants and guests after prior notice of at least 15 days and a hearing before the Board in accordance with provisions contained in this Declaration.

(b) The right of the Association, or its agents, when necessary to enter any Unit or Lot to perform its obligations under this Declaration, including the enforcement of restrictions, any obligations with respect to construction, maintenance, and repair of the Common Area or Common Facilities for the benefit of the Owners in common or the make necessary repairs that an Owner has failed to perform which, if left undone, will pose threat to, or cause an unreasonable interference with, Association property or any neighboring Units or Lots.

The Associations right of entry for the purposes of the aforestated shall be immediate in case of an emergency originating in or threatening such Lot number 69 or any adjacent Lot, Unit, or Common Area and the Association work may be performed under such circumstances whether or not the Owner or his Lessee is present. In all non-emergency situations the Association, or its agents, shall furnish the Owner or his Lessee with at least 24 hours written notice of its intent to enter the Unit or Lot specifying the purpose of such entry and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the Lot, Owner or his Lessee.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and

subject to such conditions as may be agreed by the Board of Directors. No dedication, however, shall be permitted that impairs the ingress or egress to any Unit or Lot.

Section 2: Persons Subject to Governing Documents. All present and future Owners, tenants, and occupants of Units and Lots within Glenwood Assn. Inc. shall be subject to and shall comply with, each and every provision of the Declaration. The By-Laws, and the Guidelines, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e. Owners, Tenants, Invitees, etc.) The acceptance of a deed to any Unit or Lot, the entering into a lease, rental agreement, sublease or any contract of sale or rental with respect to any Unit or Lot, or the occupancy of any Unit or Lot shall constitute the consent and agreement of such Owners, Tenant, or occupant that each and all the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person will observe and comply with the Declaration, the By-Laws, and the Guidelines.

Section 3: Delegation of Use and Leasing Units. Any Owner may delegate, in accordance with this Declaration, his right to use and enjoy the Common Area to the members of the Owner's family or to the Owner's tenants or contract purchasers who reside in the Owners Unit; provided that any rental or lease of the Unit may only be to a single family for Single Family Residential Use and for a term no less than 30 days. It is the intent of this subparagraph (a) to protect, enhance, and maintain the single family residential atmosphere which exists within Glenwood Assn. Inc. and to avoid the occupancy of Units for short periods of time. During any period when a Unit has been rented or leased, the Owner, his family and guests shall not be permitted to use and enjoy the Common Area or Common Facilities except to the extent reasonably necessary to perform the Owner's responsibilities as Landlord, unless the Owner is contemporaneously residing in another Unit within Glenwood Assn. Inc.

Any rental or lease of a Unit shall be subject to the provisions of this Declaration, each of which shall be deemed to be incorporated by reference into the lease or rental agreement. Each Owner shall provide any tenant or lessee with a current copy of the Declaration. The By-Laws and the Guidelines and shall at all times be responsible for compliance of the Owner's tenant or lessee with the Declaration and related documents during the tenant's or

lessee's occupancy and use of this Unit.

(b) Discipline of Lessees or Tenants: In the event that any tenant or lessee fails to honor any provision of the Declaration, the By-Laws, or the Guidelines, the Association shall be entitled to take appropriate corrective action if, within a reasonable time, the Owner fails to take such action with respect to the tenant or lessee. Such corrective action may include the imposition of fines and penalties against the Owner or the exercise of the right of the Association through its Board of Directors to seek a forfeiture of the lease or rental agreement if a substantial breach of the conditions is found to exist.

Section 4: Obligations of Owners, Owners of Lots and Units within Glenwood Assn. Inc. shall be subject to the following:

(a) Owner's Duty to Notify Association of Tenants and Contract Purchasers. Each Owner shall notify the Board of Directors or the Secretary of the Association or the Associations property manager of the names of any contract purchasers or tenant of the Owner's Unit or Lot within 30 days of the execution of the contract, lease, or rental agreement.

(b) Contract Purchasers. A contract seller of a Lot may, by proxy or power of attorney, delegate his voting rights as a member of the Association and his right to use or enjoy the Common Area and Common Facilities to any contract purchaser in possession of the property. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of assessment by the contract purchaser until title to the property sold has been transferred to the purchasers.

(c) Notification Regarding Governing Documents. As more particularly provided in Section 1368 of the California Civil Code, as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Unit or Lot, the Owner thereof must give the prospective purchaser:

1. A current copy of the Declaration, the By-Laws, the Guidelines; 2. The Associations most current financial statements; and 3. A statement in written form from the Association ("delinquency statement") as to the amount of any delinquent assessments, together with information relating to late charges, attorney fees,

interest and reasonable costs of collection which, as of the date of the statement is issued, are or may become a lien on the Lot or Unit being sold. Upon request of an Owner, the Association shall provide the Owner with a copy of the current governing documents, together with the delinquency statement referred to in the immediately preceding paragraph within 10 days of such request. The Association shall be entitled to impose a reasonable fee for providing the governing documents and delinquency statement.

(d) Payment of Assessments and Compliance with Restrictions and Rules. Each Owner shall pay when due each Regular Special and Special Individual Assessment levied against the Owner, his Unit, or his Lot and shall observe, comply with and abide by any and all rules regulations, and restrictions set forth in or promulgated pursuant to, any Declaration for the purpose of protecting the interests of all Owners or protecting the Common Area and Common Facilities.

(e) Discharge of Assessment Liens. Each Owner shall promptly discharge any assessment lien that may hereafter become a charge against his Unit or Lot.

(f) Joint Ownership of Lots. In the event of joint ownership of any Unit or Lot the obligations and liabilities of the multiple owners shall be joint and several. Without limiting the foregoing, this subparagraph (e) shall apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including payments of all assessments.

(g) Prohibition on Avoidance of Obligations. No Owner, by nonuse of the Common Area or Common Facilities abandonment of the Owners Lot or Unit or otherwise, may avoid the burdens and obligations imposed on such Owner by the Declaration the By-Laws, or by the Guidelines.

Section 5: Associations Right to Regulate Common Area and Common Facilities. Each Owner shall be obligated to and subject to the Associations Declarations, By-Laws, and Guidelines in the following particulars:

(a) The right of the Association to charge reasonable fees at its discretion for the use of any recreational facilities situated upon the Common Area and Common Facilities (i.e. weddings, receptions, conferences, shows, exhibits, etc.)

(b) The right of the Association to suspend the voting rights and right to use the recreational facilities and Common Areas and Common Facilities of an Owner for any period during which an assessment remains unpaid against his Unit or Lot and in addition, after a duly noticed hearing before the Board of Directors as provided for in this Declaration a suspension of voting rights and use of Common Area and Common Facilities for a period set by the Board in accordance with due process rights for any infraction of the Associations published rules and regulations or this Declaration, the By-Laws, or the Guidelines of the Association.

ARTICLE III. Homes Association

Section 1: Association Membership. Every Owner of a Unit or Lot shall be a member of the Association. Each Owner shall hold one membership in the association for each Unit owned and the membership shall be appurtenant to the Unit and the Lot. Each Owner shall remain a member of the Association until his ownership in all Units or Lots in Glenwood Assn. Inc. ceases, at which time his membership in the Association shall automatically terminate. Persons or entities who hold an interest in a Unit or Lot merely as security for performance of an obligation are not members until such time as the security holder comes into title of the Unit or Lot through foreclosure or deed in lieu thereof.

Section 2: One Class of Membership. The Association shall have one class of membership.

Section 3: Voting Rights of Members. Each member of the Association shall be entitled to one vote for each Unit or Lot owned by said member. When more than one person holds an interest in any Unit or Lot, all such persons shall be members, although in no event shall those persons be entitled to more than one vote cast with respect to a single Unit or Lot. Voting rights may be temporarily suspended under those circumstances outlined in this Declaration.

Section 4: Assessments. The Association shall have the power to establish, fix, and levy assessments against the Owners of Units and Lots within Glenwood Assn. Inc. and to enforce payment of such assessments in accordance with Articles of this Declaration.

Section 5: Transfer of Membership. Membership in the

Association shall not be transferred, encumbered, pledged or alienated in any way, except upon the sale or encumbrance of the Unit or Lot to which it is appurtenant and then, only to the purchasers. In the case of a sale, membership passes automatically to the purchaser upon the recording of a deed evidencing transfer of title to the Unit or Lot. In the case of an encumbrance of such Unit or Lot, a mortgagee does not have membership until he becomes Owner by foreclosure or deed in lieu thereof. Tenants who are delegated right of use pursuant to this Declaration do not thereby become Members although the tenant and the members of tenant family shall at all time be subject to the provisions of this Declaration, the By-Laws, and the Guidelines. Any attempt to make a prohibited transfer of membership is void. In the event the Owner of any Unit or Lot should fail or refuse to transfer the membership registered in his name to the purchaser of a Unit or Lot the Association shall have the right to record the transfer upon its books and thereupon any other membership outstanding in the name Seller shall be null and void.

Section 6: Powers and Authority of the Association. The Association shall have the responsibility of owning, managing, and maintaining the Common Area and Common Facilities and discharging the duties and responsibilities imposed on the Association by the governing documents. In the discharge of such responsibility and duties, the Association shall have all the powers of a non-profit corporation organized under the laws of the State of California in discharging its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the governing documents. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted by virtue of the governing documents and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association for the peace, health and comfort or general welfare of the Owners. The specific powers of the Association and the limitations thereon shall be enumerated in the By-Laws and the Guidelines.

Section 7: Association Rules:

(a) Rule making Power. The Board of Directors may from time to time and subject to the provisions of this Declaration, propose, enact and amend rules and regulations of general application to the Owners of Units and Lots

within Glenwood Assn. Inc. Notwithstanding the foregoing grant of authority the Association Rules shall not be inconsistent with or materially alter any provision of the Declaration or the By-Laws or the rights, preferences, and privileges of members thereunder. In the event of any material conflict between any Association Rule and any provision of the Declaration or the By-Laws, the provision in the Declaration or the By-Laws, shall be deemed to prevail.

(b) Distribution of Rules. A copy of the Association Rules shall be mailed or otherwise delivered to each Owner from time to time as determined by the Board (the time interval shall be from 12 to 36 months). A copy of the Association rules shall also be available and open for inspection with the Association's books, records and papers.

(c) Adoption and Amendment of Rules. The Association Rules may be adopted, amended, or supplemented by a majority vote of the Board. Any duly adopted Rule or amendment thereto shall become effective as of the date of the adoption thereof by the Board or at such later date as the Board may deem appropriate in order to afford residents a reasonable opportunity to comply with the new rule or amendment.

Section 8: Breach of Rules or Restrictions. Any breach of the Association Rules or other governing documents shall give right to disciplinary action or punitive actions by the Board as outlined in the governing documents.

Section 9: Limitation on Liability of the Association and the Associations Directors and Officers.

(a) No director, officer, committee member, or employee of the Association or any property manager or management company retained by the Association (collectively "Released Parties") shall be personally liable to any Association Member or to any other person, for any error or omission in the discharge of their duties and responsibilities hereunder or under the By-Laws, or for their failure to provide any service required hereunder or under the By-Laws; provided that the Released Party has, upon the basis of such information as may be possessed by him or her acted reasonably and in good faith in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinary and prudent person in a like position would use under similar circumstances. Without

limiting the generality of the foregoing, this standard of care shall extend to such matters as the establishment of the Associations annual financial budget and the funding of Association capital replacement and reserve accounts and the repair and maintenance of the Common Area and Common Facilities, if any, and the enforcement of the governing documents.

(b) No Released Party shall be responsible to any Owner or to any member of his family or any of his tenants, guests, servants, employees, licensees, invitees or any others for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person on any Unit or Lot or within any Unit or Lot or for any injury to or death of any person or loss or damage to or Unit or Lot of any Owner caused by fire, explosion, the elements or any other Owner or person within Glenwood Assn. Inc., or by any other cause, unless the same is attributable to the reckless misconduct or gross negligence of the Released party.

Section 10: Specific Authority. The Association, acting through its Board of Directors for the benefit of the project, the Units and Lots and the Owners thereof, shall have the power to do the following:

(a) Pay for out of the maintenance fund for the payment of water, gas electricity, refuse collection, other necessary utility services, maintenance and replacement of landscaping, and maintenance, painting and repair of the common area and such furnishings and equipment for the common area as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same.

(b) To enforce the provisions of this Declaration (and any amendments thereto) as well as the By-Laws and rules and regulations promulgated for the benefit of the Association, and to do all things necessary or convenient to carry out the powers granted herein and such additional powers as the members shall from time to time grant to the managing corporation or shall from time to time be bestowed thereon by law.

(c) To enter by its agents or employees onto the Units and Lots and into the residences when necessary or convenient in connection with any maintenance, care, operation or construction for which the Association is responsible.

(d) To obtain and pay for a policy or policies of fire insurance, with extended coverage endorsement, for the full insurable replacement value of the common area and other buildings and structures to be maintained by the Association, or such other insurance as the Association shall determine which gives substantially equal or greater protection.

(e) to obtain and pay for a policy or policies insuring the Association, its agents, guests and invitees and the Owners against liability to the public or to the Owners, their guest and invitees incident to the ownership or use of the common area, in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) for any one person injured, Five Hundred Thousand Dollars (\$500,000.00) for any one accident, and Fifty Thousand Dollars (\$50,000.00) for property damage for each occurrence (such limits and coverage to be reviewed, to provide such coverage and protection as the Association may deem prudent).

(f) To obtain and pay for a policy of workmen's compensation insurance to the extent necessary to comply with any applicable law.

(g) To pay for any other materials, supplies, furniture, labor or other services, maintenance, repairs, structural alterations, insurance, taxes (including real property taxes assessed against the common area) or assessments which, in the opinion of the Board of Directors shall be necessary, required, or proper for the enforcement of the provisions hereof.

(h) To delegate any of the managing corporation's powers to the fullest extent permissible by law, except the power to make assessments may not be delegated.

(i) To have an irrevocable power of attorney to sell the entire project for the benefit of all Owners thereof when partition of the project may be had under Article X, Section 5 hereof, which power shall (1) be binding upon all of the Owners whether they assume the obligations of these restrictions or not, and (2) exercisable by the managing corporation of a certificate that said power is properly exercisable hereunder, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

(j) To amend this Declaration from time to time upon the vote of members of the Association entitled to

exercise sixty-seven percent (67%) of the voting power at a meeting of the members duly noticed and called. At least 30 days written notice (prior to the date of the meeting) shall be given specifying the subject of the proposed amendment. Such amendment shall be binding upon every parcel whether the burdens are increased thereby, and whether the consented thereto or not. Such amendment shall be duly executed and acknowledged by the president and secretary of the Association.

(k) To make reasonable assessments (which shall become the debt of the Owner at the time of the assessment) to meet the authorized expenditures of the managing corporation and reasonable reserves therefor, and to give written notice of the levy thereof to the members at least 30 days prior to the due date at the addresses provided by the members in writing therefor, or, if no such address is given for the purpose, addressed to the member at the residence. Each member shall be assessed separately for a sum equal to 1/68th of any such assessment. The power of the Board of Directors hereunder is limited by the conditions set forth in Article VI.

(l) To make reasonable rules and regulations for the use of the streets, parking, common areas, the clubhouse, and the activities of the managing corporation.

Section 11. Service Contracts in Excess of One Year. Notwithstanding anything to the contrary set forth in this Article VIII, the Association shall not enter into any service contract for a term in excess of one year except with the approval of those members holding fifty-one percent (51%) of the total voting rights.

Section 12. Enforcement Provisions. In the case of default by any member of payment of all or part of an assessment, the association, in addition to any other remedies available to it, may suspend the member's voting privileges, uses of all or part of the common areas and facilities and impose monetary penalties, all under the rules and regulations established by the association. In case of violation of any other provisions of this Declaration of Restrictions, Articles of Incorporation and By-Laws, rules and regulations established by the Association and any other instruments for management and control, the Board of Directors may impose reasonable monetary penalties, and suspend the member's voting right for a period not to exceed 30 days, or either of them, under rules and regulations established by the Board of Directors. The rules and regulations so established by the

Board of Directors shall provide for at least fifteen (15) days written notice to the member of its intention to impose such monetary penalties, suspend the member's voting privileges, and use of the common areas and facilities, and that the member may request a hearing in writing within ten days after service of such notice on the member. If the member does not so request a hearing within such ten days, such penalties shall be deemed effective five days after lapse of the time available for requesting a hearing. If the member does make a timely request for hearing, the Board of Directors shall provide for a hearing not earlier than ten days after the request for hearing has been received by the Board of Directors nor later than twenty days thereafter before a hearing panel of not more than three persons established by the Board of Directors of the Association under rules and regulations established by the Board of Directors for that purpose. Any monetary penalties duly imposed herein shall be deemed assessments under Section 1 of Article VI and enforceable as provided in that Article for "assessments".

ARTICLE IV. Assessments

Section 1: Assessments Generally.

(a) Each Owner of a Unit and Lot by acceptance of a deed therefor (whether or not it shall be so expressed in such deed), agrees to pay to the Association the Regular Assessments, Special Assessments and Special Individual Assessments hereinafter provided for.

(b) Each Owner who acquires title to a Unit or Lot (whether at a judicial sale, trustee's sale or otherwise) shall be personally liable for assessments attributable to the Unit or Lot so purchased which become due and payable after the date that the Owner acquires title; provided that any unpaid assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed and any lien created pursuant to the provisions herein by reason of such unpaid assessment shall remain in force and effect.

(c) No Owner may exempt himself or his Lot and Unit from liability or charge for his share of any Regular, Special or Special Individual Assessment made against the Owner and his Lot and Unit by waiving or relinquishing, or offering to waive or relinquish, his right to use and enjoy all or any portion of the Common Area or Common Facilities or by the abandonment or nonuse of his Lots and Units.

Section 2: Regular Assessment.

(a) Preparation of Annual Budget; Establishment of Regular Assessments. Not less than 45 nor more than 60 days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the anticipated Common Expenses for the next succeeding fiscal year by preparing and distributing to all Association Members a budget satisfying the requirements of the By-Laws. The total expenses (less deductions, if any) estimated in the Association's budget shall become the Regular Assessment for the next succeeding fiscal year and shall be allocated among all Lot or Unit within the Glenwood Assn. Inc. equally; provided, however, that no increase in the amount of a Regular Assessment immediately preceding fiscal year by more than 10 percent may be made without the vote or assent by written ballot of a majority of a quorum of the Owners unless otherwise provided by California law.

(b) Assessment Roll. The Assessments charged against each Owner and his Unit and Lot shall be set forth on an assessment roll which shall be maintained as part of the records of the Association. The assessment roll (which may be maintained in the form of a computer printout) shall show, for each Lot and Unit, the name and address of the Owner thereof, all assessments levied against each Owner and his Lot and Unit, and the amount of such assessments which have been paid or remain unpaid. The delinquency statement required by this Declaration shall be conclusive upon the Association and the Owner of such Lot and Unit as to the amount of such indebtedness as of the date of such statement, in favor of all persons who rely thereon in good faith.

(c) Failure to Make Estimate. If the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Section 3(a) hereof for that year, shall be assessed against each Owner and his Lot and Unit on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic assessment shall be payable on the regular payment dates established by the Association.

(d) Installment Payment: Acceleration. The Regular Assessment levied against each Owner shall be due and payable in advance to the Association on the first day of the fiscal year; provided, however, the Board may allow

the payment of the Regular Assessment on such other date or dates as may be established from time to time by the Board. If an Owner is delinquent in payment of an installment of an assessment as provided for herein, including, but not limited to, the monthly installments based on the annual budget, the Board may accelerate the remaining installments upon 10 days written notice to such Owner, whereupon the entire unpaid balance of such installments shall become due upon the date stated in such notice.

Section 3. Special Assessments.

(a) Special Assessments. In addition to the Regular Assessment, the Board of Directors may levy Special Assessments against the Owners and their Unit and Lot.

(b) Special Assessments Requiring Membership Approval. No Special Assessment described in subparagraph (a) hereof shall be levied in any fiscal year without the vote or assent by written ballot of a majority of a quorum of the Owners if such Special Assessment, when added to any other Special Assessment levied in that fiscal year, will exceed 5 percent of the budgeted gross expenses of the Association for that fiscal year.

(c) Allocation and Payment of Special Assessments. When levied by the Board or approved by the Members as provided above, the Special Assessment shall be equally divided among, assessed against and charged to the Owners and their Units and Lots. Once levied, the Special Assessment shall be recorded on the Association's assessment roll and notice thereof shall be mailed to each Owner.

Special Assessments shall thereafter be due as a separate debt of the Owner and a lien against his Lot and Unit, and shall be payable to the Association as specified in the notice of such Special Assessment sent to each Owner.

Section 4. Special Individual Assessments.

(a) Circumstances Giving Rise to Special Individual Assessments. In addition to Special Assessments provided for in Section 3 hereof, the Association may also impose Special Individual Assessments against an Owner, provided that Special Individual Assessments may only be imposed after the Owner has been afforded the notice and hearing to which the Owner is entitled pursuant to this Declaration. The acts and circumstances that may give rise

to Special Individual Assessment liability include, but are not limited to:

(i) Damage to Common Area. In the event of any damage to, or destruction of, any portion of the Common Area or common facilities caused by the willful misconduct or negligent act or omission of any Owner, any member of his family, or any of his tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced and all costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner and his Lot and Unit as a Special Individual Assessment.

(ii) Acts Increasing Insurance Premiums. In the event that any act or omission of any Owner, any member of the Owner's tenants, guests, servants, employees, licensees or invitees, shall in any way be the sole or material cause for any insurance purchased or obtained by the Association, the amount of such increase shall be assessed and charged solely to and against such Owner and his Lot or Unit as a Special Individual Assessment.

(iii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses, including reasonable title company, accounting or legal fees to repair, maintain or replace any portion of the Properties for which the Owner is responsible under the Governing Documents, but has failed to undertake or complete in a timely fashion, or to otherwise bring the Owner and/or his Lot and Unit into compliance with the provisions of the Governing Documents, the amount incurred by the Association, including reasonable fines and penalties duly imposed hereunder, court costs, title company, accounting and legal fees, shall be assessed and charged solely to and against such Owner and his Lot and Unit as a Special Individual Assessment.

(iv) Required Maintenance on Lot and Units. As more particularly provided for in this Declaration, if any Lot and Unit is maintained so as to become a nuisance, fire or safety hazard for any reason, including, without limitation, the accumulation of trash, junk automobiles or improper weed and/or vegetation abatement and control, the Association shall have the right to enter said Lot and Unit, correct the offensive or hazardous condition and recover the cost of such action through the imposition of a Special Individual Assessment.

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner and his Lot and Unit, such Special Individual Assessment shall be recorded on the Association's assessment rolls, notice thereof shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be a separate debt of the Owner and a lien against his Lot and Unit. Such Assessment shall be due at the time the next installment of the Regular Assessment is due.

Section 5. Purpose and Reasonableness of Assessments. Each Regular, Special or Special Individual Assessment made in accordance with the provisions of this Declaration, is hereby declared and agreed to be: (i) for use exclusively to promote the recreation, health, safety and welfare of the residents of the Properties; (ii) for the enjoyment and use of the Properties by the Owners and their families, tenants, invitees, licensees, guests and employees; (iii) for the repair, maintenance, replacement and protection of the Common Area and common facilities; (iv) a reasonable assessment; and (v) to constitute a separate, distinct and personal obligation (with respect to which a separate lien may be created) of the Owner of the Lot and Unit against which the assessment is made which shall be binding on his heirs, successors and assigns; provided that the personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 6. Exemption of Certain of the Properties from Assessments. The following real property subject to this Declaration shall, unless devoted to the use as a residential dwelling, be exempt from the assessments and the lien thereof provided herein:

(a) Any Lot and Unit owned by a local public utility or authority for use other than a residential Lot and Unit;

(b) Any Lot and Unit owned by the Association.

Section 7. Maintenance of Assessments Funds.

(a) Bank Accounts. All sums received or collected by the Association from Regular, Special or Special Individual Assessments shall be promptly deposited in a federally insured checking, savings and/or money market account in a bank or savings and loan association selected by the Board of Directors. In addition, the Board may

maintain reserve funds in certificates of deposit, money market funds or savings accounts with federally insured banking institutions, savings and loan associations or credit unions. The Board, and such officers or agents of the Association as the Board shall designate, shall have exclusive control over any Association accounts and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof.

To preclude a multiplicity of bank accounts, the proceeds of all assessments may be commingled in one or more accounts and need not be deposited in separate accounts. For purposes of accounting, but without requiring any physical segregation of assets, the Association shall keep a separate account of all funds received by it in payment of each assessment and of all disbursements made therefrom, except that receipts and disbursements of Special Assessments made pursuant to this Article shall be combined with the receipts and disbursements of the Regular Assessments; and the Board shall maintain separate liability accounts for each capital improvement for which reserve funds for replacement are allocated.

Section 8. Effect of Nonpayment of Assessments and Remedies of the Association. Regular assessments and special assessments shall be separate, distinct and personal debts and obligations of the Owner or Owners of the Units and Lot against which the sums are assessed. Any such assessment not paid within thirty (30) days after the due date shall be deemed in default and the board is hereby authorized to assess a reasonable late charge to be added to the assessment. 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 Association may enforce each such obligation as follows:

(a) By suit or suits at law to collect each such assessment. Said action shall be brought in the name of the Association and the Association shall be deemed to be acting on behalf of all of the Owners. Any judgment or award rendered in any such action against any Owner or Owners may include reasonable attorney's fees to be fixed by any court of competent jurisdiction, interest at the going rate, court costs and other related costs and expenses. Upon full payment of any such judgment, any officer of the Association shall, on behalf of the Association, execute and deliver to the judgment debtor or debtors an appropriate satisfaction thereof.

(b) At any time after the occurrence of any default, the Association may give notice to the defaulting Owner, which notice shall state the date of the delinquency, the amount of the delinquency and make a demand for payment thereof. If such delinquency is not paid within ten days after delivery of such notice, the Association may file a claim under the lien provided for in this Declaration, above, against the Unit or Lot of such delinquent Owner or Owners. Such claim shall state (1) the name of the delinquent Owner or Owners, (2) a description of the Lot and Unit against which such claim of lien is made, (3) the amount claimed (which may, at Association's option, include interest at the going rate from the due date of the unpaid assessment, plus reasonable attorney's fees and other related costs and expenses) to be due and owing, (4) that the lien is asserted by the Association pursuant to the terms of this Declaration of Covenants, Conditions and Restrictions (giving the date of execution and the date, book and page references of the recording hereof in the office of the County Recorder of said County,) and (5) that a lien is claimed against the described Lot and Unit in an amount equal to the total of the amounts set forth above. Any such claim of lien shall be signed and acknowledged by any two or more members of the Board of Directors who execute same. The lien may be foreclosed by appropriate action in court or in any manner provided by law for the foreclosure of a mortgage under power of sale in accordance with California Civil Code Section 2924, 2924(b) and 2924(c). In the event such foreclosure is by court action, interest, costs and reasonable attorney's fees shall be allowed to the extent permitted by law. In the event the foreclosure is the same as in the case of a mortgage under power of sale, any person designated by the Association in writing shall be deemed to be acting as the agent of the mortgagee and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. Any certificate of sale shall be executed and acknowledged by any two members of the Board of Directors or by the person conducting the sale. Any deed upon foreclosure shall be executed in like manner. The Association on behalf of the Owners shall have the power to bid on the Lot and Unit at any such sale and thereafter to sell, lease, hold or mortgage same.

Section 9. Mortgage Protection.

(a) The lien created hereunder upon each of the Units and Lots shall be subject and subordinate to, and shall not affect the rights of the holder of any

be levied and assessed as further provided in the By-Laws of the Association as set forth in this Declaration. The maximum annual assessment may not be increased more than ten percent (10%) above the annual assessment for the previous year without a vote or written consent of those members holding at least sixty-seven percent (67%) of the total voting power. Otherwise, the Board of Directors may fix the maximum annual assessment in an amount not in excess of the above percentage increase.

Section 13. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association 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 any capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of those members holding sixty-seven percent (67%) of the total voting power.

Section 14. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Any action authorized under Section 3 or 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At such meeting the presence in person or by proxy of those members holding fifty-one percent (51%) of the total voting power shall constitute a quorum. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than that required, as above set forth, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by any officer of the Association not later than 30 days from the date of such meeting.

Section 15. Non-Use of Common Area or Abandonment of Lot and Unit. No Owner may waive or otherwise be relieved of liability for assessments provided for herein by nonuse of the common area or common facilities or by abandonment of such Owner's Unit or Lot.

Section 16. Liability of Association. In the approving of plans and specifications noted above, the Board of Directors does not assume any liability or responsibility for any defect in any such structure constructed, nor approve such plans as to engineering design. Any construction involving a structural change shall be

indebtedness secured by, any recorded first mortgage or first deed of trust (meaning a mortgage or deed of trust with first priority over other mortgages or deeds of trust made in good faith and for value).

(b) No transfer of the subdivision interest as the result of a foreclosure or exercise of a power of sale shall relieve the new Owner, whether it be the former beneficiary of the first encumbrance or another person, from liability for any assessments thereafter becoming due or from the lien thereof.

(c) No amendment to this paragraph shall affect the rights of the holder or any such mortgage or deed of trust recorded prior to recordation of such amendment who does not join in the execution thereof.

(d) By subordination agreement executed by a majority of the Board of Directors and by holders of all first mortgages of record against the Lot and Units, the benefits of (a) and (c), above may be extended to mortgages or deeds of trust not otherwise entitled thereto good faith for value unless otherwise provided by California law; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such first mortgage or deed of trust or pursuant to a power of sale in such mortgage or deed of trust. Such foreclosure shall not relieve the affected Lot and Unit from liability for any assessments thereafter becoming due or from the lien of any such subsequent assessment.

Section 10. Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Declaration, the benefit of any homestead or exemption law of California in effect at the time any assessment or installment thereof becomes delinquent or any lien is imposed.

Section 11. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties, including the improvement and maintenance of the common area and dwellings situated upon the Lot and Units.

Section 12. Annual Assessments. An annual budget shall be prepared, distributed and adopted as provided for in the By-Laws of the Association. Annual assessments shall also

submitted by the Owner to the City Building Department and a building permit obtained therefor.

ARTICLE V.
Architectural Control

Section 1. Establishment of an Architectural Committee. The Board of Directors shall establish a committee in accordance with the provisions of this Declaration and the By-Laws; to be called the Architectural Committee and to consist of no fewer than three representatives appointed by the Board from the membership of the Association for not less than a three year term. The purpose of the Architectural Committee shall be to protect and maintain the value, desirability and attractiveness of the Glenwood Assn. Inc. for the benefit of all Members of the Association.

Section 2. Approval of Improvements. Prior to the commencement of construction or installation of any improvement within the Glenwood Assn. Inc., including but not limited to the construction, installation, alteration or remodeling of buildings, walls, fences, landscaping, outdoor spas, antennas, satellite reception dishes, utility lines above the ground or any structure of any kind, the Owner planning such improvement must submit to the Architectural Committee a written request for approval by the Board of Directors. The Owner's request shall include structural plans, specifications, and plot plans showing the nature, color, kind, shape, height, materials and location of such improvement.

A recommendation of approval or disapproval of the Owner's request shall be given to the Board by the Architectural Committee and based on a finding that the proposed improvement: (i) conforms with the Association Governing Documents and the written rules, if any, of the Architectural Committee; (ii) will be in harmony with the external design of other structures and/or landscaping within the Properties; and (iii) will not interfere with the reasonable use and/or enjoyment of any other Unit or Lot or the Owner of his or her property, including, without limitation, the right to scenic and solar access free of unreasonable obstructions.

Section 3. Drainage. There shall be no interference with established drainage in or over any Unit or Lot. In the event it becomes necessary to establish drainage over any Unit or Lot, the Owner thereof shall make adequate

provisions for proper drainage in connection with any such change, including the landscaping of all Unit or Lots affected by the change. The words "established drainage" as used in this Section 5 means the drainage which existed at the time of overall tract grading.

In the event any Lot Owner shall be in violation of this Section 5, the Association may, at its discretion, correct the violation and the expense thereof may be assessed as a Special Individual Assessment in accordance with this Declaration.

Section 4. Special Requirements.

(a) Maintenance of Lots and Dwellings. Each Unit and Lot and dwelling thereon shall be maintained and kept in a reasonably clean manner free of manure, garbage, weeds or other accumulation. No goods, materials, equipment of any type or other paraphernalia shall be stored in an unorthodox or objectionable manner. In the event an Owner fails to undertake such maintenance or stores such goods, material or equipment in violation hereof, the Association shall have the right to enter onto such Unit or Lot and effect such maintenance or such storage removal after reasonable notice to the Owner, unless such maintenance or removal is of an emergency nature, and the costs thereof shall be charged to the Owner as a Special Individual Assessment pursuant to this Declaration.

ARTICLE VI. Use Restriction

The Unit and Lot and common area shall be occupied and used as follows:

Section 1. Land Use. Except as otherwise herein provided, no Lot and Unit shall be used except for residential purposes, excluding, however, parking facilities or structures constructed thereon by Declarant or as thereafter approved by the Board of Directors, and no building shall be erected, altered, placed, or permitted to remain on any Lot and Unit other than a row or town house (and related parking structure, if any) used as a single family dwelling, not exceeding two stories in height.

Section 2. Clothes Lines and Storage. No clothes lines or laundry shall be placed on any Unit or Lot in a location visible from adjoining Units, Lots and streets. No lumber, metals, machinery, equipment or bulk materials shall be kept, stored, or allowed to accumulate on any Lot and Unit

or the common area except building or other materials to be used in connection with the work of construction, alteration or improvement approved in accordance with the terms hereof.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot and Unit or the common area, except that no more than two (2) dogs, cats or other household pets in any combination may be kept on Lot and Units, provided they are not kept, bred or maintained for any commercial purpose. Notwithstanding the foregoing, no animal or fowl may be kept on Lot and Units which results in any annoyance or is obnoxious to residents within the properties and, in any event, every Lot and Unit Owner shall be absolutely liable to each and all other Lot and Unit Owners, their families, guests and invitees, and to the Association for any and all damage to person or property or unreasonable noise caused by any pets brought upon or kept upon any Lot and Unit or common area by an Owner or by members of such Owner's family, or by such Owner's guests or invitees. Pets at no time shall be allowed to roam or run loose on other Lot and Units or the common area. It shall be the absolute duty and responsibility of each Owner or resident to clean up after his or her pet(s).

Section 4. Mining and Drilling Operations. No drilling, mineral or hydrocarbon development operations, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot and Unit or the common area, nor shall wells, tanks, runnels, mineral excavations or shafts be permitted upon or in any Lot and Unit or the common area. No derrick or other structure designed for use in boring for oil, natural gas, hydrocarbons or minerals shall be erected, maintained or permitted on any Lot and Unit or the common area.

Section 5. Commercial Activities Prohibited. The Lot and Units and common area shall not be used for or in connection with the conduct of any trade or business or profession or commercial activity of any kind or nature whatsoever. However, portions of the common area may be used for noncommercial parking purposes subject to reasonable rules and regulations respecting same adopted or to be adopted by the Association.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any Lot and Unit or the common area, nor shall anything be done or kept thereon which may be or become an annoyance or nuisance to the Owners or

occupants of any one or more persons in the project.

Section 7. Signs. Pursuant to Civil Code Section 713, no sign or other advertising device of any nature whatsoever shall be placed or maintained upon any part of the project except one (1) neatly painted "for sale," "for rent" or "open for inspection" sign per residential Lot and Unit, which is not larger than three (3) square feet in area and placed on said Lot and Unit. Notwithstanding the foregoing, the managing corporation may erect signs as it deems necessary for direction of traffic or signs placed by legal authority or as required for the safety of residents or guests.

Section 8. Temporary Residences. No temporary residence structure or shelter of any kind shall be maintained on any portion of the project nor shall any garage be occupied as living quarters. No mobile or motor home shall remain overnight on the project without the specific approval of the Association.

Section 9. Automobiles, Boats and Trailers. Except as expressly herein provided, no Lot and Unit shall be used as a parking, storing, display or accommodation area for any type of motor vehicle, boat, trailer, camper or motor driven cycle, the purpose of which parking, storage, display or accommodation area is to perform any activity thereon respecting maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind. Such activities may be performed within completely enclosed parking facilities or structures located on any Lot and Unit which screens the sight and sound of such activity from the street and from adjoining Lot and Units. The foregoing restrictions shall not be deemed to prevent washing and polishing of any such motor vehicle, boat trailer, camper or motor driven cycle, together with those activities normally incident and necessary to such washing and polishing. No boat, trailer, camper, truck, or commercial vehicle shall be parked in excess of eight (8) hours on or in front of any Lot and Unit in an area visible from neighboring Lot and Units, the common area or any street within the project. In addition, no inoperable vehicle shall be stored or allowed to remain on the project in such a manner as to be visible from any other unit within the project.

Section 10. Rooftop Appliances. In addition to the architectural control provided pursuant to Article VII hereof, aerials, antennas, appliances or installations upon the roofs or structures shall not be permitted.

Section 11. Utility Connections. All utility connections, including but not limited to telephone lines, power lines, and television cables, if any, shall be connected underground with the main utility lines.

Section 12. Cancellation of Insurance from use. No unit or the common area shall be occupied or used for any purpose or in any manner which shall cause either to be uninsurable against loss by fire or the perils of the extended coverage endorsement of the California Standard Fire Policy form, or cause any policy or policies representing such insurance to be cancelled or suspended or the company issuing same to refuse renewal thereof.

Section 13. Compliance with Laws. Each Owner shall promptly and at all times comply with all laws, statutes, ordinances, rules and regulations of federal, state, county and municipal governments and authorities applicable to use and occupancy of, and construction and maintenance of improvements upon the Lot and Units.

Section 14. Rules for Use of Common Areas. There shall be no violation of the Association's rules and regulations for the use of the common area adopted or to be adopted by the Association and furnished in writing to the Owners, and the Association is authorized to adopt such rules and regulations. Upon a violation of any of such rules and regulations by any Owner, the Association shall give the Owner written notice thereof by registered or certified mail and if such Owner continues to violate such rules and regulations within 15 days after the date of such notice is mailed, the Association may apply to any court for specific performance, for an injunction, or for any other appropriate relief, including damages, in addition to resorting to any other remedies set forth in this Declaration.

Section 15: Each Owner, tenant or occupant of Glenwood Assn. Inc. shall comply with the provision of this Declaration, the By-Laws, decisions and the Rules and Regulations of the Association or its duly authorized representatives which may from time to time be promulgated, all as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action to recover sums due, for damages, or for injunctive relief, or for any other remedy permitted by law.

Section 16: The covenants, conditions and restrictions

set forth in this Declaration constitute a general scheme for the development, protection and maintenance of the Property to enhance the value, desirability and attractiveness of Glenwood Assn. Inc. for the benefit of all Owners therein by acceptance of a deed or by acquiring any ownership interest in any lot subject to this Declaration, each person or entity, for himself or herself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the property covered hereby, and hereby evidences his intent that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent and future Owners.

ARTICLE VII.

Exterior Maintenance Responsibilities

Section 1. Common Area and Common Facilities. The Association shall be responsible for all maintenance, repair, and upkeep of the Common Area, Lot 69, as well as any other area appurtenant to the Common Area or Common Facilities. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon or shall make or create any excavation or fill or change the natural or existing drainage of the Common Area or areas of the Common Facilities. In addition, no person shall destroy, remove or plant any tree, shrub, or other vegetation upon the Common Area or around the Common Facilities without the express approval of the Association.

Section 2. Owner Maintenance Responsibility. The Owner shall be responsible for the maintenance and repair of his Lot and Unit with the exception being that the Association will provide gardening service and maintain the lawn, trees and ground cover which are a part of the Common Area in the front and rear of each unit. Each Owner shall be personally responsible for the plants, shrubs, or trees immediately

adjacent to each Unit (such as flower beds and potted or hanging plants). Each Owner shall be solely responsible for trees, plants, shrubs, or any other item within the rear patio area of each Unit. The perimeter fences shall be maintained by the Association. No Owner shall plant, grow, cultivate or maintain any type of substance which is illegal or which could in any way cause injury harm, or constitute a health hazard to any other Owner, tenant, invitee, or guest. Each Owner shall be responsible for the exterior doors, siding, windows, garage doors, and patio fences, of each Unit. The Association shall be responsible for maintaining the roof, exterior painting and the perimeter fences of the common grounds.

Section 3. Temporary Quarters -- Restricted Vehicles.

(a) No trailer, tent, or temporary quarters shall at any time be placed upon said property. No building or structure shall be built whatsoever within Glenwood Assn. Inc. unless it is authorized by the Association.

(b) No "restricted vehicle" as defined in subsection (d) no boat of any type and no vehicle which by reason of its size or configuration cannot be parked in an enclosed garage, shall be parked on the streets or Glenwood Assn. Inc. No vehicle whatsoever shall be allowed to remain on any portion of the streets of Glenwood Assn. Inc. for longer than 72 hours in a row. The Association shall have the right to deem any vehicle parked longer than 72 hours on the streets of Glenwood Assn. Inc. as abandoned and shall have the right at the discretion of the Board to tow said vehicle without notice to and at the expense of said Owner.

(c) Nothing in subsection (b) is intended to prohibit the temporary parking of a vehicle deserted therein for purpose of loading or unloading of property or passengers with the exception of recreational vehicles or buses which are so large in size as to not be able negotiate the traffic circle and such vehicles are prohibited as a fire hazard.

(d) As used in this Section 3, "restricted vehicle" shall mean and refer to the following types of vehicles as defined by the California Vehicle Code:

1. Bus (Vehicle Code Section 233)
2. Camper trailer (Vehicle Code Section 242)
3. Camper (Vehicle Code Section 243)
4. Mobile Home (Vehicle Code Section 936)
5. Motor Truck (Vehicle Code Section 410)

with gross unladen weight exceeding 6000 pounds.

6. Trailer (Vehicle Code Section 630)
7. Trailer (Vehicle Code Section 635)
8. Truck Tractor (Vehicle Code Section 635)
9. Any motorcycle
10. Any vehicle with 3 or more axles
11. Any recreational vehicle regardless of size excluding Vans up to one ton which have factory or custom Van conversions which do not effect the outside dimensions and are not used within Glenwood Assn. Inc. except as means of transportation.
12. Any abandoned vehicle as defined in this Declaration or as defined by the Fullerton Municipal Code or the California Vehicle Code.

(e) Owners shall not repair, maintain or overhaul any vehicle on his Unit or Lot unless such work can be performed within an enclosed garage.

(f) The Board of Directors shall have the authority to promulgate such further rules and restrictions regarding parking and vehicles within Glenwood Assn. Inc. as may be deemed prudent and appropriate.

Section 4. Household Pets. A combined number of dogs, cats, or birds may be kept on each Unit or Lot so long as the same are not kept, bred, or maintained for commercial purposes. No. household pet shall be left chained or otherwise tethered in front of a Unit or Lot or within the Common Area. Dogs must be kept on a leash when walked in the Common Area. Pet owners shall be responsible for the prompt disposal of pet wastes.

The Board of Directors shall have the right to impose standards for the reasonable control and maintenance of such pets, in and around Glenwood Assn. Inc., to ensure that the same do not interfere with the quiet and peaceful enjoyment of Glenwood Assn. Inc. by other Owners. Each person bringing or keeping a pet onto Glenwood Assn. Inc. shall be solely responsible for the conduct of such pets and the association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any such pet.

Section 5. Signs. Unless prior written approval of the Board of Directors is obtained, no signs (excluding signs which show Unit numbers or names of the Owners) shall be

displayed on any Unit or Lot or posted within or upon the Common Area except that "For Rent", "For Lease" or "For Sale" signs of no more than 3 square feet within the eaves line. All other forms of signs regardless of nature must have consent of the Board of Directors prior to the posting.

Section 6. Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any building or in any portion of any Unit or Lot without the prior written approval of the Board; provided, however, the foregoing restrictions shall not apply to the activities, signs or the maintenance of buildings, by the Association in furtherance of its powers and purposes as set forth herein. Notwithstanding the foregoing, no restrictions contained in this Section 8 shall be construed in such manner as to prohibit any Owner from (a) maintaining his personal library therein; (b) keeping his personal business records or accounts therein; (c) handling his personal or professional telephone calls or correspondence therefrom; or (d) conducting any other activities on the Owner's Unit or Lot otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or governmental regulations without the necessity of first obtaining a special use permit or similar specific governmental authorization. Such uses are expressly declared to be customary incident to the principal residential use and not in violation of any provisions of this Article.

Section 7. Garbage. No rubbish, trash, or garbage shall be allowed to accumulate on any Unit or Lot. Any rubbish, trash, or garbage outside the interior walls of a Unit shall be stored entirely within appropriate covered disposal containers located within an enclosed area. Any extraordinary accumulation of rubbish, trash, garbage, or debris (such as is generated upon vacating a premises or during construction for improvements) shall be removed from Glenwood Assn. Inc. to a public dump or trash collection area by the Owner or Tenant at his expense. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed of in any manner inconsistent with this Section.

Section 8. Activities Affecting Insurance. Nothing shall be done or kept on any Unit or Lot or within the Common Area which shall increase the rate of insurance relating thereto without the prior written consent of the Board of Directors and no Owner shall permit anything to be

done or kept on his Lot or Unit of the Common Area which would result in the cancellation of insurance on any Unit or any part of the Common Area or which would be in violation of any law.

Section 9. No Drilling. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any parcel, nor shall oil wells, tank tunnels, mineral excavations, or shafts be erected, maintained, or permitted in any part of Glenwood Assn. Inc. .

Section 10. Antennae and External Fixtures. No radio poles, antenna, satellite dishes, clotheslines or other external structures, other than those which have been approved by the Board of Directors or Architectural Committee shall be constructed, erected, or maintained on any Unit or Lot if such fixture is visible from the public streets and rights of way or from adjoining Lots. To the extent permitted by law, the installation of solar panels shall be possible subject to the written approval of the Board. After review by the Architectural Committee of the request and it being deemed by the Board that such solar panels would not jeopardize or harm the roofs or common area of the Unit or Lot, a further finding would also be required by the Board that the solar panels would substantially cut the cost of utilities to the Owner and that said panels would be placed so as not to be visible from the public street, any right of way, or any adjoining Lot or Unit.

Section 11. Variances. The Board of Directors may allow reasonable variances and adjustments to the use restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions containing herein; provided however, that a variance shall be allowed only if the Board finds that the variance (a) be consistent with the general plan and scheme for Glenwood Assn. Inc. as set forth herein; (b) comply with all applicable laws and regulations; and (c) not be materially detrimental or injurious to other property or improvements in the neighborhood of the Unit or Lot benefiting from the variance or constitute a nuisance with respect to the Owners of such neighboring Units or Lots. The Board of Directors, if appropriate, may hold a hearing to consider any variance to those use restricted.

ARTICLE VIII.

Easements.

Section 1. Maintenance Easements. An easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or cross over any Lot or Unit to perform the duties of maintenance and repair on the Units or Common Area or Common Facilities as provided for in this Declaration.

Section 2. Blanket Utility Easement. There is hereby created a blanket easement upon, across, over, and under all of the Units and Lots for ingress, egress, installation, replacing repairing, and maintaining all utilities, including but not limited to water, sewers, gas, telephones, drainage and electricity and a master television antenna or cable television system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground liabilities within the Common Area. Notwithstanding the foregoing, no sewer, electrical liens, water lines, or other utilities may be installed or relocated on Glenwood Assn. Inc. except as initially designed and approved by the Association's Board of Directors. The easements provided for in this Section 2 shall in no way affect any other easement appearing on any subdivision map covering any portion of Glenwood Assn. Inc.

Section 3. Other Easements. Each Lot, Unit and its Owner and the Association, as the case may be, is hereby declared to be subject to all the easements, dedications and rights of way granted to or reserved in, on over and under Glenwood Assn. Inc. and each Unit or Lot as shown on the subdivision maps.

Section 4. Priority of Easements. Wherever easements granted to the County, City or municipality are in whole or in part, with other easements, the easements of such County, City, or municipality shall have and are hereby granted priority over said other easements in all respects.

Section 5. Common area. The Common Area shall be owned by the Association for the use, enjoyment and convenience of each Owner.

Section 6. Lots. Each Owner of a Lot within Glenwood Assn. Inc. is hereby declared to have an appurtenant easement over all adjoining parcels for the purposes of accommodating any encroachment due to settlement shifting, overhangs, and outcropping of buildings and other

improvements or for any other cause. There shall be valid easements for the maintenance of said encroachment so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by such encroachments, provided, however, that in no event shall valid easements for encroachments be created in favor of any Owner of said encroachments occurred due to the willful conduct of such Owner (except as to reconstruction of buildings which, as originally constructed, encroached upon, adjoining property). In the event any structure on any Lot is partially or totally destroyed, and then repaired, or rebuilt, the Owners of each Unit or Lot agree that minor encroachments over adjoining Lots shall be permitted and there shall be valid easements for the maintenance so long as they shall exist.

ARTICLE IX. Insurance

Section 1. Insurance Coverage. The Association shall purchase, obtain, and maintain, with premiums therefor being paid out of common funds, the following types of insurance of and to the extent they are available:

(a) Public Liability and Property Damage Insurance. A policy of comprehensive public liability insurance insuring the Association, each Member of the Association, each member of the Association's Board of Directors, any manager or property management company acting as manager, and the Owners and occupants of Units and Lots, against any liability incident to the ownership or use of the Common Area or Common Facilities and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than ONE MILLION DOLLARS (\$1,000,000.00) covering all claims for death, personal injury and property damage arising out of a single occurrence. Such insurance shall include coverage against water damage liability, liability for nonowned 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.

(b) Fidelity Bonds and Directors and Officer Liability Insurance. Fidelity Bonds and/or a policy of dishonest employee insurance which shall contain an endorsement of coverage of any person handling Association funds, even if such person serves as a volunteer, and a policy of director and officer liabilities insurance in

such amounts as determined by the Board to be necessary.

Section 2. Coverage Not Available. In the event any insurance policy or any endorsement thereof required by Section 1 is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which, at the discretion of the Board, provides, as nearly as possible, the coverage hereinabove described.

Section 3. Owners Insurance. An Owner may carry whatever personal liability and property damage liability insurance with respect to his Unit and lot that he desires and the Association shall have no responsibility for the adequacy of such coverage. In addition the Association shall have no liability to any Owner for the deductible costs or differences between the Owners personal policies and the deductible limit of the master policy held by the Association. It is each Owners individual responsibility to provide coverage under their own liability policies for any difference between the deductible carried by the Association on any master policy and the actual dollar amount of deductible desired by said Owner should it be a lesser amount.

Section 4. Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to this Article. The Board is granted full right and authority to compromise and settle any claims or to enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 5. Additional Insurance and Bonds. The Association may also purchase such additional insurance and bonds as it may from time to time, determine to be necessary or desirable, including without limiting the generality of this section, fire and casualty insurance for the Common Area and Common Facilities, demolition insurance, flood insurance, earthquake insurance, and worker's compensation insurance. The Board shall purchase and maintain such insurance on personal property owned by the Association and any other insurance that it deems necessary.

ARTICLE X.

Condemnation

Section 1. Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of Glenwood Assn. Inc. is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional mortgagees, Glenwood Assn. Inc., or a portion of it may be sold and conveyed to the condemning authority by the Board or its designees acting as the attorney-in-fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Lot in the Properties hereby grants and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board.

If the requisite number of Owners or institutional mortgagees do not consent to a sale of all or a portion of Glenwood Assn. Inc. and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

Section 2. Distribution and Sale Proceeds of Condemnation Award.

(a) Total Sale or Taking. A total sale or taking of Glenwood Assn. Inc. means a sale or taking (i) that renders more than fifty percent (50%) of the Units or Lots 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 Properties as a whole uneconomical as determined by the vote or written consent of sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) of those Owners and their respective institutional mortgagees whose Units and Lots will remain habitable after the taking. 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 Glenwood Assn. Inc., after payment of all expenses relating to the sale or taking, shall be paid to all owners and to their respective mortgagees in the proportion that the fair market value of each Unit and Lot bears to the fair market value of all Units and Lots on Glenwood Assn. Inc. The fair market value of Lots shall be determined in the condemnation action, if such be instituted by an appraiser.

(b) Partial Sale or Taking. In the event of a partial sale or taking of Glenwood Assn. Inc., meaning a sale or taking that is not a total taking as determined in Section 2(a), the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgment of condemnation shall include the following

provisions as part of its terms:

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

(ii) To Owners and to their respective mortgagees, as their interests may appear, of Units and Lots on Glenwood Assn. Inc. whose Units and Lots have been sold or taken, an amount up to the fair market value of such Lots as determined by the Court in the condemnation proceeding or by an appraiser selected by the Board meeting the qualifications described in Section 3, hereof, less such Owner's share of expenses paid pursuant to this Section 2(b)(i) (which share shall be in proportion to the ratio that the fair market value of each Owner's Lot bears to the fair market value of all Units and Lots). After such payment, the recipient shall no longer be deemed an Owner and the Board or individuals authorized by the Board, acting as attorney-in-fact of all Owners shall amend the Subdivision Map and this Declaration to eliminate from Glenwood Assn. Inc. the Units and Lots so sold or taken; then

(iii) To any remaining Owner and to his mortgagees, as their interest may appear, whose Lot has been diminished in value as a result of the sale or taking disproportionate to any diminution in value of all Units and Lots, as determined by the Court in the condemnation proceeding or by an appraiser, an amount up to the total diminution in value; then

(iv) To all remaining Owners and to their respective mortgagees, as their interest may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Unit or Lot bears to the fair market value of all remaining Owner's Unit or Lots as of date immediately prior to commencement of condemnation proceedings, as determined by the Court in the condemnation proceeding or by an appraiser.

Section 3. Appraiser. Wherever in this Article reference is made to a determination of the value of fair market value of one or more Lots by an appraiser, this shall mean an appraisal by an independent appraiser selected by the Board, who shall be a member of the Society of Real Estate Appraisers (SREA) or other nationally recognized appraiser organization and who shall apply the

SREA or other national appraisal organization's standards in determining the value or fair market value of each Lot. The costs of such appraisals shall be paid from the condemnation proceeds as an expense of the Association.

ARTICLE XII.

Occupancy Restrictions

It shall be understood and it is hereby declared that Glenwood Assn. Inc. is intended as a family-oriented adult community with owner-occupied residences to the maximum extent possible. Overall costs of management may be to some extent reduced through owners participating in the committee work where such work may reasonably and conveniently be rendered, without remuneration and where such participation and resulting services to the general membership of the association can be equitably shared among as many owners as possible.

Therefore, with the foregoing objectives in mind:

Section 1. Compliance with Rules. Except as herein provided no residence shall be occupied by any person who is not a duly qualified member of the Association, it being understood that tenants, guests, and invitees of such said members of Glenwood Assn. Inc. may be permitted to use or occupy such project only in accordance with rules and regulations duly adopted by the Board of Directors and be bound by all provisions of this Declaration of Restrictions, the By-Laws, and the Articles of Incorporation, and it shall be said member's obligation and responsibility to cause said tenants, guests, or invitees to be aware of and to comply fully therewith.

Section 2. Remedy for Failure to Observe Rules and Regulations. If any owner or his tenants, guests, or invitees fail to observe the terms of this Declaration of Restrictions, Articles of Incorporation, or By-Laws, or other adopted rules and regulations of Glenwood Assn. Inc. may do all things it may deem necessary to enforce said rules at the expense of such owner and all expenses, including but not limited to interest and attorney's fees, shall be deemed an assessment against said parcel and become a lien encumbering same in accordance with Article VI, Section of this Declaration.

Section 3. Lease of Units. No owner shall be permitted to lease his unit for transient or hotel purposes. No owner may lease less than the entire unit. Any lease shall

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provide that the terms of the lease be subject in all respects to the provisions of the Declaration, including restrictions as to number of family unit members, and to Glenwood Assn. Inc. By-Laws and Guidelines and to any other rules and regulations adopted by the Association, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases, or subleases, shall be in writing. There shall be no restriction on the right of any owner to lease his unit. It is hereby incorporated by reference that the Rules and Regulations and Schedule of Fines are to be applied to any form of guest or tenant and the Owner shall be required to provide the notice of thereof. The following Section 5, there shall be no restrictions on the right of any owner to lease his unit.

Section 4. Special Management Assessment Fee. If and when the number of nonowner-occupied units in the project reaches or exceeds ten percent (10%) of the total number of units, and if, as a result thereof, in the sole discretion of a majority of the directors of the Board of Directors it becomes necessary to expand management duties to care for tenant needs and to provide for increased effort in maintaining nonowner-occupied units and additional or excessive use of common areas by non-members, then the Board of Directors of the Association is hereby authorized to establish and collect a reasonable and justifiable fee (in addition to any other assessments due from a member) to be paid by each and every non-resident owner. Such fee shall be deemed as assessment against said parcel and shall become a lien encumbering same in accordance with this Declaration, and the Association shall have all rights and remedies allowed under this Declaration to enforce the collection thereof as if it was a regular annual assessment. The intent of this Section is promulgated as allowed by, and in accordance with, the Regulations of the Real Estate Commissioner, as set forth in Section 2792.16(b) to Title 10 of the California Administrative Code.

ARTICLE XIII.

Breach and Default

Section 1. Remedy at Law Inadequate. Except for the nonpayment of any assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitation, reservations, grants of easements, rights, rights-of-way,

liens, charges or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner, tenant, occupant or user of any Lot, or any portion of the Common Area or Common Facilities, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors.

Section 2. Nuisance. Without limiting the generality of the foregoing Section 1, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against insurance, either public or private, shall be applicable against every such act or omission.

Section 3. Costs and Attorneys Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the Court may award to the prevailing party in any such action such attorneys fees and other costs as it may deem just and reasonable.

Section 4. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 5. Failure Not a Waiver. The failure of any Owner, the Board of Directors or the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon Association or the Board, or any of its officers or agents.

Section 6. Enforcement Rights and Remedies of the Association; Limitations Thereon.

(a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the

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restrictions contained in any Governing Document by an Owner, his family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, shall enforce the obligations of each Owner to obey such Rules or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use the Common Area or suspension of the Owner's voting rights as a Member of the Association; provided, however, the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 6. Furthermore, the decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as exist by virtue of Section 1354 of the California Civil Code or otherwise by law.

(b) Schedule of Fines. The Board may implement schedules of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles). Once imposed, a fine or penalty may be collected as a Special Individual Assessment.

(c) Definition of "Violation". A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

(d) Limitations on Disciplinary Rights.

(i) The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full

use and enjoyment of his Lot due to a failure by the Owner (or his family members, tenants or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction as a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association or the imposition of monetary penalties for failure to comply with any Governing Document so long as the Association's actions satisfy the procedural requirements of subparagraph (ii) below.

(ii) No penalty or temporary suspension of rights shall be imposed pursuant to this Declaration unless the Owner alleged to be in violation is given at least 15 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least 5 days before the effective date of the proposed disciplinary action. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (1) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners, (2) a traffic or fire hazard, (3) a threat of material damage to, or destruction of, the Common Area or Common Facilities, or (4) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of assessments or parking violations), the Board of Directors, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, upon request of the offending Owner (which request must be received by the Association, in writing, within 5 days following the Association's disciplinary action), conduct a hearing as soon thereafter as reasonably possible, but in no event more than 15 days after the disciplinary action is imposed or 15 days following receipt of the Owner's request for a hearing, whichever is later. Under such circumstances, any fine imposed pursuant to an established fine schedule shall be due and payable only upon expiration of the 15 day notice period.

(e) Notices. Any notice required by this Article shall, at a minimum set forth the date and time for the hearing, a brief description of the action or inaction

constituting the alleged violation and a reference to the specific Governing Document provision alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided that if notice is given by mail it shall be sent by first class or registered mail to the last address of the Member shown on the records of the Association.

ARTICLE XIV.

Amendment of Declaration

Section 1. Amendment in General. This Declaration may be amended or revoked in any respect by the vote or assent by written ballot of the holders of a two-third (66 2/3%) of the voting power of the Members.

Section 2. Effective Date of Amendment The amendment shall be effective upon the recording of the Office of the Recorder of Orange County of an instrument setting forth the terms thereof duly certified and executed by the President and Secretary of the Association. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or mortgage recorded prior to the recording of such amendment.

Section 3. Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE XIV. Communication

Section 1. Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service or to service by delivery the Member's Unit or Lot, by mailing the same as follows:

If to any Owner:	To the street address of his or to such other address as he may from time to time designate in writing to the Association.
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If to the Association:

Glenwood Assn. Inc. at the residence address of the Secretary of the Association or to such other address as the Association may from time to time designate in writing to the Owner. (Such as a property management company employed as agent).

Section 2. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the Co-owners of any Unit or Lot, to any general partner of a partnership which is the Owner of Record of the Unit or Lot, or to any officer or agent for service of process of a corporation which is the Owner of Record of the Unit or Lot, shall be deemed delivered to all such owners, to such partnership, or to such corporation, as the case may be.

Section 3. Deposit in U.S. Mail. All notices and demands served by mail shall be by first class, registered or certified mail, with postage prepaid, and shall be deemed delivered 48 hours after deposit in the United States mail in Orange County, California.

ARTICLE XVI.

Notice of Hearing Procedure

Section 1: Suspension of Privileges. In the event of an alleged violation of the Declaration, the By-Laws or the Rules and Regulations of the Association, and after written notice of such alleged failure is delivered personally or mailed to the Member or any agent of the Member ("respondent") alleged to be in default in the manner herein provided, by first-class mail or by certified mail return receipt requested, or both, the Board of Directors shall have the right, after affording respondent notice, and if the Association declines to take action in any instance, any owner shall have such rights of enforcement as exists by virtue of Section 1354 of the California Civil Code or otherwise by law.

(b) Schedule of Fines. The Board may implement schedules of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles). Once imposed, a fine or

penalty may be collected as a special Individual Assessment.

(c) Definition of "Violation". A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible Owner.

(d) Limitations on Disciplinary Rights.

(i) The Association shall have no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Lot or Unit due to a failure by the Owner (or his family members, tenants or invitees) to comply with any provision of the Governing Documents or of any duly enacted Association Rule except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction as a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association or the imposition of monetary penalties for failure to comply with any Governing Document so long as the Association's actions satisfy the procedural requirements of subparagraph (ii) below.

(ii) No penalty or temporary suspension of rights which shall set forth in ordinary and concise language the acts or commissions with which the respondent is charged, and a reference to the specific provisions of the Declaration, the By-Laws or the Rules and Regulations of the Association which the respondent is alleged to have violated. A copy of the Complaint shall be delivered to the respondent in accordance with the notice procedures set forth in the Declaration, together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as respondent in the accompanying Complaint is delivered or mailed to the Board

of Directors within fifteen (15) days after the Complaint, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled 'Notice of Defense' to the Board of Directors at the following address:

631 North Glenwood Circle, Fullerton, California 92632

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact the Management Company or the President of the Association."

The respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The respondent may file a separate statement by way of mitigation, even if he does not file Notice of Defense.

Section 2: Notice of Hearing.

The Board shall serve a notice of hearing, as provided herein, on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the respondent. The hearing shall be held no sooner than thirty (30) days after the Complaint is mailed or delivered to the respondent as provided above. The notice to the respondent shall be substantially in the the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of the Glenwood Assn. Inc. Association at _____ on _____ upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to request the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Association".

Section 3: Hearing.

The hearing shall be held before the Board in

executive session pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice, and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the Officer or Director who mailed or delivered such notice. The notice requirement shall be deemed satisfied if a violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. No action against the Member arising from the alleged violation shall take effect prior to the expiration of (a) fifteen (15) days after the Member's receipt of the notice of hearing, and (b) five days after the hearing required herein.

ARTICLE XVII.

Miscellaneous

Section 1. Mortgages and Deeds of Trust. Nothing contained in this Declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but title to any property subject to this Declaration obtained through sale in satisfaction of any such mortgage or deed of trust shall thereafter be held subject to all of the restrictions and provisions hereof. Where the mortgagee of a first mortgage of record or other purchaser of a Unit or Lot obtains title to the same as a such acquirer unless otherwise provided by California law. Such unpaid share of assessments shall be deemed to be common expenses collectable from all of the Unit and Lot Owners, including such acquirer, his successors and assigns.

Section 2. Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, right-of-ways, liens, charges and equitable servitudes contained in this Declaration shall run with, shall benefit and burden the Units and Lots and the Common Area and common facilities as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, until January 1, 2000, after which time the same shall be automatically extended for successive periods of 10 years each unless, within six months prior to the expiration of the initial term or any such 10 year extension period, a recordable written instrument, approved

by Owners entitled to vote and holding at least a 2/3 of the voting power of the Association terminating the effectiveness of this Declaration shall be filed for recording in the Office of the County Recorder of Orange County California.

Section 3. Construction.

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

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

(c) Gender and Number. As used in this Declaration, the singular shall include the plural and the plural the singular, unless the context requires the contrary, and the masculine, feminine or neuter gender shall each be deemed to include the others whenever the context so indicates.

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

(e) Exhibits. All exhibits attached hereto shall be deemed to be incorporated herein by reference. This shall specifically include Exhibit "A" which is attached hereto.

(f) Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration of Covenants, Conditions and Restrictions. Failure by the Association or by any

owner to enforce any covenant or restriction herein contained shall in no event be deemed waiver of the right to do so thereafter.

(g) Reference to Deed. The deeds conveying the parcels, or any part thereof, subject hereto, shall specifically refer to this Declaration and be subject hereto. Whether or not such reference is made in such deeds each and all such restrictions, covenants, and conditions shall be valid and binding upon the respective grantees or successors in interest whether they become voluntarily, involuntarily, or by operation of law or otherwise.

(h) Amendments. This Declaration of Covenants, Conditions and Restrictions may be amended by the vote of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of the Association, any amendment must be recorded. It shall be executed and acknowledged by the president and secretary of the Association and shall attest to the fact that it was duly adopted by the required vote of the membership.

(i) Liability of Directors, Officers, Agents and Employees. To the fullest extent permitted by law, neither the board, nor any other committees of the Association, or any member of such board or committee shall be liable to any member of the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such board, committees or persons reasonably believed to be their duties.

(j) Successors of Board of Directors. This Declaration shall bind and inure to the benefit of the Association and its assigns and successors in interest.

(k) Cumulative Remedies. Each remedy provided by this Declaration is cumulative and not exclusive.

The following Officers and members of the Board of Directors, being the entire board, hereby certify that the foregoing amendment to the Covenants, Conditions and Restrictions of Glenwood Assn. Inc. a California Non-Profit Corporation, was duly adopted by a vote of the members thereof with 88% of the members voting in favor thereof, 5% voting not in favor thereof and 7% not voting. Said vote was taken in accordance with the terms of the Declaration of Covenants, Conditions and Restrictions previously

recorded in regards to amendment of the same.

Dated: July 26, 1989.

GLENWOOD ASSN. INC.

By *Bill Reed*
President

By *David M. Kern*
Vice-President

By *Lennie M. Clark*
Secretary

By *Alta Haldad*
Treasurer

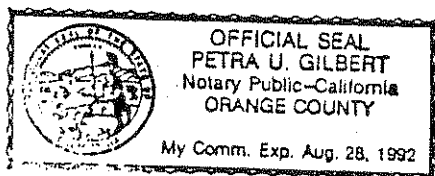
By *W. E. Quinn*
Member

STATE OF CALIFORNIA)

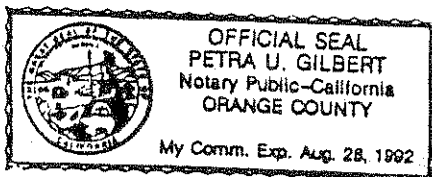
COUNTY OF ORANGE)

) ss

On this 21st day of September 1989, before me, a Notary Public in and for said state, personally appeared *BILL REED*, personally known to me or proved to me on the basis of satisfactory evidence, to be the person who executed this instrument as President of Glenwood Assn. Inc. and acknowledged to me that the corporation executed it.



Petra U. Gilbert
Petra U. Gilbert
Notary Public



G L E N W O O D A S S N.
FULLERTON, CA. 92632
HOMEOWNERS LISTING 9/15/94

LOT	ADDRESS	NAME	TELE NO.	OFF SITE ADDRESS
1	800 Glen.Terr.	Read, Bill/Janet	738-1272	
2	802	English, Joanne/Bruce	879-8847	
3.	804	Slead, Gordon	738-0766	1226 Piedmont, Texas, 79606
4.	810	Lovejoy, Duann	526-6115	
5.	812	Gribble, Gretchen	870-6320	
6.	814	Mitchell, Ellen	879-5965	
7.	818	Guiney, Roger/Helen	879-4117	
8.	820	Sherburne, Harriet	680-4229	
9.	817	Bufkin, Betty	525-6542	
10.	815	Ervin, Jim/Carolyn	871-3339	
11.	809	Hardin, Doris	870-6216	
12	807	Haberland, John/Ruth	870-0048	
13	805	Bradley, James/Tina	773-5106	
14	802 Glen.Circle	Nelson, Dale/Debra	879-4967	
15	804	Rosenblatt, Bernard	680-0933	
16	806	Bosna, Jack/Helen	525-6046	
17	810	Lakin, Helen	526-1351	
18	812	Mend, Michael/Mary	680-5161	
19	816	Polkinghorn, G.	871-7696	2048 Conejo Ln Fullerton, Ca. 92633.
20.	818	Kern, Faith	992-1146	
21	820	Rollins, Nancy/Paul	870-1753	
22	822	Clarke, Leadie	879-7384	
23	826	Kahn, Ray/Dorothy	871-5064	
24	828	Molitor, James	871-6091	
25	830	Johnson, Jean	777-4043	19211 Orient Yorba Linda, Ca 92686
26	832	Luzi, Andrew/Virginia	680-3943	
27	836	Jeakins, Ida	879-2691	
28	838	Christensen, Esther	526-7183	
29	840	Griffeth, Larry	871-5930	
30	842	Morey, James	738-1565	
31	846	Evans, Hazel	738-7908	
32	848	Pierce, Esther	879-6419	880 Morningside Fullerton, Ca. 92635
33	852	Wilson, Jean	525-9400	
34	854	Sidwell, Beatrice	525-0960	
35	858	Haddad, John/Alta	871-0919	
36	860	Cody Estate	871-0607	
37	862	Ely, Margaret	282-3356	
38	864	Mackey, Francis/June	525-7578	870 Morningside G425 Fullerton, Ca 92635
39	688 Glen. Drive	Duffin, Melanie		
40	686	Klein, Nancy	447-9100	
41	684	Richards, Jack	871-1856	
42	682	Bagley, James/Beverly	525-0387	
43	678	Lawler, Karleen	871-4575	
44	676	Silva, Margaret	525-2647	
45	672	Cary, Ron & Mary	870-8789	
46	670	Lake, Fred/Peggy	526-3145	

EXHIBIT A

GLENWOOD HOMEOWNERS LISTING

Page 2

<u>47</u>	<u>668</u>	<u>Moreau, Leslie</u>	<u>738-5623</u>	
<u>48</u>	<u>662</u>	<u>Gibbins, Richard</u>	<u>449-9467</u>	<u>P.O.Box 176,</u>
				<u>Huntington Beach, Ca.92648</u>
<u>49</u>	<u>660</u>	<u>Peterson, Orlin.</u>	<u>738-3541</u>	
<u>50</u>	<u>656</u>	<u>McKenzie, Rosalie</u>	<u>527-7756</u>	
<u>51</u>	<u>654</u>	<u>Jenkins, Christine</u>	<u>738-1350</u>	
<u>52</u>	<u>652</u>	<u>Beard, Dolores</u>	<u>525-6906</u>	
<u>53</u>	<u>650 Glen.Drive</u>	<u>Robinson, Sam/Julia</u>	<u>871-0231</u>	
<u>54</u>	<u>801 Glen. Circle</u>	<u>Condon, Theresa</u>	<u>447-8199</u>	
<u>55</u>	<u>805</u>	<u>Lennert, Severn/Doris</u>	<u>515-1995</u>	<u>49-495 Ave Monter</u>
				<u>LaQuinta, Ca 92253</u>
<u>56</u>	<u>807</u>	<u>Johnson, Marion</u>	<u>526-0175</u>	<u>P.O. Box 1509</u>
				<u>Placentia, Ca 92670</u>
<u>57</u>	<u>811</u>	<u>Shalda, Bill/Eliz.</u>	<u>870-1212</u>	
<u>58</u>	<u>835</u>	<u>Grampp, Walter/Doris</u>	<u>871-5777</u>	
<u>59</u>	<u>839</u>	<u>Noren, Paul/Janice</u>	<u>447-9005</u>	
<u>60</u>	<u>841</u>	<u>Voss, Fred/Ellen</u>	<u>441-2661</u>	
<u>61</u>	<u>845</u>	<u>Yamashiro, Dolores</u>	<u>525-1725</u>	
<u>62</u>	<u>675 Glen. Drive</u>	<u>Fox, Duane/Charlotte</u>	<u>525-1957</u>	
<u>63</u>	<u>671</u>	<u>Purcell, John</u>	<u>879-3119</u>	
<u>64</u>	<u>669</u>	<u>Weber, Louise</u>	<u>871-3455</u>	<u>c/o Phillip Osburn</u>
				<u>13472 Terrace,</u>
				<u>Whittier, Ca.90601</u>
<u>65</u>	<u>665</u>	<u>Miller, George/Pat</u>	<u>870-7515</u>	
<u>66</u>	<u>661</u>	<u>Ball, Gene</u>	<u>310-983-0622</u>	<u>11720 Beall Mtn</u>
				<u>Potomac, MD 20854</u>
<u>67</u>	<u>657</u>	<u>Koser, John/Bettye</u>	<u>871-1836</u>	
<u>68</u>	<u>653</u>	<u>Middlebrooks, Pat/John</u>	<u>879-6268</u>	

Parkcam Management Company - 800 S. Brookhurst Ste 2A, Anaheim, Ca.92804
956-2012

Board of Directors:

President:	Leadie Clark	879-7384
V/P:	John Koser	871-1836
Treasurer:	Jim Ervin	871-3339
Secretary:	Betty Bufkin	525-6542
Member:	Francis Mackey	525-7578

EXHIBIT A

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
Glenwood Assn. Inc.
c/o Perkam Management Co. Inc.,
1711 W. Westmont Drive
Anaheim, Ca. 92801-4561

Recorded in the County of Orange, California
Gary L. Granville, Clerk/Recorder



28.00

19960560078 11:31am 11/05/96

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A23 5 7.00 12.00 9.00 0.00 0.00 0.00

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF GLENWOOD ASSN. INC.
(REVISED JULY 26, 1989).

This amendment to the Declaration of Covenants, Conditions and Restrictions of GLENWOOD ASSN. INC. revised July 26, 1989 ("Declaration"), which was recorded on September 25, 1989, as Instrument No. 89-512673 in the Official Records of the County Recorder of Orange County, California, amends the Declaration as follows:

(1) Article VII, Exterior Maintenance Responsibilities, shall be amended by the addition of Section 3 (g) by the insertion of the following:

PARKING:

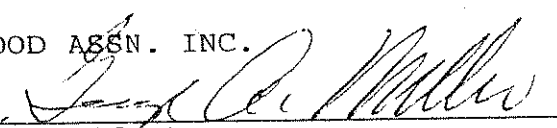
1. No on-street overnight parking will be permitted on any street in the Glenwood complex. Streets in complex are: Glenwood Terrace, Glenwood Drive and Glenwood Circle.
2. All cars parked in driveways must clear the street with no overhang of the vehicles to protrude into the street.
3. Marked parking spaces are designated for limited Permit Parking by Guests of Residents.
4. Permits must be secured from the Security/Parking Committee and will show a beginning and ending date.

Attached hereto as Exhibit "A" and incorporated herein by reference is a list of the names and addresses of all current record members of the GLENWOOD ASSN. INC. whose properties are affected by this Second Amendment to the Declaration. This Amendment runs with the land and binds the owners of all properties contained within the boundaries of the Association's Project whether or not set forth in Exhibit "A".

IN WITNESS WHEREOF, this Second Amendment to the Declaration referenced above is executed by the President and the Secretary of GLENWOOD ASSN. INC.

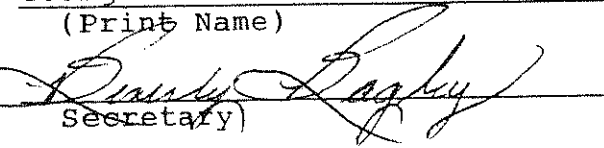
GLENWOOD ASSN. INC.

By:


President

George A. Miller
(Print Name)

By:


Secretary

Beverly Bagley
(Print Name)

The undersigned being the President and the Secretary, respectively, of GLENWOOD ASSN. INC., each certify and declare, under penalty of perjury, that the foregoing amendment was duly approved by the percentage of owners required by the Declaration referenced above.

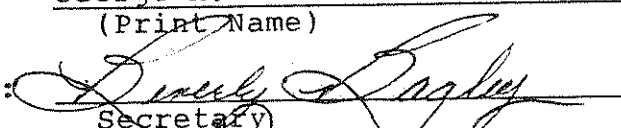
Executed on October 4, 1996 at Fullerton,
California.

By:


President

George A. Miller
(Print Name)

By:


Secretary

Beverly Bagley
(Print Name)

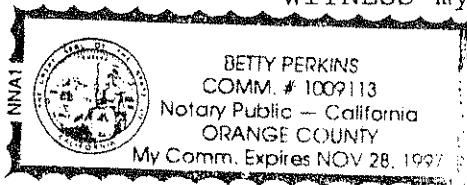
STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE

On October 4, 1996, before me, Betty Perkins,
Notary Public,

personally appeared - GEORGE A. MILLER

personally known to me to be the person whose name is
subscribed to the within instrument and acknowledged to me that
he executed the same in his authorized capacity, and that by
his signature on the instrument the person(s), or entity upon
behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Betty Perkins
Betty Perkins
Notary Public.

Title of Document: Second Amendment to Glenwood Assn.
Covenants, Conditions & Restrictions
Pages 2 and 2 pages Exhibit A.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE

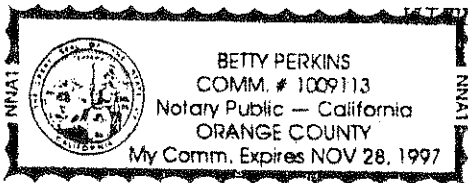
On October 4, 1996, before me,

Betty Perkins, Notary Public,

personally appeared - BEVERLY BAGLEY

personally known to me to be the person whose name is subscribed
to the within instrument and acknowledged to me that she executed
the same in her authorized capacity, and that by her signature
on the instrument the person(s), or entity upon behalf of which
the person acted, executed the instrument.

WITNESS my hand and official seal.



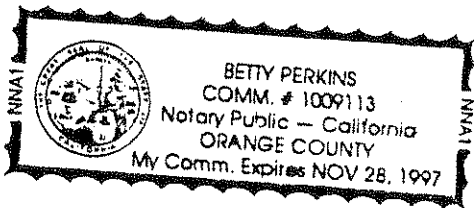
Betty Perkins
Betty Perkins
Notary Public.

Title of Document: Second Amendment to Glenwood Assn.
Covenants, Conditions & Restrictions
Pages 2 and 2 pages Exhibit A.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On September 15th, 1994, before me, Betty Perkins
_____, Notary Public, personally appeared
Leadie M. Clark, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person(s) who name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

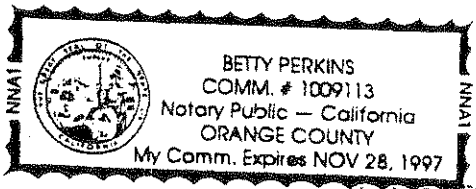


Betty Perkins
Notary's Signature

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On September 15th, 1994, before me, Betty Perkins
_____, Notary Public, personally appeared
Betty Bufkin, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person(s) who name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Betty Perkins
Notary's Signature

RECORDING REQUESTED BY
GOLDEN STATE ATTORNEY SERVICE

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
JAMES A. STEARMAN
Attorney at Law
1235 North Harbor Boulevard
Suite 200
Fullerton, CA 92632-1349

DOC # 94-0597051
05-OCT-1994 03:59 PM

Recorded in Official Records
of Orange County, California
Lee A. Branch, County Recorder
Page 1 of 6 Fees: \$ 29.00
Tax: \$ 0.00

FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF GLENWOOD ASSN. INC.
(REVISED JULY 26, 1989)

This amendment to the Declaration of Covenants, Conditions and Restrictions of GLENWOOD ASSN. INC. revised July 26, 1989 ("Declaration"), which was recorded on September 25, 1989, as Instrument No. 89-512673 in the Official Records of the County Recorder of Orange County, California, amends the Declaration as follows:

(1) The last sentence of Article VII, Section 2 shall be deleted in its entirety and shall be replaced with the following sentences:

The Association shall be responsible for maintaining the roof and roof support system of each unit (which shall include drip strips, gutters and downspouts, rafters, purlins and kickers down to, but not including, the ceilings and ceiling joists) but facias and termite damage shall not be the responsibility of the Association. The Association shall also be responsible for exterior painting of the units and maintaining the perimeter fences of the common grounds.

(2) Article IX, Section 5 shall be deleted in its entirety and shall be replaced with the following paragraph:

Section 5. Additional Insurance and Bonds. The Association shall also purchase policies of insurance covering the Common Area, Common Facilities and each Unit

against loss caused by fire and other types of casualty, demolition, flood, earthquake and claims of workers' compensation. The Board shall purchase and maintain insurance on personal property owned by the Association and any other insurance or bonds as it may, from time to time, determine to be necessary or desirable for protection of the Association or property of the Association.

Attached hereto as Exhibit "A" and incorporated herein by reference is a list of the names and addresses of all current record members of the GLENWOOD ASSN. INC. whose properties are affected by this First Amendment to the Declaration. This Amendment runs with the land and binds the owners of all properties contained within the boundaries of the Association's Project whether or not set forth in Exhibit "A".

IN WITNESS WHEREOF, this First Amendment to the Declaration referenced above is executed by the President and the Secretary of GLENWOOD ASSN. INC.

GLENWOOD ASSN. INC.

By: Leadie M. Clark
President
Leadie M. Clark
(Print Name)

By: Betty Bufkin
Secretary
Betty Bufkin
(Print Name)

The undersigned being the President and the Secretary, respectively, of GLENWOOD ASSN. INC., each certify and declare,

under penalty of perjury, that the foregoing amendment was duly approved by the percentage of owners required by the Declaration referenced above.

Executed on September 15th,, 1994, at Fullerton, California.

By: Leadie M. Clark
President
Leadie M. Clark
(Print Name)

By: Betty Bufkin
Secretary
Betty Bufkin
(Print Name)