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AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
for  
1127 TENTH STREET CONDOMINIUM ASSOCIATION, INC.

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AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
for  
1127 TENTH STREET CONDOMINIUM ASSOCIATION, INC.

The following Amended and Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") is made this \_\_\_ day of \_\_\_\_\_, 2018, to amend in full that certain former Declaration of Establishment of Covenants, Conditions and Restrictions 1127 Tenth Street Condominium Tract 35921 recorded on March 23, 1979, as Instrument No. 79-317797 and any other amendments thereof (collectively, the "Original Declaration") in the Office of the County Recorder of Los Angeles County, State of California, which Original Declaration is hereby canceled and revoked in its entirety:

A. The real property (the "Property") which is the subject of this Declaration is described as follows:

Lot 1 of Tract 35921 as per map recorded in Book 912, pages 8 through 9, inclusive of Maps, in the Office of the County Recorder of Los Angeles, State of California.

B. The Property has been improved by the construction thereon of eleven (11) Condominiums (as such term is defined in Article I below) and appurtenances which Condominiums and appurtenances have been sold and conveyed to various individuals subject to the basic protective restrictions, conditions, covenants, reservations, liens and charges set forth in the Original Declaration.

NOW, THEREFORE, it is hereby declared that all of the Property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, covenants, conditions, restrictions, reservations, liens and charges, all of which are hereby declared and established and agreed to be in furtherance of a general plan and scheme for the subdivision, development, improvement and sale of Condominiums in a Condominium project, as those terms are defined in Sections 783 and 4125 of the Civil Code of California (the "Civil Code"), and all of which are declared, established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and every part and portion thereof. All of said limitations, covenants, conditions, reservations, liens, charges and restrictions are hereby established and imposed upon the Condominiums, and each of them, and upon the Property, for the benefit of the Property and each and every individual Condominium hereinafter described and of each Owner (as such term is defined in Article I below) of one (1) or more Condominiums, and the owners of an interest of any kind or character in the Property or any portion thereof. All of said limitations, covenants, conditions, reservations, liens, charges and restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, whether as sole owners, joint owners, Lessees, Tenants, occupants, or otherwise. Each and all of said limitations, covenants, conditions, restrictions, reservations, liens and charges shall be deemed to be, and shall be construed as equitable servitudes, enforceable by any of the Owners of any of the Condominiums or any interest in the Property against any person or entity bound thereby or

subject thereto, and shall be enforceable by the Board (as such term is defined in Article I below), or its duly appointed representatives, against any such person or entity.

ARTICLE I  
DEFINITIONS

Whenever used in this Declaration, the following terms shall have the following meanings:

**Section 1.1** Act. "Act" shall mean the Davis-Stirling Common Interest Development Act as the same may be amended, renumbered, restated, modified or superseded from time to time.

**Section 1.2** Articles. "Articles" shall mean the Articles of Incorporation of the Association, as the same may be amended, restated, modified or superseded from time to time.

**Section 1.3** Assessment or Assessments. "Assessment" or "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the Project (as such term is defined in this Article I below) and the cost of enforcing the Association's governing documents that is to be paid by each Owner as determined by the Association, and includes Regular and Special Assessments.

(a) Regular Assessment. "Regular Assessment" shall mean an Assessment duly made and levied by the Association against an Owner and such Owner's Condominium, representing such Owner's share of the total common expenses which are to be levied among all the Owners and their Condominiums in the Project in the manner and proportions specified herein.

(b) Special Assessment. "Special Assessment" shall mean an Assessment, other than a Regular Assessment, from time to time duly made and levied by the Association against all Owners and their Condominiums, or against a particular Owner and such Owner's Condominium, in the manner and proportions specified herein.

**Section 1.4** Association. "Association" shall mean a non-profit mutual benefit corporation, consisting of all Owners of Condominiums in the Project, and known as 1127 Tenth Street Condominium Association, Inc. Each Owner shall be and become a Member of the Association contemporaneously with upon becoming an Owner of a Condominium.

**Section 1.5** Board of Directors. "Board" or "Board of Directors" shall mean the governing body of the Association.

**Section 1.6** Bylaws. "Bylaws" shall mean the duly adopted bylaws of the Association as the same may be amended, restated, modified or superseded from time to time.

**Section 1.7** Common Area. "Common Area" shall mean the entire Project excepting the Units.

**Section 1.8** Condominium. A "Condominium" shall mean a condominium as defined in Civil Code Section 783 and the Act, consisting of an undivided interest in a common portion of the Project, a separate interest in a space called a Unit, and a non-exclusive easement for access to, use and enjoyment of, and ingress and egress through the Common Area of the entire Project.

**Section 1.9** Condominium Plan. "Condominium Plan" shall mean the plan prepared and recorded with respect to the Project as required by the Act and pursuant to Civil Code Section 783.

**Section 1.10** Declaration. "Declaration" shall mean this Declaration as the same may be amended, restated, modified or superseded from time to time.

**Section 1.11** Exclusive Use Common Area. "Exclusive Use Common Area" shall mean those portions of the Common Area set aside for exclusive use of an Owner or Owners by this Declaration, by the Board in accordance with Civil Code Section 4600 et seq., and such other portions of the Common Area designed to serve a single Unit, whether located inside or outside the boundaries of the Unit.

**Section 1.12** Manager. "Manager" shall mean the managing agent, if any, whether an individual or an entity, retained by the Board, on contract, to whom the Board may delegate the management activities related to the Project.

Declaration = CC&Rs?

**Section 1.13** Member. "Member" means every person or entity who holds a membership interest in the Association as provided in this Declaration.

Are parking spaces "exclusive use common area"?

**Section 1.14** Mortgage. "Mortgage" shall mean a deed of trust or a mortgage encumbering a Condominium of record in the Los Angeles County Recorder's Office.

**Section 1.15** Mortgagee. "Mortgagee" shall mean a holder of, or the beneficiary under, as the case may be, a Mortgage encumbering a Condominium.

**Section 1.16** Official Person. "Official Person" shall mean the Board (or any member thereof), any committee appointed by the Board (or any member of such committee), any officer, and any employee or agent of the Association, including the Manager or the Manager's staff.

**Section 1.17** Owner or Owners. "Owner" or "Owners" shall mean the owner or owners, if more than one (1), of record in the Los Angeles County Recorder's Office of a Condominium in the Project, excluding those persons or entities having such interest merely as security for the performance of an obligation. The term "Owner" shall be synonymous with the term "Member."

**Section 1.18** Prior Architectural Approval. "Prior Architectural Approval" shall mean the prior written approval of an Application (as defined in Article XII accordance with Section 12.4 of this Declaration.

What is an "application"?

**Section 1.19 Project** "Project" shall mean the entire Property as divided into Condominiums, including all structures and improvements thereon, the Units, and the Common Area, which Project shall be commonly known as 27 Tenth Street

**Section 1.20 Representatives and Invited Parties** (as defined in the Declaration in this Article I below), employees, staff members, agents, representatives, licensees, guest and invitees.

**Section 1.21 Rules and Regulations** "Rules and Regulations" shall mean the rules and regulations adopted by the Board, by a majority vote thereof, in accordance with the Act, pertaining to the Project, including, without limitation, the use of the Common Area, Exclusive Use Common Area and Units, as the same may be amended, restated, modified or superseded from time to time.

**Section 1.22 Tenant or Lessee** shall have the temporary use and occupancy of a Unit owned by others, where such use is paid for in money or other value.

**Section 1.23 Unit.** "Unit" in said Property shall mean and refer to the elements of a Condominium which are not owned in common with the other Owners of other Condominiums. The boundaries of a Unit shall be as shown and defined on the Condominium Plan. The Unit shall include both the portions of the building so described and the airspace so encompassed. In interpreting deeds and plans, the existing physical boundaries of a Unit reconstructed in substantial accordance with the original plans, shall be conclusively presumed to be its boundaries, rather than metes and bounds or other description, expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or in the deed and those of a building.

**Section 1.24 Utility Lines and Facilities** shall include sewer lines, drainage channels, water pipes, electricity lines, gas lines, telephone and television lines and cables, heating and air conditioning conduits, ducts, flues, fiber optic cables, data lines, and other similar lines, pipes, cables, ducts, flues and conduit pipes.

**Section 1.25 Voting Power** "Voting Power" shall mean the number of Condominiums in the Project minus the number of Condominiums as to which voting rights are suspended in accordance with this Declaration at the time the counting of any vote of the Owners.

## ARTICLE II HOMEOWNERS ASSOCIATION; MEMBERSHIP; VOTING

**Section 2.1 Management of Project** The common business affairs and management of the Project shall be conducted by the Association.

**Section 2.2 Qualifications for Membership** Each Owner of a Condominium shall be a Member of the Association. If a given Condominium is owned by more than one (1) Owner, all such Owners shall be Members of the Association. Ownership of a Condominium within the Project shall be the sole qualification for membership in the Association.

**Section 2.3** Transfer of Membership The Association membership of each Owner shall be appurtenant to the Condominium giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way ~~except~~ the transfer of title to said Condominium, and then only to the transferee of title to said Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

**Section 2.4** Voting Classes The Association shall have one (1) class of voting membership, consisting of all the Owners. All Members shall be entitled to one (1) vote for each Condominium in which they hold the interest required for membership, subject to the provisions of Article XIV, Section 14.6(a) below (regarding suspension of an Owner's voting rights). When more than one (1) person holds such interest in a Condominium, all such persons or entities shall be Members and all such persons may attend any meeting of the Association; however, regardless of the number of Owners of a Condominium, the vote for each Condominium may be cast only as a unit, and fractional votes shall not be allowed.

### ARTICLE III RIGHTS IN THE COMMON AREA

**Section 3.1** Percentage and Transfer of Undivided Interests in Common Area undivided interest in the Common Area hereby established and which shall be conveyed with each respective Unit in the Property, is as set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

**Section 3.2** Owners' Easement of Enjoyment For the benefit of the Property, and for the benefit of all of the Owners in the Project, there shall be exclusive reciprocal easements of access to, use and enjoyment of, support and ingress and egress through all of the Common Areas of the Project. Such easements may be used by all Owners and the members of their families, their Representatives and Invited Parties for pedestrian walkways, vehicular access and such other purposes reasonably necessary to the use and enjoyment of the Units and the Common Areas in the Project. Such easements shall be appurtenant to and shall pass with the title to every Condominium, subject to the following provisions:

(a) Rules and Regulations The right of the Board, pursuant to Article VII, Section 7.5(d) below, to establish uniform Rules and Regulations pertaining to the use of the Units, Exclusive Use Common Area and Common Area, including, but not limited to, noise levels, parking, pets, storage, and the number of guests, the hours of use and other matters relating to the use and enjoyment of such areas and the facilities thereon.

(b) Borrow Money The right of the Board, in accordance with Article VII, Section 7.5(d) below, to borrow money and pledge Assessments for the purpose of improving, repairing, and/or rebuilding the Common Area and facilities thereon.

(c) Discipline for Breach The right of the Board, in accordance with the provisions of Article XIV, Section 14.6(a) below, to suspend any Owner's voting rights and/or Common Area privileges (other than the right of ingress and egress to the Owner's Unit) for the

period during which any Assessment, including any monetary penalty against such Owner's Condominium, remains unpaid and delinquent, and, for a period not to exceed thirty (30) days, or for as long as the violation continues for any other infraction of this Declaration, the Bylaws or the published Rules or Regulations of the Association committed by any Owner or such Owner's guests, servants, family members, tenants or invitees.

(d) Access Access to Common Areas within the Project may be controlled through the use of locks on entry doors operated by one master key within such building, or other means, so that only the residents of the building and the Manager and staff will have free access to the Common Areas of building.

(e) Improvements The right of the Association to consent to or otherwise cause the construction of additional improvements on the Common Area and to consent to or otherwise cause the alteration or removal of any existing improvements on the Common Area.

**Section 3.3 Waiver of Use** No Owner may waive or otherwise escape liability for the Assessments provided for by this Declaration or otherwise levied and properly levied by the Board in accordance with this Declaration, nor release the Condominium owned by such Owner from the liens and charges hereof, by use of the Common Area and the facilities thereon, or any part thereof, or by abandonment of such Owner's Condominium.

**Section 3.4 Delegation of Rights** \$ Q \ 2 Z Q H U P D \ G H O H J D W H V X F K 2 Z H Q M R \ P H Q W L Q W K H 3 U R M H F W L Q F O X G L Q J W K H & R P P R Q \$ U R U W K H Tenants, guests, and invitees, and to such persons as may be permitted by this Declaration, the Bylaws and the Rules and Regulations, subject, however, to this Declaration, the Bylaws and the Rules and Regulations. Notwithstanding the foregoing, neither an Owner of a Condominium who has sold or a contract purchaser thereof or has leased the V D P H R U G H O H J D W H G V X F K 2 Z Q H U \ V U L J K W V W R D Q R W K H U R U W K H Tenants, guests and invitees, shall be entitled to use and enjoy the Common Area while such Owner's Condominium is occupied by such contract purchaser, lessee or delegatee, but, instead, such contract purchaser, lessee or delegatee, while occupying such Unit, shall be entitled to use and enjoy the Common Area and to delegate the rights of enjoyment in the same manner as if such contract purchaser, lessee or delegatee were the Owner of such Condominium G X U L Q J W K H S H U L R G R I V X F K S H U V R Q \ V R F F X S D Q F \ W K H U H in writing of the names of any contract purchaser, lessee of such Owner's Condominium, or D Q \ R W K H U S H U V R Q W R Z K R P W K H 2 Z Q H U \ V U L J K W V K D Y H E delegated pursuant hereto are subject to suspension and monetary penalties to the same extent that the rights of Owners are subject hereto.

**Section 3.5 Suspension of Right for Partition** The Common Area shall remain undivided; and no Owner shall bring any action for partition except as provided below, it being agreed that this restriction is necessary in order to preserve the rights of tenants with respect to the operation and management of the Project. In accordance with the foregoing, except as otherwise set forth in Articles X and XI of this Declaration, the provisions of the Act relating to partition are hereby waived and the right to partition the Common Area is hereby suspended until the later of: (i) fifty (50) years from the date of this Declaration; or (ii) at such time as sixty

and two-thirds percent (62/3%) of Members of the Association entitled to vote, in person or by proxy, determine to partition the Project.

**Section 3.6 Prohibition Against Severability of Component Interest in Condominium**

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the Common Area, nor shall the respective undivided interests established with each respective Unit be changed. The undivided interests in the Common Area established and the fee title to the respective Units conveyed therewith shall not be separated, severed or separately conveyed, encumbered or otherwise transferred, and each such undivided interest in the Common Area shall conclusively be deemed to be conveyed, transferred or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. It is intended hereby to restrict severability of the various components of a Condominium in the manner provided by the Act. Nothing herein contained shall be construed to preclude an Owner of any Condominium from creating a tenancy in the ownership of a Condominium with any other person or persons, entity or entities

**Section 3.7 Minor Encroachments**

In the event the improved part of the Project is partially or totally destroyed and then rebuilt, the Owners agree that minor encroachments of parts of the Common Area due to construction shall be permitted and that valid easements for said encroachments and the maintenance thereof shall exist. If any part of the Common Area encroaches upon a Unit, a valid easement exists for the encroachment and the maintenance of same, so long as the encroachment exists. If any part of a Unit encroaches upon the Common Area, or upon another Unit, a valid easement exists for the encroachment so long as the encroachment exists. If minor variances exist between physical boundaries and boundaries shown on a deed or plan, it shall be conclusively presumed that the physical boundaries are the correct boundaries.

**Section 3.8 Utility Easements**

Each Condominium shall be, by its Owner(s), subject to any and all easements of record at the time of the initial conveyance of such Condominium to an Owner for the use and benefit of the several authorized public and/or other utilities which may include, but are not limited to, easements for Utility Lines and Facilities and no Owner shall damage or interfere with the installation and maintenance of Utility Lines and Facilities or in any manner change the direction or flow of drainage channels in any such easements, or in any manner obstruct or retard the flow of water through drainage channels in any such easements. Easements on, over and under the Project for the installation and maintenance of Utility Lines and Facilities as shown on the recorded map of the Project, and as may be hereafter required or needed to service the Project, are hereby reserved by the Association, together with the right to grant and transfer such easements through the Units and Common Area for all facilities furnishing services for Utility Lines and Facilities to any Unit shall be appurtenant to each Unit, and all other Units and the Common Area shall be subject thereto; provided, however, that the easements for such facilities shall at all times be and remain substantially in accordance with the initial construction of the Project, or the Project as reconstructed upon damage or destruction pursuant to Article X hereof.



ARTICLE IV  
COVENANT FOR ASSESSMENTS AND LIENS

Section 4.1 Creation of Lien and Personal Obligation of Assessments

(a) Covenant to Pay Each present or future Owner of any Condominium within the Project, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments and Special Assessments for the purposes permitted in this Declaration, such Assessments to be fixed, established, and collected from time to time as hereinafter provided, and (ii) to further agree to the enforcement of such Assessments in the manner provided for in Article XIII of this Declaration

(b) Obligation of Owner. The Regular and Special Assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the real property and shall be a continuing lien upon the Condominium against which each such Assessment is made, the lien to become effective upon the recordation with the Los Angeles County Recorder of notice of delinquent assessments provided in the Act. Each such Assessment, together with such interest, costs, penalties, and attorney's fees, shall be the personal obligation of the person who is the Owner of such Condominium at the time the Assessment is made. The Owner's personal obligation for delinquent Assessments shall not pass to such Owner's successors in the title unless expressly assumed by them. No Owner shall be exempt from liability for payment of Assessments by waiver of the use or enjoyment of any portion of the Common Area or by the abandonment of the Owner's Condominium. If there is more than one (1) Owner of a unit, all such Owners are jointly and severally liable for the payment of Assessments imposed against such Unit.

Section 4.2 Regular Assessment The Board shall establish and levy Regular Assessments in the amount that the Board estimates will be sufficient to defray the funds needed to perform the duties of the Association during each fiscal year and, in the Board's discretion, may include contributions to a reserve fund to help meet the costs of future repair, restoration, replacement, or maintenance of the major components that the Association is obligated to repair, restore, replace or maintain. The total estimated common expenses of the Association shall be divided among, assessed and charged to and against the individual Owners and their Condominiums as stated in Article IV, Section 4.5 below. Until changed as herein provided, the Regular Assessment per Condominium per month shall be the amount having been assessed on the date of recordation of this Declaration.

Section 4.3 Special Assessments The Board may at any time levy a Special Assessment in order to raise funds for unexpected operation costs, insufficient operating or reserve funds, or other purposes as the Board in its discretion considers appropriate, including, without limitation, the following:

(a) Special Assessments for Capital Improvements, Emergency, Maintenance and Other Needs The Board may levy during any fiscal year Special Assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or

replacement of a capital improvement or existing component upon the Common Area and personal property related thereto.

(b) Special Assessment When Insurance Proceeds Unavailable In the event the proceeds of insurance obtained by the Association are paid to a mortgagee of a Condominium and by reason of such payment, said insurance proceeds are not made available to the Association as trustee or otherwise to effect any repair, reconstruction or restoration of any damage and/or destruction to all or any portion of the Project as provided herein, then the amount of such proceeds not made available shall be assessed and charged solely to and against the Owner and such Owner's Condominium as a Special Assessment.

(c) Special Assessment for Owner's Failure to Maintain or Exclusive Use Common Area In the event any Owner fails to maintain such Owner's Condominium or Exclusive Use Common Area and make repairs thereto as required by this Declaration, and the Board causes such maintenance and/or repair to be performed in accordance with the provisions hereof, all costs and expenses incurred in connection with such work, maintenance and/or repairs shall be immediately assessed and charged solely to and against such Owner and such Owner's Condominium as a Special Assessment.

(d) Special Assessment for Act Increasing Insurance Premiums In the event any act or omission of any Owner, any member of such Owner's family, or any of such Owner's Representatives and Invited Parties shall increase the premiums for any insurance policy purchased or obtained by the Association for the benefit of the Project and the residents thereof, the amount of said increase shall be assessed and charged solely to and against such Owner and such Owner's Condominium as a Special Assessment.

(e) Special Assessment for Damage and to Bring Owner into Compliance with Governing Documents The Board may levy a Special Assessment against an Owner and V X F K 2 Z Q H U T V & R Q G R P L Q L X P I R U W K H F R V W W R U H S D L U G D component which the Owner is responsible to maintain and/or repair. The Board may also levy a Special Assessment against an Owner and such Owner's Condominium for such other purposes as may be set forth in this Declaration as well as to reimburse the Association for costs incurred in bringing the Owner into compliance with the Association's governing documents. Additionally, any monetary penalty levied against an Owner pursuant to this Declaration shall be considered a Special Assessment.

#### Section 4.4 Restrictions on Increases in Regular or Special Assessments

(a) Increases without Owner Vote Except as provided in the Act with regard to the failure to provide certain reports and/or statements to the Owners at the end of the fiscal year, the Board may increase Regular Assessments up to twenty percent (20%) above the Regular Assessment for the immediately preceding fiscal year without the vote of the Members. The Board may also levy Special Assessments which in the aggregate do not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote of the Members.

(b) Increases with Owner Vote The Board may not impose on any Condominium a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year or levy a Special Assessment to defray the cost of any action or undertaking on behalf of the Association that in the aggregate exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written consent of Members casting a majority of the votes at a meeting of the Association at which a quorum is present. For purposes of this Section, a majority shall mean Members constituting more than fifty percent (50%) of the Voting Power of the Association.

(c) Increases without Owner Vote Emergencies Notwithstanding the foregoing, the Board, without membership approval, may increase Regular Assessments or levy Special Assessments necessary for an emergency situation. For purposes of this Section, an emergency situation is one of the following:

(i) Court Order An extraordinary expense required by an order of a court;

(ii) Threat to Personal Safety An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible when a threat to personal safety on the Project is discovered; or

(iii) Unforeseen Expenses An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget; provided, however, that prior to the imposition or collection of the Assessment, the Board shall pass a resolution containing written findings of the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of the Assessment.

(d) Notice of Increases The Association shall provide to the Owners by individual notice as provided in the Articles of Incorporation and Bylaws of any increase in the Regular Assessments or the imposition of any Special Assessments of the Association not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

**Section 4.5** Rate of Assessment Except for Special Assessments that relate only to an individual Owner and such Owner's Condominium, Regular and Special Assessments shall be fixed on the basis of each Owner's Unit as set forth in the Schedule of Assessments, Exhibit "A" hereto.

**Section 4.6** Due Dates Regular Assessments shall be due and payable in advance on the first (1<sup>st</sup>) day of each month regardless of the lack of any monthly notice thereof. Special Assessments shall be due and payable within thirty (30) days from the date written notice thereof is given by the Board or within such extended period as the Board shall determine to be appropriate.

Section 4.7 Operating and Reserve Funds

(a) Bank Accounts; Investment All charges collected for an Assessment shall be properly deposited in two (2) or more separate commercial and/or savings accounts in a federally insured bank, and/or savings and loan association selected by the Board, which accounts shall be clearly designated in the name of the Association, with at least one (1) account designated as an operating fund and another account designated as a reserve fund. Provided, however, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments with a national brokerage firm consistent with the investment standards normally observed by trustees. The Board shall have control of said accounts and shall be responsible to the Owners for maintenance of accurate records thereof at all times.

(b) Withdrawals from Operating Account For regular and/or recurring monthly, quarterly or annual operating expenses which have been approved by the Board, the signature of at least one (1) person who shall be a member of the Board shall be required to withdraw monies from the Association's operating accounts. For uncommon, irregular or one-time expenses less than Five Hundred Dollars (\$500), after approval by the Board, the signature of at least one (1) Board member shall be required to withdraw monies from the Association's operating accounts. For uncommon, irregular or one-time expenses equal to or over Five Hundred Dollars (\$500), after approval by the Board, the signature of at least two (2) persons who are members of the Board shall be required to withdraw monies from the Association's operating accounts. In the event that the Board retains a Manager, the Board may delegate the authority to deposit or withdraw funds from the operating account only to responsible representatives of the Manager so retained. Said Manager may additionally be authorized to establish a common trustee account for deposit of Assessments as collected. Any funds deposited in such account shall be allocated as previously specified herein.

(c) Interest Any interest payable with respect to any funds deposited by the Association or the Board shall become a part of that account to be used for the purposes intended. No Owner shall have the right to receive any interest on such funds deposited.

(d) Allocation of Funds to Reserves; Withdrawals from Reserve The Board may allocate a portion of the funds collected as reserves for the future repair, restoration, replacement, or maintenance of the major components that the Association is obligated to repair, restore, replace or maintain. The expenditure of reserve funds shall be in accordance with the Act. Reserve funds shall be deposited in a separate account and the signature of two (2) Board members shall be required to withdraw monies from the reserve account.

(e) Sale or Transfer of Condominium All Assessments inure to the benefit of the Association and not to the benefit of any Member. No Owner is entitled to a refund of monies paid in as Assessments when such Owner ceases to be a Member of the Association.

Section 4.8 Purpose of Assessments The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Members of the Association, their family members and their Representatives and Invited Parties

and in particular shall be used for the purpose of improving, protecting, operating and maintaining the Common Area and the facilities, improvements, landscaping and structures located thereon, and providing for the acquisition and maintenance of property, services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Area and the Units, and otherwise providing for the performance by the Board of each and every of the powers and duties of the Board.

**Section 4.9** Excess Assessment Funds If the proceeds of any Special Assessment exceed the amount to accomplish the purpose for which any such Assessment was levied, such surplus may, in the Board's discretion, be returned proportionately to the contributors thereof, reallocated among the Association's reserve accounts if any such account is, in the Board's opinion, underfunded, or credited proportionately on account of Owner's future Regular Assessments. Furthermore, in the event that the amount budgeted to meet common expenses for the current year proves to be excessive in light of the actual common expenses, the Board in its discretion may abate collection of such Assessments to the extent it deems appropriate.

## ARTICLE V USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Project and each Unit therein and the Common Area is subject to the following restrictions. For purposes of this Article, except when the context otherwise requires, "Owner" shall include the family (and each member thereof of such Owner) Q G W K H 2 Z Q H U ¶ V 5 H S U H V H Q W D W L Y H V D Q

### **Section 5.1** Residential Use; Business Usage Prohibited

(a) Residential Purpose No Condominium shall be occupied and used except for residential purposes. No part of the Project or Units therein shall ever be used or caused to be used, or allowed or authorized in any way, directly or indirectly, to be used for any business, commercial, manufacturing, mercantile, vending, transient, hotel or other such nonresidential purposes; provided, that the foregoing restriction shall not apply to the activities of the Association in the discharge of its responsibilities under this Declaration. "Hotel or other such nonresidential purposes," as used in the immediately preceding sentence shall mean: (i) rental for any period less than as provided in Section 5.3(i) any rental if the occupants of the Unit are provided customary hotel services, such as room service and beverage, maid service, and furnishing of laundry and linen; (iii) any rental of rooms to multiple persons where such persons do not form a single household and (iv) any "home swap" or time share arrangements.

(b) Exceptions Notwithstanding subsection (a), no restrictions shall be construed in such a manner so as to prohibit any Owner from (i) keeping such Owner's personal business records or accounts therein; (ii) handling such Owner's personal or professional telephone calls or correspondence therefrom; (iii) leasing or renting such Owner's Unit in accordance with the Section in this Article entitled "Leasing Restrictions"; or, (iv) having a "home office" or "home business," provided that such "home office" or "home business" is incidental to the principal residential use of the Unit, complies with the Rules and Regulations established by the Board from time to time and applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific government authorization.

interfere with the quiet enjoyment of the other Owners, and does not produce or generate any external evidence thereof from outside the Unit.

**Section 5.2 Occupancy** The total occupancy of a Unit may not exceed two (2) persons per bedroom in the Unit or one (1) person. By way of example, and not limitation, the maximum occupancy for a two-bedroom Unit is five (5) persons. Each Owner shall disclose in writing to the Association, the identity of each person who is permanently residing in such Unit (to the extent not already provided pursuant to the terms of Article 5.3 below). All changes in occupancy shall be disclosed in writing to the Association at least within forty-eight (48) hours prior to the change. For purposes of this Section, a family, Lessee, Tenant, occupant, or other resident thereof for more than thirty (30) consecutive days or more than sixty (60) aggregate days, whether or not consecutive, in any one (1) calendar year. This Section shall not prohibit an Owner or a resident from having temporary guests occupy or visit the Unit; provided, however, no Unit shall be used on an ongoing basis as a temporary lodging for guests, clients, or customers.

**Section 5.3 Leasing Restrictions** Notwithstanding anything to the contrary contained in this Declaration, the following restrictions govern how, and under what terms, an Owner may lease his or her Unit:

(a) **Definitions** For purposes of this Section, the following terms shall apply:

(i) **Immediate Family Member** shall mean a person who is a child, grandchild, parent, grandparent, or sibling of the Owner.

(ii) **Parent** shall mean a person who is a biological or adoptive parent of the Owner.

(iii) **Spouse** shall mean the person who is the legal spouse of the Owner at the time of the recording of this Declaration.

(iv) **Successor Owner** shall mean a person who becomes the Owner of a Unit after the recording of this Declaration (other than the Association or a commercial lender in possession) or an Existing Owner who expressly consents in writing to be subject to Section 5.3(b) and (c).

(b) **Mandatory Wait Until Eligible to Lease** New Owners shall not lease their Units during the initial year of record ownership of their Units. New Owners must either reside in the Unit or keep the Unit unoccupied, but in no event may New Owners reside in the Unit during the initial year of ownership unless the New Owner is also residing in the Unit. Immediate Family Members residing in the Unit. Once a New Owner is eligible to lease his or her Unit pursuant to this subsection (b), he or she may do so only if permitted by subsection (c), below.

(c) **Cap on Number of Units Leased by New Owners; New Owners Must Apply for Approval to Lease Units** Subject to an approved hardship exemption issued by the Board in writing, from and after the date of this Declaration, no New Owner may rent or lease

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exceed the Leasing Ratio. For purposes of this subsection (d), a Unit shall not be considered  
rented or leased if the Unit is being occupied by Owner with a roommate or by an immediate  
Family Member. Such leasing system shall be implemented as follows:

(i) Prior Approval to Lease Required; Wait List Except as provided  
in Section 5.3(c)(ii), a New Owner who desires to lease their Units shall submit an application  
to lease to the Board prior to entering into lease. At the time a New Owner submits the  
application to lease to the Board, the Board shall determine the number of Units which are  
currently being leased. If the number of Units at the Association then leased, plus the  
2 Z Q H U ¶ V 8 QL W GRHV QRW H [ F H H G persons on the waiting list, the Association shall permit such New Owner to lease his or her Unit. If the number of  
Units at the Association then leased, plus the New 2 Z Q H U ¶ V 8 QL W H [ F H H G V WK H / H  
New Owner shall not be allowed to lease his or her Unit. Instead, the New 2 Z Q H U ¶ V Q D P H V K D  
be placed on the leasing waiting list maintained by the Board. A New Owner who is placed on  
the waiting list shall not be entitled to lease such New 2 Z Q H U ¶ V 8 QL W X Q W L O KH RU V  
writing by the Board that the New Owner is at the top of the waiting list and the number of Units  
at the Association then leased, plus the New 2 Z Q H U ¶ V 8 QL W Z R X O G QRW H [ F H H G

(ii) Limit on Leasing Periods Once a New Owner is granted approval  
to lease his or her Unit, and does so in accordance with this Section and any Rules  
Regulations adopted by the Board, such New Owner shall have the right to continue to lease  
or her Unit until the earlier to occur of the following (A) such time as the Unit is re-occupied by  
the Owner; (B) the New Owner has leased the Unit to no more than three (3) different  
each for a time period no less than one (1) year; provided, however, that no Owner may lease his  
or her Unit for more than a consecutive and aggregate period of five (5) years if other Unit  
Owners are prevented from leasing their Units in compliance with the Leasing Ratio, or (C) the  
Unit is sold or otherwise transferred to a New Owner.

(d) Additional Leasing Restrictions Applicable to Owners

(i) Lease Term No lease is permitted for a term of less than one (1)  
year. Leases having an initial term of one year or more may thereafter be on a month  
month basis subject to the limitation on leasing periods stated in Section 5.3(c)(ii) above. If a  
particular Unit is leased in compliance with this Section when title to such Unit transfers to (A)  
the Association, or (B) a commercial lender following a default on a Mortgage or other lien, then  
the Association or commercial lender is exempt from this restriction with respect to the existing  
Lessee only. No Unit (or any bedroom therein) may be leased for hotel or transient purposes or  
advertised for lease for hotel or transient purposes including, but not limited to, on websites such  
as AIRBNB.

(ii) Lease Provisions Any agreement for the leasing of a Unit shall be  
in writing and shall contain @ D G G H Q G X P WR WK H O H D V H <sup>3</sup> / H D V H \$ G G H C  
signed by the Lessee and the Owner of such Unit and returned to the Association prior to the  
move-in by the Lessee. The Lease Addendum shall contain at a minimum the following terms,  
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such Owner breaches his or her obligation to execute the Lease Addendum. (A) Lessee shall

abide by and be subject to the terms and provisions of this Declaration, the Articles, the Bylaws and any other governing documents and failure to comply with the terms of the foregoing documents shall be a default under this lease. (b) there shall be no right of assignment or sublease. (c) Lessee understands and agrees to pay rents to the Association in the event the Owner becomes delinquent in the payment of Assessments to Association. (d) Lessee shall be responsible for the maintenance and repair of the Unit and any damage to the Unit or the common areas of the Association caused by the Lessee or the Lessee's guests, invitees, family members, or pets. (e) Lessee shall be responsible for the maintenance and repair of the Unit and any damage to the Unit or the common areas of the Association caused by the Lessee or the Lessee's guests, invitees, family members, or pets. In addition to the foregoing, all Lessees above the age of eighteen (18) who are to reside in a Unit shall sign the Lease Addendum. In the event that an Owner does not provide the Association with a copy of the Lease Addendum (as provided for below in Section 5) (a) (i) provides a document which does not contain the provisions required herein, the Association shall provide the Lease Addendum to the Lessee which the Lessee shall be required to sign.

(iii) Notice to Association Within five (5) days after leasing a Unit, an Owner shall furnish the Board (1) with a copy of the signed Lease Addendum, (2) with the telephone number (and, if available, the email address) of the Lessee and any change in the address or telephone number of the Unit Owner, and, if available, the email address, and (3) with written advice as to the make, color and license number of all motor vehicles owned by such Lessee.

(iv) Duty to Provide Copy of Governing Documents to Tenant shall include the Bylaws, the Rules and Regulations, the Declaration, the Articles, and any other relevant governing documents. The Lessee shall be responsible for the maintenance and repair of the Unit and any damage to the Unit or the common areas of the Association caused by the Lessee or the Lessee's guests, invitees, family members, or pets.

(v) Entire Unit No Owner may lease less than or his entire Unit. Owners may have roommates, and Units may be leased by an Owner to roommates as part of a common household; however, in no event shall a Unit be divided into spaces or occupied in a manner where the occupants do not form a common household.

(vi) No Sublease or Assignment No Unit may be subleased and no lease may be assigned to another Lessee.

(vii) Rules and Regulations The Board shall have the right to establish and enforce additional Rules and Regulations to implement the rental restrictions contained in this Section including, without limitation, defining what constitutes a transfer, and authorizing the Board to grant limited hardship exemptions from compliance with the Leasing Ratio (e.g., hardships for a death in the family, transfers for jobs, the calling up of someone for active military duty, or one or more significant medical treatments for an Owner or immediate Family Member of the Owner) and establishing the criteria therefor. No hardship exemption may exceed six (6) months in duration. The Board shall have the right to establish and enforce additional Rules and Regulations to implement the rental restrictions contained in this Section including, without limitation, defining what constitutes a transfer, and authorizing the Board to grant limited hardship exemptions from compliance with the Leasing Ratio (e.g., hardships for a death in the family, transfers for jobs, the calling up of someone for active military duty, or one or more significant medical treatments for an Owner or immediate Family Member of the Owner) and establishing the criteria therefor. No hardship exemption may exceed six (6) months in duration.



(e) Association May Enforce Governing Documents Against Lessees.

(i) Responsibility for Actions of Lessee. Any Owner who shall lease such Owner's Unit shall be responsible for assuring compliance by such Owner's Lessee with this Declaration, the Bylaws and the Rules and Regulations. Such Owner shall be absolutely liable to the Association and other Owners, and their families and their Representatives and Invited Parties, for any liability arising from the acts and/or omissions of such Owner's Lessee. Each Owner who chooses to lease such Owner's Unit agrees to be held liable for all acts, whether negligent or non-negligent of such Owner's Lessee.

(ii) Unlawful Detainer. Failure by an Owner to take legal action, including the institution of proceedings in unlawful detainer against such Owner's Lessee who is in violation of this Declaration, the Bylaws or the Rules and Regulations, within ten (10) days after receipt of written demand so to do from the Board, shall entitle the Association, through the Board, to take any and all such action, including the institution of proceedings in unlawful detainer on behalf of such Owner against such Owner's Lessee. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be repaid to it by such Owner. Failure by such Owner to make such repayment within ten (10) days after receipt of a written demand therefor shall entitle the Board to levy a Special Assessment against such Owner and such Owner's Unit for all such expenses incurred by the Association. The authority granted by this Section shall be cumulative with all other rights and remedies of the Association in enforcing its governing documents.

(iii) Assignment of Rents. As security for the payment of assessments, upon any default or delinquency by an Owner to pay any assessment for more than three (3) months after it becomes due, each Owner assigns to the Association all of such Owner's rights as lessor, i.e., the right, power and authority to: (A) collect the rents, issues and profits (collectively, 'Rent') of said Owner's Unit, including Rent due and unpaid, (B) initiate an unlawful detainer action against the Lessee, (C) enter upon and take possession of the Unit, (D) re-rent the Unit in the Association's name and collect Rent therefrom without liability to the Owner except for any Rent which may be collected over and above the assessments owed to the Association by the Owner, and (E) avail itself of any other remedies permitted by law. Upon ten (10) days written demand to such Owner and to the Owner's Lessee in a form consistent with Civil Code Section 2938(k), as the same may be amended, the Association may direct the Lessee to make all Rent payments to the Association until such time as the Owner's delinquency is cured. The Association's rights to collect Rents is without regard to the adequacy of any other security for such indebtedness. In the event proceedings are brought by the Association to enforce any of the provisions in this Section, the prevailing party shall be entitled to recover all costs and reasonable attorneys' fees. The assignment of Rents and powers described in this Section shall not effect, and shall in all respects be subordinate to, the rights and powers of the holder of a first Mortgage on any Unit.

(f) Enforcement Against Owners. If an Owner leases such Owner's Unit in violation of this Section, the Association is authorized to pursue all of its available legal rights and remedies against the Owner to enforce such violation, including, without limitation, the imposition of monetary penalties on a daily basis and/or the filing of an application for injunctive relief.

#### Section 5.4 Signs; Decorations; Flags

(a) Common Area Except as otherwise required by law, no sign, poster, banner, flag, notice, nameplate, card or advertisement of any kind shall be installed, posted or displayed to the public view in or on any portion of the Common Area, without the approval of the Board, provided that a sign of customary and reasonable dimensions advertising the sale or rental of a Condominium, which sign is of a professional type and dignified appearance, may be placed in such location in the Common Area as designated by the Board, and open to public view. The Board shall have the sole authority to determine whether said sign is of a professional type and dignified appearance.

(b) Unit. Non-commercial signs, posters, flags or banners are prohibited except as provided in the Act. No commercial signs, posters, flags or banners may be posted or displayed from a Unit (other than a for sale or lease sign of the type and size described in accordance with subsection (a), above).

Section 5.5 Storage; Use of Balconies and Patios There shall be no storage of any kind in or upon a Unit (including the balcony and/or patio) or Exclusive Use Common Area (other than adjacent to the Unit) or on any portion of the Common Area, or on any portion of the adjoining streets, the Common Area, or other Units. No item of any kind may be stored by Owners in the Common Area except in areas, if any, specifically designated for such purposes by the Board. Balconies and patios shall be kept in a neat and orderly fashion with only those articles pertinent to outdoor living placed thereon, such as patio furniture, gas barbecues and potted plants. No Owner shall water his or her patio or use water on his or her balcony or patio in such a way as to cause water to drop, spray or flow onto the balcony or patio or windows of another Unit. No Owner shall allow the placement of unreasonable weight loads on his or her balcony or patio. The Board may adopt Rules and Regulations regarding personal property on balconies and patios including, without limitation, a limit on the number, types and weights of pots permitted.

Section 5.6 Pets The following restrictions regarding the care and maintenance of pets within the Project shall be observed by each Owner:

(a) Definition. For purposes of this Section, pet means any domesticated dog (of a non-dangerous breed), bird or cat, or an aquatic animal kept within an aquarium of reasonable size. With regard to dogs, no dog considered to be a dangerous breed may be kept within or brought onto the Project. For purposes of this Declaration, the following breeds, or any dog being a mixed breed thereof, shall be considered to constitute a "dangerous breed": Akita, Japanese Akita and Akita, Bernese mountain dog, Bernese cattle dog, Presa Canario (Canary dog), Chow Chow, Doberman (including pinscher), Husky (including American, Eskimo, and Greenland type), Karelian bear dog, Bull (including American pit bull terrier, American Staffordshire terrier, Staffordshire bull terrier, pure or mixed), Rhodesian ridgeback, Rottweiler (pure or mixed), Russian European Laika, any type of guard dog, any breed trained to attack, and wolf hybrids. No exotic animals of any kind (e.g., snakes, monkeys, peacocks, etc.) shall be permitted in the Project at any time. Except as set forth herein, no other animals, livestock, or fowl of any kind shall be kept, bred or raised within any Unit.

(b) Number. Up to two (2) pets may be kept in a Unit or brought onto the Project, provided the same are not kept, bred, or maintained for any commercial purposes and are kept under control at all times.

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

(d) Pets in the Common Area. Subject to the Rules and Regulations adopted by the Board, pets shall be allowed on the Common Area only when they are leashed or held and are otherwise under the supervision and restraint of someone capable of restraining such pet. No pet shall be left chained or otherwise tethered in front of a Unit or in the Common Area. A pet in the Common Area unaccompanied by its owner may be subject to immediate pick up by the Humane Society or similar organization without liability to the Association if the pet's owner cannot be readily ascertained or if in the Board's reasonable determination the pet poses a threat to the other residents or is found unsupervised in the Common Area an unreasonable number of times within any year.

(e) Responsibility for Conduct of Pets. Each person bringing or keeping a pet on the Project shall be solely responsible for the conduct of that person's pets. Each Owner shall be liable to each and all remaining Owners, their family members, and their Representatives and Invited Parties for any damage to person or property caused by any pets or animals brought up or on, kept upon or in the Project by an Owner or by members of such Owner's family, or such Owner's Representatives and Invited Parties. 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, or their Representatives and Invited Parties for any damage or injury to persons or property caused by any pet.

(f) Nuisance/Danger. Any pet causing or creating a nuisance, obnoxious odors or unreasonable disturbance or exhibiting dangerous behavior shall be permanently removed from the Project, after notice and hearing is afforded to the Owner, upon twenty (20) days' written notice from the Association after the hearing is held.

(g) Clean-Up. Pets are not allowed to defecate/urinate on the Common Area. In the event such occurs, Owners must immediately remove all excrement left by their pet on the Common Area.

#### Section 5.7 Offensive Activities.

(a) General Provisions. No Owner shall permit or suffer anything to be done or kept upon or in such Owner's Unit, Exclusive Use Common Area or the Common Area which will obstruct or interfere with the rights of other Owners, their family members or their Representatives and Invited Parties, nor annoy them by unreasonable noises or otherwise, nor which shall in any way interfere with the quiet enjoyment by each Owner of such Owner's respective Condominium, nor shall any Owner commit or permit any nuisance, noxious or

offensive activity, or any illegal act to be committed thereon or therein. Each Owner shall comply with all of the requirements of the local and State Board of Health and with all other governmental authorities and any and all applicable zoning laws, rules, ordinances, statutes, regulations and requirements of any governmental agency or authority with respect to the occupancy and use of such Owner's Condominium.

(b) Acts Increasing Insurance Rate or Causing Cancellation. No Owner shall permit or suffer anything to be done or kept upon or in such Owner's Unit, the Exclusive Use Common Area or the Common Area which will increase the rate of insurance thereon or result in the cancellation of any such insurance or cause the Project or any part thereof to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy Form or loss on account of bodily injury or property damage. If an Owner's acts causes an increase in the Association's insurance rates, then such Owner will be liable for such increase and after notice and a hearing is afforded to the Owner shall be assessed the cost thereof as a Special Assessment.

(c) Noise Mitigation. In the event an Owner shall do anything with respect to such Owner's Unit that might have the effect of increasing the level of noise or sounds that can be heard outside of such Owner's Unit during normal use and occupancy of the Unit, the Owner shall be required to take all reasonable measures to deaden, insulate and otherwise decrease the level of such noise or sounds to the minimum level reasonably possible.

**Section 5.8** Exploration for Minerals. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Project or any portion thereof, nor shall oil wells, tanks, tunnels or mineral excavations or shafts be permitted upon the surface of any portion of the Project or within five hundred (500) feet below the surface of the Property, and no derrick or other structure designed for use in boring for water, oil, natural gas or other minerals shall be erected, maintained or permitted upon any portion of the Project.

**Section 5.9** Rubbish. No Owner shall sweep or throw or permit to be swept or thrown from such Owner's Unit, any dirt or other substance onto the Common Area or another Owner's Unit. All rubbish, trash and garbage shall be properly packaged (i.e., in securely closed bags and/or containers) and regularly removed from the Units by the Owners thereof and disposed of down the trash chutes or placed in the trash bin in the garage, and shall not be allowed to be stored or to accumulate thereon or on the Common Area. No toxic or hazardous materials shall be disposed of within the Project by dumping in the garbage containers, down the drains or trash chutes, or otherwise. In addition, no construction rubbish may be dumped in the Association's trash bins or trash chutes.

**Section 5.10** Parking Assignments and Vehicle Restrictions.

(a) Parking Space Assignments; Resident Vehicles Only. Each Owner shall have an exclusive easement to and the exclusive right to use such parking space(s) as set forth in Exhibit "B" which is attached hereto and incorporated herein by this reference. All parking spaces shall be used only by persons residing in the Units to which such parking space(s) are appurtenant and then only for the parking of the vehicles belonging to such residents. Residents

shall park their vehicles only in their assigned parking spaces. Said parking spaces are to be used for the parking of standard passenger vehicles, including sports utility vehicles, and shall not be converted to living quarters or workshops or used for the storage of boats, trailers, campers, recreation vehicles. No vehicle belonging to a person other than a resident may be parked in the 8 Q L W ¶ V D V V L J Q H G S D U N L Q J V S D F H V H [ F H S W W K D W W H P S R U services to the Unit shall be allowed as provided for in the Rules and Regulations.

(b) Maintenance of Parking Spaces Each Owner shall always maintain such Owner's assigned parking space(s) in a neat and orderly condition free of oil, brake fluid, power steering fluid or other fluid leaks. If an Owner fails to comply with this subsection, after being given notice to clean such parking space and after notice and a hearing is afforded to the Owner, such Owner shall be assessed by the Board for the cost of cleaning the parking space, together with any other costs and attorney's fees as a Special Assessment. No personal property may be stored in parking spaces unless expressly permitted in the Rules and Regulations.

(c) Condition of Vehicle; Repairs No motor vehicle shall be constructed, reconstructed, or repaired within the Project and no dilapidated, unregistered or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Project; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs to the extent necessary for the movement thereof to a proper repair facility.

(d) Towing. The Board shall have the authority to tow, at the Owner's expense, any vehicle parked or stored in violation of this Section, including, without limitation, any vehicle parked in another Owner's parking space without permission, in a "no parking" area or blocking ingress or egress from the Project. The Board shall post such notices or signs within the Common Area as may be required by law to effectuate this towing provision.

(e) Non-Severance No parking space may be sold or assigned to, or retained in the ownership of, any person or entity not an Owner, and no parking space may be rented or leased to a non-Owner except in connection with the lease of the Unit.

(f) Electric Vehicle Charging Stations No electric vehicle charging station may be installed without Prior Architectural Approval. The Association may impose reasonable restrictions on such installation in accordance with the Act.

(g) Additional Rules The Board shall have the authority to promulgate further reasonable Rules and Regulations of uniform application regarding parking and vehicles within the Project as may be deemed prudent and appropriate, including, without limitation, the right to establish guest parking areas and temporary parking areas for loading and unloading, parking of delivery trucks, service vehicles and other commercial vehicles being used in the furnishing of goods and services to the Association and/or to the Owners and residents, and the right to impose monetary penalties against Owners for their parking violations or the parking violations of their Lessee.

Section 5.11 Antenna and Other Exterior Items Except as installed at the time of the construction of the Project, rotors, banners, bunting, poles, wires, machinery, equipment (including air conditioning equipment) or similar objects or unsightly objects of any kind shall be

allowed or permitted to protrude through the exterior walls, windows, doors or roof of any building within the Project, or any part thereof without Prior Architectural Approval in accordance with Article XII below. In addition, no antenna for transmitting or receiving internet, data, radio or television broadcast signals shall be installed in or on the Common Area except in the manner authorized by the Board in the Rules and Regulations. Antenna which exceeds one meter in diameter may be installed by an Owner.

**Section 5.12 Unsightly Objects** No clothes, sheets, blankets, laundry of any kind or other articles or unsightly objects shall be hung out or exposed on any part of the Common Area or any balcony appurtenant to any Unit which is visible to any Owner of an adjacent Unit from such Owner's Unit or from the Common Area.

**Section 5.13 Exterior Fires; Barbecues** There shall be no fires within the Project whatsoever except fires confined to fireplaces within the Units and, to the extent not prohibited by the Rules and Regulations, charcoal barbecues on balconies or patios. Charcoal barbecues are prohibited.

**Section 5.14 Flammable, Corrosive or Explosive Materials** No Owner nor any member of such Owner's family, nor any Representative and Invited Parties, shall at any time bring into, keep, store or maintain in or on any portion of the Project any inflammable or highly corrosive or explosive solid, liquid, gas, chemical substance or other material (except for cleaning or similar materials or supplies in quantities consistent with normal household use).

**Section 5.15 Water; Unreasonable Use** No Owner shall cause or permit hot and/or cold water to be left running any unreasonable or unnecessary length of time. Normal household use of water is excepted.

**Section 5.16 Roofs** No Owner shall at any time enter upon or attempt to enter upon the roof of any building within the Project without the prior written approval of the Board.

**Section 5.17 Yard Sales, etc** No rummage sales, garage sales, estate sales, or flea markets of any kind are permitted in a Unit or on the Common Area without the prior written approval of the Board.

**Section 5.18 Prohibition Against Smoking**

(a) **Definitions** For the purposes of this Section, "Smoking" shall mean and include (A) the inhaling, exhaling, burning or carrying of any lighted cigarette, cigar, or other tobacco product, marijuana or illegal substance, (B) the inhaling, exhaling, burning or carrying of any electronic cigarette, personal vaporizer or electronic nicotine delivery system, and/or (C) the use of any other similar type of paraphernalia related to smoking or alternatives to smoking.

(b) **Smoking Prohibited** No Smoking is permitted anywhere in the Project.

(c) **Disclosure Requirements** Each Owner shall be obligated to disclose the prohibition against Smoking in the Project to any prospective purchaser of his or her Unit or

(d) Enforcement. Each Owner is responsible for the actions of all other persons residing within or visiting such Owner's Unit and shall be subject to disciplinary action or a court action for an injunction. In addition, the Association shall have such other remedies as are available under this Declaration or California law for violations of this Section. This Section may be enforced in a court of law by any Owner, resident or the Association. Any and all fees and costs incurred by the Association as a result of enforcing this Section shall be recoverable by the Association and may be collected as a Special Assessment.

ARTICLE VI  
MAINTENANCE AND REPAIR OBLIGATIONS; UTILITY RIGHTS

**Section 6.1** Maintenance and Repair by Owners. Subject to the architectural restrictions in Article XII, each Owner shall have the following rights and obligations:

(a) General Provisions. Each Owner shall maintain and repair such Owner's Unit and keep such Owner's Unit in a clean, sanitary, safe and attractive condition, and except as otherwise expressly set forth herein, shall also be responsible for the maintenance of all Exclusive Use Common Area property allocated to such Owner's Unit. Except as otherwise expressly set forth herein, each Owner shall also be responsible for the maintenance, repair and replacement of any additions or alterations made to the Unit structure or to the Exclusive Use Common Area property allocated to such Unit. Each Owner shall also be responsible for the maintenance, repair and/or replacement, as the case may be, of the items designated as an Owner's responsibility in Exhibit "C" attached hereto and made a part hereof, and, to the extent that Exhibit "C" conflicts with any other provision of this Declaration, the repair allocations set forth in Exhibit "C" shall control. Each Owner may use independent contractors to perform work in such Owner's Unit, provided that such contractors be licensed for the applicable trade for which they have been hired and are insured with commercial general liability coverage of at least One Million Dollars (\$1,000,000) per occurrence and workers compensation coverage, if required by law, in statutorily required amounts.

(b) Wood Destroying Pests; Noxious Rodents and Insects. Each Owner shall notify the Association as soon as possible if such Owner is aware that there is an infestation of insects and/or wood-destroying pests or organisms inside such Owner's Unit. Furthermore, no Owner shall permit any thing or condition to exist in such Owner's Unit which shall induce, breed or harbor infectious diseases, rodents or noxious insects.

(c) Mold. In order to reduce the presence of mold, fungi, spores, pollens and other botanical substances, or other allergens (collectively "Mold") within the Unit, Owners shall inspect the interior of their dwellings not less frequently than once each quarter to check for water leaks or other breaches of the watertight integrity of the improvements, and for the presence of Mold. If any water leaks and/or Mold are detected within the Unit, an Owner shall immediately take appropriate corrective steps to repair the leak, and/or remove the Mold and to maintain proper ventilation within enclosed areas, and to maintain humidity levels to reduce the risk of Mold growth, and take such other prudent steps as may be appropriate to prevent Mold growth, or eliminate any existing Mold.

(d) Failure to Maintain-Non-Emergency If an Owner fails to maintain such Owner's Unit, Exclusive Use Common Area or any other components which are the Owner's responsibility in accordance with this Section, or make repairs thereto in such manner as may be deemed necessary in the judgment of the Board to preserve and protect the attractive appearance and value of the Project, the Board shall give written notice to such Owner, stating with particularity the work of maintenance or repair which the Board finds to be required, and requesting that the same be carried out within a period of thirty (30) days from the giving of such notice, or sooner if the circumstances, require. If such Owner fails to carry out such maintenance or repair within the period specified by the notice, the Board shall have the right to enter the Unit (as provided in Article VI, Section 6.3(c) below) and cause such work to be done after notice and a hearing and shall assess the cost thereof to such Owner. Such Assessment shall be due and payable within thirty (30) days after the Board gives written notice thereof and shall be deemed to be a Special Assessment.

(e) Failure to Maintain- Emergency If an Owner fails to effect emergency repairs to such Owner's Unit, Exclusive Use Common Area or any other components which are the Owner's responsibility in accordance with this Section, the Association shall have the right to enter the Unit (as provided in Article VI, Section 6.3(c) below) and effect the repairs at the expense of the Owner, without the requirement of notice and a hearing. An emergency repair is one which, if not made, could potentially affect the safety of occupants, the integrity of the structure or damage to Common Area property or adjacent Units. The cost of such emergency repairs shall be assessed to such Owner, such Assessment to be due and payable within thirty (30) days after the Board gives written notice thereof and shall be deemed to be a Special Assessment.

(f) AssessmentsThe provisions of Article IV hereof relative to the creation of a lien for Assessments and Article XIII hereof relative to the enforcement of payment of Assessments shall apply to all Assessments levied pursuant to this Article.

## Section 6.2 Maintenance and Repair by the Association

(a) General ProvisionsThe Board shall maintain, or cause to be maintained, the Common Area, and the improvements thereon, and the certain Exclusive Use Common Areas appurtenant to a Unit (as provided in Article VI, Section 6.1 above), and other than as set forth in the Declaration, the Board may pay for out of Assessments such services, furnishings, equipment, maintenance and repair which the Board may determine are necessary in order to keep and at all times maintain such components for which the Association is responsible in an attractive condition and in a good state of repair. The Board shall, in its discretion, shall determine the frequency of maintenance, repair and replacement for components for which it is responsible. The Board may use independent contractors to perform work in the Common Area, provided that such contractors be licensed for the applicable trade for which they have a specialty and are insured with commercial general liability coverage of at least One Million Dollars (\$1,000,000) per occurrence and workers compensation coverage if required by law, in statutorily required amounts.



(b) Owner Cooperation No Owner shall interfere with the Association's maintenance and repair obligations. Each Owner shall cooperate with the Association's maintenance and repair activities, including, without limitation, providing the Association timely access to their Units to accommodate maintenance and repair. If an Owner fails to so FRRSHUDWH WKH FRVW RU H[SHQVH WR WKH \$[AYOR FLDWLRQ assess to such Owner as a Special Assessment.

(c) Wood Destroying Pests The Association shall have the Common Area periodically inspected for wood-destroying pests and organisms and shall take appropriate corrective measures. The Association shall have the authority to require the temporary removal of occupants of a Unit as may be necessary in connection with the removal of wood-destroying pests or organisms, pursuant to the procedures described in the Act. The costs of any temporary relocation shall be borne by each Owner who is required to move.

(d) Maintenance of Common Area Utilities The Association shall maintain all utility facilities located in the Common Area except for those facilities maintained by utility companies, public, private, or municipal, and those portions of the Exclusive Use Common Area maintained by the Owners as described in Article VI, Section 6.1 of this Declaration.

**Section 6.3** Right of Entry The Board, or its authorized agents may enter any Unit when necessary, as follows:

(a) Make Common Area Repairs In connection with any maintenance or repair of the Common Area for which the Association is responsible to perform, whether such access is needed to inspect the Common Area or to perform the maintenance and repair. Such entry shall be made with as little inconvenience to the Owners as practicable and shall be preceded by reasonable notice where the circumstances permit (unless there is an emergency originating in or threatening the Unit, in which case entry can be immediate, without notice and without the presence of the Owner), and any damage caused thereby shall be repaired by the Board out of the common Assessments. If necessary, upon receipt of reasonable notice from the Association (which shall in no event be less than fifteen (15) days nor more than thirty (30) days), each Owner shall vacate such Owner's Unit in order to accommodate efforts by the Association to perform the Association's maintenance or repair obligations pursuant to the Declaration. The cost of performing any such maintenance or repairs shall be a common expense of the Association; however, each Owner shall bear such Owner's costs of temporary relocation. In addition, an Owner shall be responsible to ensure that the occupants of the Owner's Unit will in fact vacate as prescribed in the aforementioned notice. In the event that any Owner shall fail to cause such vacancy by the occupants of such Owner's Unit, the Association shall have the right to assess the cost or expense to the Association and to other Owners (including but not limited to construction costs and attorney's fees) incurred as a result of such failure to vacate against the Owner and such Owner's Unit as a Special Assessment.

(b) Perform Other Board Duties; Ascertain Compliance For any purpose reasonably related to the performance by the Board of its powers or responsibilities, including for the purpose of ascertaining whether the condition of a Unit is in compliance with the governing documents. Such entry shall be made with as little inconvenience to the Owners as practicable and shall be preceded by reasonable notice wherever the circumstances permit,

(unless there is an emergency originating in or threatening the Unit, in which case entry can be immediate, without notice and without the presence of the Owner), and any damage caused thereby shall be repaired by the Board out of the common Assessments.

(c) Cure Upon Owner's Failure to Maintain To effect repairs, if an Owner fails to maintain such Owner's Unit, Exclusive Use Common Area or any other components which are the Owner's responsibility in accordance with Section 6.1 of this Article VI, or if an Owner fails to make repairs thereto in such manner as may be deemed necessary in the judgment of the Board to preserve and protect the attractive appearance and value of the Project. Entry shall take place as provided in Article VI, Sections 6.1(d) and (e), as applicable, and any damage caused thereby shall be assessed to the Owner as provided therein.

(d) Determine Source of Damage To determine the source of damage. The right of entry shall include the right to open walls, ceilings and floors, as may be necessary to identify the component causing the damage. If the source of the damage is a component for which an Owner is responsible to maintain, then, after notice and a hearing, the Board shall have the authority to assess a Special Assessment on the Owner responsible for maintaining such component the costs incurred by the Association in gaining access to the component and (if necessary) repairing the source of the damage

**Section 6.4** Mechanic's Liens Owners shall ensure that no lien is placed against any other Unit or against the Common Areas for labor or materials furnished to their Units except the undivided percentage interest therein appurtenant to the Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished. If a lien is placed against the Common Areas or other Owners' Units the responsible Owner does not immediately cause the removal of the lien, the Association may, after written notice to the responsible Owner, pay the amounts necessary to have the lien removed and levy a Special Assessment against the responsible Owner for the costs thereof.

**Section 6.5** Utility Rights. The rights and duties of the Owners with respect to Utility Lines and Facilities shall be governed by the following:

(a) Access for Repair Whenever Utility Lines and Facilities are installed within the Property, which Utility Lines and Facilities or any portion thereof, lie in or upon portions of the Property owned by others, then the Owners of the Units served by said Utility Lines and Facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon such portions of the Property or to have the utility companies enter thereupon to repair, replace and generally maintain said Utility Lines and Facilities as and when the same may be necessary as set forth below.

(b) Right to Service Whenever Utility Lines and Facilities are installed within the Property, which Utility Lines and Facilities serve more than one (1) Unit, the Owners of each Unit served by said Utility Lines and Facilities shall be entitled to the full use and enjoyment of such portions of said Utility Lines and Facilities

(c) Owner Liability for Damage In the event any portion of said Utility Lines and Facilities is damaged or destroyed through the negligent act or acts or failure to act, or ZLOOIXO PLVFRQG XFW RI RQH Representatives and Invited Parties XFK 2ZC RU PHPEHUV RI VXFK 2ZQHUV IDPLO\ VR De and Members SULYH R of said Utility Lines and Facilities then such Utility Lines and Facilities shall be repaired and restored by the Association, but at the expense of the Owner who commits or whose Representatives and Invited Parties family members commits such act or acts.

(d) Association Liability for Repair Except as otherwise provided in Article VI, Section 6.1 of this Declaration L Q F O X G L Q J , (if the Event is a portion of such Utility Lines and Facilities is damaged or destroyed by some cause other than the negligence or ZLOOIXO PLVFRQG XFW RI RQH Representatives and Invited Parties XFK 2ZC or PHPEHUV RI VXFK 2ZQHUV IDPLO\ LQFOXGLQJ RUGLQDU\ lapse of time), then in such event such Utility Lines and Facilities shall be repaired and restored by the Association, with the costs thereof to be paid out of the Assessments levied against all Owners in accordance with this Declaration.

(e) Dispute Between Owners In the event of a dispute between Owners with respect to the repair or rebuilding of Utility Lines and Facilities described in this Section 5, or with respect to the sharing of the cost thereof, then upon written request of one (1) of such Owners addressed to the Association, the matter shall be submitted to the Board for a final and binding determination.

## ARTICLE VII DUTIES AND POWERS OF ASSOCIATION

**Section 7.1** Administration of Project The Owners and each of them, together with all parties bound by this Declaration covenant and agree that the administration of the Project should be in accordance with the provisions of this Declaration, the Articles, the Bylaws and such Rules and Regulations as may be adopted by the Board and amendments, changes and modifications thereto as come into effect from time to time.

**Section 7.2** Meetings Annual and special meetings of the Members of the Association shall be held as provided for by the Bylaws.

**Section 7.3** Board Authority The Board of Directors as constituted from time to time, shall at all times be responsible for the day-to-day operation and management of the affairs of the Association and shall have the sole power and duty to perform and carry out the powers and duties of the Association as set forth in this Declaration and the Bylaws, together with the powers and duties otherwise expressly delegated to the Board by this Declaration or the Bylaws, except for action or activity expressly set forth herein, in the Bylaws, or the California Corporations Code as requiring the vote or assent of the Members of the Association in percentage thereof. Without limiting the generality of the foregoing, the Board shall have the duties and powers set forth in Article VII, Section 7.4 and 7.5, respectively, of this Declaration.

**Section 7.4 Board Duties** In addition to the duties enumerated in the Bylaws (if any), or elsewhere provided for in this Declaration, and without limiting the generality of those duties, the Association shall have the following duties:

(a) **Pay Expenses** The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, fees, taxes, or governmental charges levied or imposed against the property of the Association. In addition, the Board shall acquire and pay for the following expenses out of the Assessments levied and collected in accordance herewith, telephone, gas, electric, gardening service, refuse collection, cable television and/or satellite service and other necessary utility services for the Common Area (and to the extent not separately metered or charged, for the Units).

(b) **Perform Maintenance and Repair** The Association shall maintain the Common Areas as provided in Article VI.

(c) **Discharge Liens** The Association shall discharge by payment, if necessary, any lien against the Common Area and, if such lien was caused by the actions of a Member or Members, the Association shall charge the cost to the Member or Members responsible for the existence of the lien (after notice and a hearing, as provided in Article XIII below).

(d) **Levy Assessments** The Association shall fix, levy, and collect Assessments as set forth in Article IV of this Declaration.

(e) **Maintain Insurance** The Association shall maintain the policy or policies of insurance required by Article IX of this Declaration.

(f) **Report Financial Matters** The Board shall cause financial statements and other disclosures for the Association required pursuant to the Act to be annually prepared and copies thereof to be distributed to each Owner as provided in Article VII of the Bylaws and to each Mortgagee who makes a written request for same

(g) **Maintain Corporate Records** The Board shall cause to be kept a complete record of all of its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members or at any duly called special meeting of the Members; keep adequate and correct books and records of account, minutes of proceedings of its Members, Board, and committees, and a record of its Members giving their names and addresses

(h) **Enforce Governing Documents** The Board shall enforce the provisions of the Association's governing documents in accordance with the terms thereof.

**Section 7.5 Board Powers** In addition to the powers enumerated in the Articles and Bylaws or elsewhere provided for in this Declaration, and without limiting their generality, the Association shall have the following powers:

(a) **Employ Manager and Others** The Board may employ a professional Manager, and may employ such other agents and employees as it deems necessary

their duties and supervise the performance of such duties, fix their compensation and obtain such fidelity bonds as it may deem necessary or appropriate for the purpose of providing for the performance of the business powers, duties and obligations of the Board or any portion thereof. The premium on any fidelity bonds shall be paid for by the Association. Such Manager, if any, and all employees shall have the right of ingress and egress over and across to such portions of the Project as may be necessary in order for them to perform their obligations. Under any management agreement entered into by the Board, the Association shall have the right to terminate such agreement without payment of a termination fee (i) with cause only (30) days' written notice or (ii) without cause on sixty (60) days' written notice.

(b) Appoint Officers and Others The Board shall have the power to appoint and remove at its discretion, all officers of the Association, prescribe their duties and supervise the performance of such duties, fix their compensation, subject to the limitations on compensation to directors. The Board may further delegate any of its powers to such persons or entities as the Board may determine, provided that such persons or entities act at the direction and under the supervision of the Board.

(c) Retain Services of Professionals The Board may retain legal and accounting services for the Association, the Board, officers and the Manager and the Manager staff provided that such services are engaged solely in connection with the (i) management, operation and maintenance of the Project, (ii) the performance or enforcement (including the collection of Assessments) of the provisions of this Declaration, the Articles, the Bylaws or the Rules and Regulations, or (iii) litigation in which the Association is a party.

(d) Adopt Rules and Regulations The Board, at any time, and from time to time, may establish and amend such uniform Rules and Regulations as the Board may deem reasonable in connection with the use, occupancy and maintenance of the Units, Exclusive Use Common Area and the Common Area by Owners and their family members, their Representatives and Invited Parties, and the conduct of such persons with respect to parking, moving-in and moving-out of the Project, bicycle use, use of recreational facilities, control of pets and other activities which if not so regulated might detract from the appearance of the Project or offend or be offensive to or cause inconvenience, noise or danger to persons residing in or visiting the Project. Prior to adoption by the Board, a copy of any amendment to the Rules and Regulations shall be distributed to the Owners pursuant to the procedures set forth in the Act. Upon compliance with such notice requirements and after adoption by the Board the Rules and Regulations shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding upon the Owners and their successors whether or not actually received thereby. In addition, the Board shall have the power to adopt rules regarding elections, and voting by secret ballot in accordance with the Act.

(e) Impose Discipline for Breach The Board has the right to impose any or all of the sanctions for a breach of the Association's governing documents as set forth in Article XIV below.

(f) Grant Licenses, Permits and Easements The Board may grant permits, licenses, and easements over the Common Area for utilities, and other purposes necessary for the proper operation of the Project.

(g) Acquire and Transfer Property Subject to Article VII, Section 7.6 below, the Board shall have the power to acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association.

(h) Enter into Contracts The Board shall have the power to contract for goods and services, subject to the provisions of Article VII, Section 7.6 below, to fulfill the Association's obligations pursuant to this Declaration provided however that the Association shall not enter into a contract with a third party in which a Board member, the Manager or any other employee, has a direct or indirect economic interest without full disclosure to the Board and approval by the Board and abstention from voting by any Board member receiving benefit therefrom. The Board may authorize any officer or officers, agent or agent employee or employees, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

(i) Borrow Money The Board shall have the power to borrow money and pledge Assessments as may be needed in connection with the discharge of the Association's duties, including, but not limited to, for the purpose of improving, repairing and rebuilding the Common Area and the facilities thereon.

(j) Represent Association Litigation. The Association shall have the authority to institute, defend, settle, intervene on behalf of the Association in litigation, arbitration, mediation or administrative proceedings in any capacity necessary to represent the interests of the Association.

(k) Charge Deposits and Fees The Association shall have the authority (i) to charge fees for the reservation and use of any recreational facility situated on the Common Areas; (ii) charge fees when it is necessary to shut down the main water line leading to a particular building; (iii) to the extent permitted by the Civil Code, charge a transfer fee to cover the Association's actual costs to change its records in connection with the sale of a Unit or a move-in or move-out of the Project; (iv) prior to any move-in or move-out, collect a security deposit to help cover the cost of repairing any damage to the Common Area, and such other matters related to the use of the Common Area.

(l) Install Submeters The Association reserves the right to install submeters for water usage in which case the cost of such water shall be responsibility of the Owners of the Unit(s) using said submeter(s). The Association reserves the right to install electrical submeters in connection with an electrical vehicle charging station installation in the Common Areas, in which case the cost of electricity for such submeters shall be responsibility of the Owners of the Unit(s) using said submeter(s). If any submeter charges are not paid when due, the Association may, after notice and hearing, impose a Special Assessment against an Owner to recover such costs.

(m) Sign Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of, or payable to, the Association, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board.

(n) Other Powers The Board shall have the power to perform such other acts, whether expressly authorized by this Declaration or the Bylaws, as may be reasonably necessary (including the imposition of monetary penalties) to: (i) enforce any of the provisions of this Declaration, the Bylaws, or the Rules and Regulations duly adopted by the Board; or (ii) carry out and perform its powers and responsibilities.

**Section 7.6** Limitation on Board Powers Notwithstanding anything contained in this Declaration or the Bylaws to the contrary, the Board and the Association are prohibited from taking any of the following actions, except with the vote or written assent of a majority of the Voting Power of the Association:

(a) Contracts Entering into a contract with a third party wherein the third party will furnish goods or services for the Common Area or the Association for a term longer than one (1) year. Notwithstanding the foregoing, the Association may enter into the following contracts for a period longer than one (1) year, as follows:

(i) FHA/VA Approval. A management agreement, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; or

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

(iii) Prepaid Insurance Prepaid casualty and/or liability insurance policies of not to exceed three (3) years' duration provided that the policies provide for short rate cancellation by the insured; or

(iv) Cable/Satellite TV Agreements for cable or satellite television services and equipment not exceeding five (5) years in duration to provide cable or satellite television service to the Project for the benefit of the Owners.

(b) Certain Expenditures Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross operating expenses of the Association for that fiscal year.

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

(d) Compensation to Board/Officers Paying compensation to any member of the Board or any officer of the Association for services performed in the conduct of the Association's business; provided, however, that the Board may cause a member of the Board or

an officer to be reimbursed for expenses incurred in carrying on the business of the Association. In no event may the Board waive the obligation of another Board member or the obligation of a non-Board member providing services to the Association to pay Assessments when due. Nothing herein shall preclude any director from serving the Association in any capacity other than as an officer or a director and receiving compensation therefor, as authorized and approved by the Board. Any director receiving any special compensation for services in other capacity shall be excluded from deliberations and voting by the Board relating to the authorization thereof and fixing compensation with regard thereto.

ARTICLE VIII  
RESPONSIBILITY FOR DAMAGE; INDEMNIFICATION

Section 8.1 Owner Liability for Damage

(a) Damage to Common Area Each Owner shall be liable to the Association for any damage to the Common Area or any improvements thereon or to the Exclusive Use Common Area, which may be sustained by reason of the omissions, negligence or willful misconduct of said Owner, such Owner, Invited Parties and after notice and a hearing is afforded to the Owner, shall be assessed by the Board for the cost of repair or replacement thereof as a Special Assessment, together with costs and attorneys' fees. In addition, should an Owner cause damage to any component listed on the Schedule of Components to repair and/or replace such component may be assessed by the Board as a Special Assessment as provided in this Declaration.

(b) Damage Within a Unit In the event that the Board determines that the walls, ceilings, floors, doors, windows, or any other portion of the Common Area forming the boundaries of a Unit have been damaged by an act or omission committed inside the Unit, notwithstanding that such damage affects the Common Area, the Owner of the Unit shall pay for the cost of repairing such damage in a timely fashion.

(c) Damage to Other Owners Each Owner shall be liable for any loss or damage to the improvements and personal property of another Owner, including, but not limited to, a clothes dryer caused by the acts, omissions, or willful misconduct of such Owner or by the members of the Association.

Section 8.2 Indemnification by Owner Each Owner shall indemnify, defend and hold harmless the Association and any Official Person and other Owners, and their family members and their Representatives and Invited Parties from the acts and/or omissions of (A) such Owner, Lessee, Family Member and/or other persons residing in an Unit, (B) Invited Parties, which acts and/or omissions cause damage to property or injury to persons, (ii) from any liability arising out of the existence and operation of a day care center as an Owner may be permitted to be operated by law, (iii) from any damage to person or property caused by any pets or animals brought up or on, kept upon or in the Project by an Owner or by members of such Association.



liability or loss arising from the claim of any lien against the Unit of the Owner or the Common Area, or any part thereof, for labor performed or for materials furnished in work on such Owner's Unit, (v) from any liability arising out of the approval by the Board of an Application (as defined in Article XII below), and (vi) from a claim or suit brought against the Association, any Official Person or any other Owner by a person or entity who sustains any personal injury or property damage while physically within such Owner's Unit or on any balcony or patio attached thereto or any Exclusive Use Common Area serving such Owner's Unit; provided that no such obligation shall exist with respect to such other Owner or other person or entity whose negligence or willful misconduct caused or contributed to the cause of any such injury or damage. In the event of joint ownership of any Condominium within the Project, the liability of such Owners shall be joint and several.

### **Section 8.3**    Limitation of Liability.

(a)    Acts or Omissions. No Official Person shall be liable to any person or entity (including the Association or a person or entity claiming in the name of the Association) for injuries or damage resulting from such Official Person's acts or omissions within what such Official Person reasonably believed to be the scope of his or her Association duties, except to the extent that such injuries or damage result from such Official Person's gross negligence or willful misconduct. The Association shall not be liable for injuries or damage resulting from any failure to provide any service or perform any duty, function or responsibility designated herein to be performed by the Association, except to the extent that such injuries or damage result from the gross negligence or willful misconduct of the Association.

(b)    Events. Neither the Association nor any Official Person shall be liable for injury and/or damage to persons or property in the Project caused by fire, explosion, or the elements or by an Owner or any other person or resulting from electricity, water, mold, rain, dust, sand, insect or rodent infestation which may leak, flow or intrude from outside of any Unit or from any pipes, drains, conduits, appliances or equipment, or from any other source or cause, unless caused by the gross negligence or willful misconduct of the Association or any such Official Person.

(c)    Association Not Responsible for Loss. Neither the Association nor any Official Person shall be responsible to any Owner nor to any member of such Owner's family, or such Owner's Representatives and Invited Parties for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or thing which may be stored by such Owner or other person in or on any portion of the Common Area, unless caused by the gross negligence or willful misconduct of the Association or any such Official Person.

(d)    Limitation of Liability Regarding Insurance. Neither the Association nor any Official Person shall have liability to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain the insurance required to be obtained by the Association under Article IX below, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board shall immediately notify each Owner and any Mortgagee entitled to notice that the insurance will not be obtained or renewed. Furthermore, as to any insurance to be

maintained/obtained by the Association under Article IX below, provided that such policies will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association and any Official Person and other Owners with respect to any loss covered by such insurance.

(e) No Liability for Review of Architectural Applications, etc. Applications (as such term is defined in Article XII, Section 12.4(a) below) for Alterations are not approved for engineering design or for compliance with governmental code specifications. The Board shall have no liability therefor; each Owner submitting an Application and/or resubmission shall be responsible for ensuring compliance with engineering design and building code specifications. Neither the Association nor any Official Person shall be liable for damages to anyone submitting an Application and/or resubmission to them for approval, or to any Owner by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such Application and/or resubmission, or for any defect in any structure constructed from such Application and/or resubmission. Every Owner and other person or entity who submits an Application and/or resubmission to the Board for approval agrees that such Owner, person or entity will not bring any action or suit against the Association or any Official Person to recover any such damages.

(f) Indemnification. The Association shall indemnify any present or former Official Person to the fullest extent authorized under California Corporations Code Section 7237, or any successor statute, and may advance to any of those persons or entities funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of that person or entity to repay those funds unless it is ultimately determined that the person or entity was entitled to indemnification under this provision.

## ARTICLE IX INSURANCE

**Section 9.1** Insurance. The Association shall obtain and maintain the following insurance:

(a) Commercial Property.

(i) General Provisions. A master commercial property policy insuring, at a minimum, all improvements in the Project (including the Units as originally constructed or of equivalent quality but not including personal property, furniture, furnishings, and decorations contained in a Unit nor any improvements beyond original builder specifications or their equivalent) against loss or damage by fire or other risks covered by the standard "Special Form-Direct Physical Loss" policy, excluding earthquake and flood, but including, without limitation, loss or damage as a result of theft, vandalism or malicious mischief and such other risks, perils or coverage as the Board in its discretion determines is necessary or advisable. Such policy shall name the Board as insured as trustee for the benefit of all the Owners. Such policy shall provide for the issuance of certificates or such endorsements evidencing the insurance as may be required by any insured. The Board may select such deductible, franchise, or franchise deductible provisions which, in its opinion, are consistent with good business practices in connection with the purchase of such policy. If the commercial property policy which the

Association purchases from time to time happens to cover more than the Association obligated to insure pursuant to this Declaration. The Association shall have no obligation to continue to insure against the Association and any Official Person in connection with such change in the scope of insurance coverage.

(ii) Policy Limits Such commercial property insurance shall have policy limits of not less than one hundred percent (100%) of the full insurable replacement cost value of all improvements in the Project (including the Units as originally constructed or of equivalent quality but not including personal property, furniture, furnishings, and decorations contained in a Unit nor any improvements beyond original builder specifications or their equivalent) as such replacement cost determined annually by the Board in conjunction with the insurance company issuing such policy.

(iii) Additional Endorsements The following endorsements should be included in any such master commercial property policy, if commercially reasonable to obtain: (A) changes in building codes ("ordinance or law endorsement"); (B) fire guard coverage; & (C) Joint Tenants Endorsement (to eliminate a coinsurance problem); (D) replacement cost endorsement to the extent the policy does not automatically provide such coverage; (E) foreign coverage endorsement; and (F) Special Assessments which are not collected by the Association as a result of a covered peril which renders a Unit uninhabitable.

(b) Commercial General Liability

(i) General Provisions A commercial general liability policy insuring the Association, the Board, its agents, the Owners, occupants and such other persons as the Board may determine, against liability for bodily injury, death, or property damage arising from the activities of the Association and its Members, incident to the ownership, maintenance and repair of the Common Area or any other Association owned or maintained real or personal property, and if obtainable, such policy shall be written on an occurrence basis

(ii) Desired Inclusions If obtainable, such insurance shall include a crossliability or severability of interest endorsement insuring each insured against liability to each other insured and insurance against water damage, liability for owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

(iii) Policy Amount The amount of general liability insurance that the Association shall carry at all times shall be not less than the minimum amounts required by the Act.

(c) Workers Compensation Insurance to the extent required by law (or such greater amount as the Board deems necessary) includes HPSOR \HUV \V OL \DEL OLW \ LQVXUDQFH

(d) Flood Flood insurance if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area;

(e) Directors and Officers. Directors and officers liability insurance in the minimum amounts required by the Act. Such directors and officers liability coverage shall: (1) be written on an “claims-made” basis with no retro date to cover prior acts, errors or omissions; (2) include coverage for committee members, volunteers and the Manager, and (3) provide coverage for both monetary and non-monetary claims;

(f) Fidelity Insurance. Fidelity bonds (crime) coverage or insurance covering the officers, directors and employees that have access to any Association funds; and,

(g) Other Insurance. Such other insurance as the Board in its discretion considers necessary or advisable, including, without limitation, an umbrella policy for its commercial general liability, director and officers liability and workers compensation policies, equipment breakdown and earthquake insurance.

**Section 9.2** Amount, Term and Coverage; Review of Policies; Carriers. The amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard mortgagee clauses, notices of changes or cancellations, and the insurance company rating) shall satisfy the minimum requirements imposed for this type of project by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") or any successor to either of those entities (except for earthquake insurance, the purchase of which shall be within the discretion of the Board). If the FNMA or FHLMC requirements conflict, the more stringent requirement shall be met. If FNMA and FHLMC do not impose requirements on any policy required hereunder, the term, amount and coverage of such policy shall be no less than that which is customary for similar policies on similar projects in the area, and with regard to the amount of the deductible, the Board may select such deductibles, which, in its opinion, are consistent with good practices in connection with the purchase of such insurance policies. The Association shall periodically (and not less than once every three (3) years) review all insurance policies maintained by the Association to determine the adequacy of the coverage and to adjust the policies accordingly. Such insurance as required or desired hereunder shall be obtained from reputable insurance companies qualified to do business in the State of California and holding a rating of “A” (or such other comparable rating if Best uses a different standard in rating insurance companies) or better in Best’s Insurance Reports and may be obtained from one or more companies.

**Section 9.3** Payment of Deductible; Processing of Claims.

(a) Payment of Premiums/Deductible. The premiums for the insurance purchased pursuant to this Article IX shall be paid for out of the common Assessments levied and collected pursuant to this Declaration. The Board may adopt a policy regarding payment of deductibles on any insurance coverage and such policy shall be set forth in the Rules and Regulations. Unless the Board determines otherwise, the Association shall not pay deductibles required under any insurance claims from Association funds if the damage is the result of the negligence or willful misconduct of an Owner, their family members or their Representatives and Invited Parties or the failure of any component for which the Owner is responsible to maintain and repair, in which case the Owner shall be responsible to pay such deductible, and, if

necessary, the Association shall levy a Special Assessment against the Owner in such amount in accordance with Article IV of this Declaration.

(b) Management of Claims. The Board may adopt such policies and procedures regarding the filing and processing of claims for damage and destruction to the Common Area improvements or any other matters covered by the insurance maintained by the Association, as the Board in its discretion, shall deem advisable. In the event an Owner makes an unauthorized claim against the Association's insurance which results in an increase in the Association's insurance premiums, the amount of the increase shall be assessed against the Owner as a Special Assessment.

**Section 9.4** Authority of Board. Each of the Owners, and every other person or entity named or covered as an insured in connection with any of the policies purchased by the Board, hereby irrevocably delegates to the Board any authority which such Owner may otherwise have to negotiate loss settlements with the appropriate insurance carriers. The Board shall have the sole and exclusive authority and right to negotiate any such loss claim form, release form and/or settlement agreement in connection with the settlement of a loss claim, which shall be binding on all of the Owners, and upon any other person or entity named as an insured on any such policy or policies, but only upon the execution thereof by a majority of the members of the Board. The Owners and every other person or entity named or insured hereby appoints the Association, by and through the Board, as its attorney-in-fact for the purpose of executing any necessary claim form, release form or settlement agreements on their behalf.

**Section 9.5** Owner Insurance Required.

(a) Specific Coverages. The insurance maintained by the Association does not cover the personal property, furniture, furnishings and decorations in the Units and does not cover personal liability for damages or injuries occurring in the Units. Each Owner, at such Owner's cost and expense, shall purchase the following insurance: (i) premises liability which includes protection for bodily injury and property damage with limits of not less than One Hundred Thousand Dollars (\$100,000.00) per occurrence, (ii) real property and personal property insurance which insures the personal property, furniture, furnishings, and decorations within the Unit, any improvements in the Unit over and above original builder specifications or their equivalent, or otherwise protecting the Condominium, (iii) loss of use which protects an Owner for additional living expenses should such Owner's Unit become uninhabitable due to a covered loss, and (iv) loss assessment coverage which protects against special assessments due to a loss which exceeds the Association's master policy limits. The foregoing policies of insurance maintained by an Owner shall contain a waiver of subrogation against the Association. Owners and their Lessees shall also maintain insurance on their vehicles as required by law (i.e., property and liability insurance). In addition, an Owner may purchase any other policy of insurance which such Owner feels is reasonably necessary to protect such Owner's separate interest in the Project.

(b) Limits and Other Requirements. All such insurance shall be for full replacement value and shall contain a provision that the same shall not be canceled or terminated except upon at least thirty (30) days' written notice to the Association. Owners shall provide proof of such insurance to the Board within fifteen (15) days of the Board's written request.

(c) Failure to Comply. The Association may, but is not required to, and is specifically relieved of any responsibility or liability for, verifying Owner compliance with this provision or otherwise enforcing the provisions of this Section. Owners waive their claims against the Association to the extent such claims are covered under insurance which the Owners are required to carry under this Section 9.5, regardless of whether the Owners actually carry such insurance. Furthermore, if an Owner fails to maintain the requisite insurance, and a loss to the Common Area occurs which would have been covered by such an insurance policy (if it had been in effect) including, but not limited to, damage below the deductible under the Association's insurance policy, the Board may, after notice and a hearing, impose a Special Assessment against the Owner to recover the amounts expended by the Association which should have been covered by the Owner's insurance policy.

**Section 9.6** Additional Provisions Regarding Insurance Policies. To the extent economically practical and available at reasonable premiums, insurance maintained by the Association should:

(a) Waiver of Subrogation. With respect to the commercial property and general liability policies, contain a waiver of subrogation as to the Owners of the Condominiums.

(b) Power to Adjust Losses. Provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy.

(c) Vacancy. Provide that the insurance obtained pursuant to this Article shall not be prejudiced by reason of the vacancy or non-occupancy of any one or more Units within the Project, provided that this Declaration (as the same may be amended from time to time) is in force and the Project is operating as a condominium project.

(d) Association as Trustee. Provide that all insurance proceeds obtained pursuant to the Association's master insurance policy be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and their respective Mortgagees as their interests may appear.

## ARTICLE X DESTRUCTION OF IMPROVEMENTS

**Section 10.1** Notice to Owners. The Board shall, immediately upon having knowledge of any damage or destruction affecting the Project, or any portion thereof, or any threat thereof, promptly give written notice to all Owners.

**Section 10.2** Repair/Reconstruction Without Election by Owners. In the event of a total or partial destruction of any improvements in the Project, if the available proceeds of the insurance carried pursuant to Article IX of this Declaration are sufficient to cover not less than eighty-five percent (85%) of the cost of repair and/or reconstruction thereof, the same shall be promptly repaired and/or rebuilt unless such destruction renders the entire project or some material portion thereof unfit for habitation and within ninety (90) days from (i) the date of such destruction or (ii) the date of determination of the insurance proceeds available for repair and/or

rebuilding, whichever is greater, not less than seventy-five percent (75%) of the Members entitled to vote, in person or by proxy, at a duly constituted and called annual or special meeting of the Members at which a quorum is present, determine that such repair and/or reconstruction shall not take place. The Board shall be required to cause to be executed, acknowledged and recorded a certificate declaring the intention of the Owners to repair and/or rebuild or not to repair and/or rebuild (a "Certificate of Intention"), such certificate to be executed by any officer of the Association duly authorized to execute the same by the Board.

**Section 10.3** Repair/Reconstruction by Consent of Owners. If the proceeds of such insurance are less than eighty-five percent (85%) of the costs of repair and/or reconstruction, such repair and/or reconstruction may nevertheless take place if fifty-one percent (51%) of the Members entitled to vote elect to rebuild. A Certificate of Intention shall be executed, acknowledged and recorded as provided for in Article X, Section 10.2 hereof.

**Section 10.4** Assessments. In the event of a determination to repair and/or rebuild pursuant to either Article X, Sections 10.2 or 10.3 above, the Board, without a vote of the membership (pursuant to Section 5610 of the Act), shall have the authority to levy a Special Assessment against the Owners in an amount equal to such funds as shall be necessary to pay for the costs of repair and/or rebuilding which exceed the insurance proceeds received. Such Special Assessment shall be computed and allocated to each Unit on the basis of each Owner's percentage interest in the Common Area as set forth in Exhibit "A" hereto and shall be due and payable in full within thirty (30) days after written notice thereof unless otherwise determined by the Board.

**Section 10.5** Costs of Repair/Reconstruction; Obligation of Board when Repair and/or Rebuilding.

(a) Determining Costs of Repair/Reconstruction. As soon as practical after the destruction of improvements in the Project (including the Units as originally constructed or thereafter installed of equivalent quality but not including personal property, furniture, furnishings, and decorations contained in a Unit nor any improvements beyond original builder specifications or their equivalent), the Board shall obtain bids from at least two (2) reputable contractors, licensed and insured in California. The bids shall set forth in detail the work required to repair and/or reconstruct the damaged or destroyed portions of the Project to substantially the same condition as they existed prior to such destruction (subject to any increased building standards then in effect) and the itemized cost of such work.

(b) Obtaining Bids. If a determination to repair and/or rebuild is made in accordance with either Sections 10.2 and 10.3 of this Article, then after reviewing the two (2) bids referred to in Section 10.5(a), above, the Board shall award repair and/or reconstruction work to the bidder the Board believes is best qualified to perform the work at a reasonable price; provided, however, that the Board shall not be required or authorized to award such contract until it has sufficient monies, whether from insurance or the collection of Special Assessments levied in accordance with this Article with which to pay the cost of repair and/or reconstruction as reflected by the bid to be accepted by the Board. The Board, upon awarding said contract shall thereafter be authorized to disburse monies to the contractor in accordance with said contract out of the insurance proceeds held by the Board and the Special Assessments levied and

collected by the Board in accordance with this Article. First Mortgagees, if any, shall disburse insurance proceeds held by them in accordance with their respective standard practices for repair and/or reconstruction.

(c) Time Period for Repair/Reconstruction. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such repair and/or reconstruction at the earliest possible date.

(d) Manner of Repair/Reconstruction; Assessment of Damage. All repairs and/or reconstruction shall be in accordance with the Condominium Plan and the original plans of construction of the Project (if available) subject to any increased building standards then in effect, unless an alternative plan is approved by a majority of Members entitled to vote. In addition, in determining whether the plans for a repaired and/or reconstructed building are in substantial compliance with the Condominium Plan, the Board may take into consideration the availability and expense of labor and materials in the original construction of the building. If such labor or materials are not available or is prohibitively expensive at the time of repair and/or reconstruction, the Board may permit the substitution of other labor and materials as it reasonably deems proper. Furthermore, the Association may enter into any Unit to make repairs and/or to assess damage in the manner described in Article VI, Section 6.3 above.

Section 10.6 Negotiations with Insurer. The Board shall have full authority to negotiate in good faith with representatives of the insurer of the building or any other portion of the Common Area, and to make a settlement with the insurer for less than full insurance coverage on the damage to the building or any other portion of the Common Area. Any settlement made by the Board in good faith shall be binding upon all Owners.

Section 10.7 Determination Not to Repair/Rebuild. If a Certificate of Intention to repair and/or rebuild has not been executed, acknowledged and recorded in accordance with either Article X, Section 10.2 or Section 10.3 hereof within ninety (90) days from (i) the date of such destruction or (ii) the date of determination of the insurance proceeds available for repair and/or rebuilding, whichever is greater, or if reconstruction and rebuilding has not actually commenced within nine (9) months thereafter:

(a) Distribution of Proceeds. Any insurance proceeds available for such repair and/or rebuilding, less costs for clearing debris, collecting insurance proceeds, and any other expense necessary as a result of the damage or destruction, shall be divided proportionately among Owners, such proportions to be determined in accordance with the respective appraised fair market value of the Condominiums as of the date of destruction, expressed as percentages, and computed by dividing such appraised fair market value of each Condominium by the total of such appraised fair market values of all Condominiums in the Project, subject to (i) the rights of Mortgagees holding Mortgages covering each such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto. The Board is hereby authorized to hire one (1) or more appraisers for such purpose and the cost of such appraisals shall be an expense of the Association. Notwithstanding the foregoing, the balance then due on any valid encumbrance of record shall be first paid in order of priority, and thereafter any unpaid Assessments of an Owner together with interest charges attributable thereto shall be



paid to the Association, before the distribution of any proceeds to an Owner whose Condominium is so encumbered.

(b) Partition The conditions for partition as set forth in the Act shall be deemed to have been satisfied and the right of any Owner to partition such Owner Condominium through legal action shall forthwith revive.

(c) Preparation of Documents The Board shall, as soon as practicable, cause to be prepared, filed and/or recorded any revised ~~vision~~ map, Condominium Plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Project, including without limitation, the elimination of all or part of one (1) or more Units as a result of such damage

### Section 10.8 Interior Damage

(a) General Provisions Restoration and repair of any damage occurring under the conditions addressed in this Article X to the betterments and improvements of any individual Unit shall be made by and at the individual expense of the Owner of that Unit (unless there is insurance to cover such item pursuant to Article IX above) and, in the event of a determination to repair and/or rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner, and in accordance with an Application which has obtained Prior Architectural Approval to the extent such approval is required under Article XII below.

(b) Specific Provisions Damage to Drywall In the event of damage to the plaster and drywall in a Unit:

(i) Replacement The Association shall only be liable for the replacement of the drywall on load bearing walls of the Unit which, in the estimation of the Board, suffered sufficient damage to require replacement. The Association shall be liable for repainting the walls or replacing wall coverings of any kind. The restoration and repair of all other interior walls shall be at the sole expense of the Owner.

(ii) Re-Taping Damage to load bearing walls which does not require replacement of the drywall (i.e., bucked joint tape, hairline fractures of the drywall, etc.) shall be the responsibility of the individual Owner. The Owner shall be responsible for the restoration and repair of all finished surfaces which includes, but is not limited to taping, painting, plastering, wallpapering, etc.

Section 10.9 Elimination of Units In the event of the elimination of all of a Unit, the Condominium containing that Unit shall cease to be a part of the Project, the Owner shall cease to be a Member of the Association and such Owner shall not be liable for any Assessments under this Declaration which accrue thereafter. The undivided interest in the Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective undivided interests in the Common Area. In the event of the elimination of a part of a Unit, the percentage interest in the Common Area appurtenant to that Unit shall be reduced in direct proportion to the reduced square footage

of the Unit, and the undivided interests of Owners in the Common Area and the Assessment obligations of all Owners shall automatically be adjusted accordingly

ARTICLE XI  
EMINENT DOMAIN

**Section 11.1 Definition.** The term "taking" as used in this Article shall mean condemnation by exercise of power of eminent domain or by sale under threat of the exercise of the power of eminent domain.

**Section 11.2 Common Area Award** In the event of a taking of all or any portion of the Common Area within the Project, the Association shall represent the Owners in any proceedings, negotiations or settlements and the award made for such taking shall be payable as follows:

(a) **Entire Common Area** If the award is for the acquisition of the entire Common Area, the amount payable shall be paid to the Board, as trustee, for distribution to the Owners, to each Owner in proportion to the amount set forth in ( [ K L E L W <sup>3</sup> \$ subject to (i) the rights of Mortgagees holding Mortgages covering each such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto.

(b) **Part of Common Area; Award is less than \$50,000** If the award is for the acquisition of only part of the Common Area and is less than Five thousand Dollars (\$50,000.00) or is otherwise less than the cost to obtain an appraisal required by Article X, Section 10.7(a) above, the entire amount thereof shall be payable to the Board, as trustee, (subject to the rights of Mortgagees holding Mortgages on Condominiums within the Project) and such an amount, together with any interest earned thereon, shall be held by the Board to reduce the common expenses for the next succeeding fiscal year or to fund the Association's reserves, as the Board shall determine.

(c) **Part of Common Area; Award is More than \$50,000** If the award is for the acquisition of only part of the Common Area and is in excess of Fifty Thousand Dollars (\$50,000.00) and is in excess of the cost to obtain an appraisal required by Article X, Section 10.7(a) above, it shall be distributed to D F K 2 Z Q H U L Q S U R S R U W L R Q W R W K H L Q W H U H V W L Q W K H & R P P R Q \$ U H D D V V H W I R U W H R L Q Q ( [ K L E L W Mortgagees holding Mortgages covering such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto.

**Section 11.3 Unit Awards** In the event of a taking of all or any portion of one (1) or more Units within the Project, the award made for such taking shall be paid to the respective Owners of the Units so taken in the proportion of the value of the Units as determined by the condemning authority or by the court, subject to (i) the rights of Mortgagees holding Mortgages covering such Units and (ii) all unpaid Assessments of each Owner taken together with interest charges attributable thereto.

**Section 11.4 Partition** If there is a substantial taking of the Project (more than fifty percent (50%)), the Owners may terminate the legal status of the Project and, if necessary, bring

a partition action under the Act, on the election to terminate by fifty-one percent (51%) of the total Voting Power of the Association and the approval of at least fifty-one percent (51%) of the First Mortgagees. The proceeds from the partition sale shall be distributed to the Owners and their respective Mortgagees. Q S U R S R U W L R Q W R W K H 2 Z Q H U T V S H U F H Q W \$ U H D D V V H W I R U W K O S U B J E C T ( P K ) L E A S E R I G H T S O F M O R T G A G E E S holding Mortgages covering such Units and (ii) all unpaid Assessments of each Owner taken together with interest charges attributable thereto.

**Section 11.5 Preparation of Documents** In the event of any condemnation of part of the Project, the Board shall, as soon as practicable, cause to be prepared, filed and/or recorded any revised subdivision map, condominium Plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Project, including, without limitation, the elimination of all or part of one (1) or more of the Units as a result of such condemnation.

**Section 11.6 Elimination of Units** In the event all of a Unit is taken in condemnation, the Condominium containing that Unit shall cease to be part of the Project, the Owner thereof shall cease to be a Member of the Association, and Owner shall not be liable for any Assessments under this Declaration which accrue thereafter. If a divided interest in Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective undivided interests in the Common Area. In the event part of the Unit is taken in condemnation, the percentage interest in the Common Area appurtenant to that Unit shall be reduced in direct proportion to the reduction in square footage of the Unit, and the undivided interests of Owners in the Common Area and the assessment obligations of all Owners shall automatically be adjusted accordingly.

**Section 11.7 Notice to Owners** The Board immediately upon having knowledge of any taking by eminent domain of the Project, or any portion thereof, or any threat thereof, shall promptly give written notice to all Owners.

## ARTICLE XII ARCHITECTURAL REVIEW

**Section 12.1 Board Action** The Board shall conduct all architectural reviews required or authorized by this Declaration. The Board may designate and appoint a representative who is a licensed architect to assist the Board in its evaluation of an Owner's application; however, the decision of the Board with respect to the approval or disapproval thereof shall be final.

**Section 12.2 Alterations Requiring Approval** None of the following decorations, additions, alterations, or modifications (collectively, "Alterations") shall be commenced, made or maintained by an Owner without the prior written approval of the Board following the procedures set forth below in this Article XII, Section 12.2.

(a) **Rules and Regulations Require Approval** Alterations requiring Prior Architectural Approval as set forth in this Declaration or the Rules and Regulations;

(b) Structural Alterations, Etc. Structural additions, alterations or modifications to the interior of a Unit or installations located therein, including, but not limited to, interior non-load bearing walls;

(c) Structural Integrity Impaired Additions, alterations or modifications in any Unit, Exclusive Use Common Area or in, on or to the Common Area (including to the surface of a balcony or patio) which will impair the structural integrity of any Unit, Exclusive Use Common Area, Common Area or building(s) or which would structurally change the building(s). Without limiting the generality of the foregoing, any modification which affects the floor plan of any Unit, including the creation or removal of walls, doorways or portals or the combination of Units (whether the Units are next door to each other or one Unit is located on the floor above another Unit) shall be deemed to be a structural modification for the purposes of this subsection;

(d) Certain Flooring. The alteration, modification, replacement or installation of flooring of any type (other than the installation/replacement of carpeting and padding);

(e) Alterations Visible to Other Areas Any construction, alteration, removal, relocation, repainting, demolition, addition, modification, decoration, redecoration or reconstruction of any improvement visible from the Common Area, Exclusive Use Common Area or another Unit including, but not limited to, enclosures or privacy screens for balconies or patios

(f) Windows and Doors Removal and replacement of windows and front doors including all knobs, hardware and handles thereto, with respect to type, color and design;

(g) Electrical, HVAC and Plumbing Work. Electrical, HVAC, and plumbing work to the interior of a Unit including, but not limited to, the installation of washers and dryers within any Unit

(h) Water Intrusion or Noise Any addition, alteration or modification which may affect the building's resistance to water intrusion or noise or which may affect the right to privacy and quiet enjoyment of any other Owner

(i) Other Alterations Affecting the Common Area or Exclusive Use Common Area. Other additions, alterations or modifications in, to or affecting the Common Area or the Exclusive Use Common Area

### Section 12.3 Alterations Not Requiring Prior Architectural Approval

(a) General Provisions Each Owner shall have the exclusive right, at such 2 Z Q H U ¶ V V R O H F R V W D Q G H [ S H Q V H W R S D L Q W U H S D L Q W V decorate the inner surfaces of W K H Z D O O V F H L O L Q J V D Q G G R R U V E R X Q C V X F K 2 Z Q H U ¶ V V R O H F R V W D Q G H [ S H Q V H W R V X E V W L W X W H existing on said walls, ceilings, and doors. Notwithstanding the foregoing, an Owner shall not G R D Q \ W K L Q J Z L W K U H V S H F W W R V X F K 2 Z Q H U ¶ V 8 Q L W W K D V R I Q R L V H R U V R X Q G V W K D W F D Q E H K H D U G R X W V L G H R I V X occupancy of such Unit.

(b) Requirements for Installation or Replacement of Carpeting and Padding

The installation or replacement of carpeting and padding does not require Prior Architectural Approval, however, once installed/replaced, such carpeting and padding must meet the Acoustical Standards (as defined in Section 12.5(a) below). A sound test shall not be required following the installation or replacement of carpeting and padding unless an adjacent or downstairs Owner submits a written noise complaint to the Association concerning the Unit in which the work was performed. The Owner shall deliver a written notice to the Subject Unit Owner informing him/her of the complaint. The notice shall include the name of a licensed acoustical engineer and a statement in writing signed by the engineer verifying that the carpeting meets the Acoustical Standards. If the sound test and signed statement are not submitted within such thirty (30) day period, or if the test shows the sound ratings are worse than the Acoustical Standards, then, the Subject Unit Owner shall, at the Association's sole election, within thirty (30) days, take appropriate action to bring the carpeting into compliance with the Acoustical Standards.

(c) Window Coverings Owners shall have the right to cover the interior

surfaces of the glass doors and windows appurtenant to any Unit in the Project whether by draperies, shades, tinting or other items provided that any of the foregoing which is visible from the exterior of the building shall be subject to the Rules and Regulations of the Association and provided, however, that no window shall be covered by paint, foil, sheets or similar items. Furthermore, no window guards or bars shall be installed on any of the windows or doors of a Unit.

Section 12.4 Approval Process

(a) Procedures for Obtaining Approval Prior to making an Alteration, an

Owner must submit to the Manager (or, if none, the Board), for the Board's review and written approval or disapproval, detailed plans (including a plot plan if applicable) and specifications (collectively, the "Application") for the Alteration showing the nature, kind, shape, height, width, color, materials, and location of same. In addition to the foregoing, if the Alteration is of the nature that may affect the structural support of the Common Area and/or the Exclusive Use Common Area, the Owner submitting the Application (the "Applicant") shall provide the Board with a certificate executed by a structural engineer duly licensed in the State of California stating that any portion of the Common Area and/or the Exclusive Use Common Area to be affected by the Alteration is not required for the structural support of the Unit, any other Unit or any other part of the Project. The Applicant shall obtain a written, dated receipt for the Application from the Manager (or, if none, the Board). If requested by the Board, an Application shall be prepared by an architect, engineer or landscape designer, landscape architect or other design or construction professional, said person to be employed by the Applicant at such Applicant's sole expense. Once the Board has approved of the Application, and prior to the commencement of the work on any approved Alteration, the Owner shall be required to submit to the Board, (i) copies of all building and other governmental permits required for the construction of the Alterations, (ii) documentation showing that all contractors performing work on the Alterations are duly licensed in the State of California for the applicable trade for which

hired), and (iii) certificates of insurance evidencing that the contractor has liability insurance and workers' compensation coverage in appropriate amounts (the determination of appropriateness to be made in the sole discretion of the Board and (iv) such other documentation as may be set forth in the Rules and Regulations. In addition, once approved, all hard floor coverings shall meet the acoustical standards set forth in Section 12.5 below.

(b) Review Period. Applications and resubmittals thereof shall be approved or disapproved by the Board, as applicable, in writing within forty-five (45) days after the date of submission of the Application or the resubmission, as applicable (the "Review Period"). No member of the Board may vote on an Application or resubmission that pertains to his or her own Unit. If the Application or resubmittals are disapproved, the reasons therefor shall be indicated in such disapproval. If the Board fails to approve or disapprove any such plans and specifications within the Review Period, then the Owner requesting approval may submit a written notice to the Board via both certified mail return receipt requested and regular U.S. mail advising the Board of its failure to act. If the Board fails to approve or disapprove any such plans and specifications within twenty (20) days after receipt of said written notice from such Owner, such approval will not be required.

(c) Conditions for Approval. The Board may condition its written approval of the Application for an Alteration (i) upon the Applicant's furnishing the Association with security acceptable to the Association against a mechanic's lien or other encumbrance which may be recorded against the Property as a result of work related to the Alteration, (ii) on such changes to the Alteration as it deems necessary, (iii) upon the Applicant's agreement to complete the proposed work related to the Alteration within a stated period of time, (iv) upon the Applicant's agreement to install (at the Applicant's sole expense) water, gas, electrical or other utility meters to measure increased consumption, (v) upon the submission of a construction deposit ("Construction Deposit") to be held by the Association until the work related to the Alteration is completed and inspected by the Board, (vi) upon the execution of a construction agreement, in such form as provided by the Association for this purpose, or (vii) upon the submission of additional professionally prepared Applications addressing any areas of concern to the Board or such other information needed by the Board to make an informed decision.

(d) Standards and Review Fees; Construction Deposit. The Board may from time to time adopt, promulgate, and amend rules and guidelines (to be incorporated into the Rules and Regulations) which, among other matters, may set forth design and architectural standards, procedures for the submission of Applications for approval, requirements for a fee (a "Review Fee") to accompany each Application for approval or for a Construction Deposit and the amount of the Review Fee and/or Construction Deposit, and/or additional factors which it will take into consideration in reviewing Applications. The Board may provide that the amount of the Review Fee and/or the Construction Deposit shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the Alteration contemplated. The restrictions set forth in this Article XII, are not intended to empower the Board to act arbitrarily, capriciously, or whimsically in the process of reviewing Applications. Standards should be established which are both reasonable and objective, and which are reasonably ascertainable, and are uniformly and fairly applied to all, and in all cases. The Board shall base their decisions on what is in the best interests of the Project as a whole, and not upon what will appease a particular Member or group of Members.

(e) Reasons for Disapproval Approval of an Application may be withheld not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by reason of the reasonable dissatisfaction of the Board, with the location, elevation, color scheme, finish, design, proportions, architecture, shape, height, style and appropriateness of the proposed Alteration materials used therein, the kind, pitch or type of roof proposed to be placed thereon, the planting, landscaping, size, height or location of the Alteration, or because of its reasonable dissatisfaction with any or all other matters or things which, in the reasonable judgment of the Board will render the proposed Alteration inharmonious or out of keeping with the general plan and improvements of the Project or with the improvements erected on other Units.

(f) Record Keeping The Board shall prepare and maintain a written record of all Applications made for its approval together with all actions of the Board with respect thereto.

Section 12.5 Standards and Procedures for Interior Hard Floor Covering The purpose of the restriction is to minimize impact noise transmission from and to each Unit and to provide and preserve for the benefit of all of the Owners in the Project the highest reasonable degree of quiet enjoyment, comfort and privacy within their respective Units. Owners who wish to install hard floor covering in their Unit shall comply with the following process:

(a) Acoustical Limitations All hard floor coverings installed in an Owner's Unit must meet or exceed the acoustical installation standards and specifications and acoustical standards and specifications adopted by the Board from time to time. Any hard floor covering which does not meet or exceed the Acoustical Standards prohibited. Notwithstanding the foregoing, any hard floor covering which was installed in a Unit before the date of recordation of this Declaration or before the adoption of the Acoustical Standards in the Rules and Regulations will be allowed to remain within a Unit, even if it does not meet the Acoustical Standards, unless and until such hard floor covering is removed or otherwise replaced, in which case any new or replacement hard floor covering must be installed in accordance with the Acoustical Standards then in effect.

(b) Sound Test Immediately upon completion of the work the Owner, at the Owner's cost, will furnish to the Association the written results of a sound test conducted by a licensed acoustical engineer and a statement in writing signed by the engineer verifying that the final product meets the Acoustical Standards. If the sound test and signed statement are not submitted within thirty (30) days from completion of the installation of the hard surface flooring, or if they show the sound ratings are worse than the Acoustical Standards, then, the Owner shall, at the Association's sole election, within thirty (30) days from the date of the Association's written notice, and at the Owner's expense (i) cure the deficiency so that the new floor will then meet the Acoustical Standards or (ii) cause the hard surface flooring to be removed or fully covered with padding and carpeting so that the Acoustical Standards will be met.

## Section 12.6 Inspection; Compliance

(a) Inspections Any member or agent of the Board (including the Manager) may from time to time, at any reasonable hours and upon reasonable notice, enter and inspect any property subject to the jurisdiction of the Board as to its improvement or maintenance in compliance with the provisions of this Article.

(b) Failure to Comply If, after an Application has been approved, (i) the Alteration is altered, erected, or maintained otherwise than as approved by the Board, or (ii) if such Alteration is constructed without obtaining approval at all, or (iii) such Alteration is constructed with defects which are observed by the Board during an inspection, such Alteration shall be deemed to have been undertaken without the approval of the Board having been obtained as required by this Declaration. Upon notice of such non-compliance the Board shall take such actions as it deems necessary in accordance with the provisions of this Declaration, including, without limitation, and in its sole discretion, any or all of the following: (A) require that the Owner remove and/or remedy the non-complying or defective Alteration, (B) remove and/or remedy the non-compliance itself, after notice and hearing, (C) impose monetary penalties against the Owner, after notice and hearing, until such non-compliance is corrected, and/or (D) institute legal proceedings to enforce compliance or completion.

Section 12.7 Waiver. The approval of the Board of any Application and/or resubmissions submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the same features or elements embodied in subsequent Applications and/or resubmissions submitted for approval as herein provided for use on the same or other Alterations.

Section 12.8 Diligent Prosecution of Work The approval of any Alteration shall be deemed conditional upon the commencement of said work within ninety (90) days after the approval of Board for the same shall have been obtained, or within such other period as shall have been specified by the Board at the time of its approval. If the work is not commenced within ninety (90) days after the approval date, or such later time as the Board has granted, then the approval shall be deemed canceled, and the Owner must reapply to the Board before undertaking any such work. All work must be prosecuted diligently to completion within a reasonable time and in any event before the expiration of such period as may be specified by the Board. Each Owner shall, upon completion of an approved Alteration, promptly notify the Board that such Alteration has been completed.

## ARTICLE XIII ENFORCEMENT OF ASSESSMENTS

Section 13.1 Covenant to Pay Assessments; Remedies of Association Every Owner shall be deemed to covenant and agree to pay the Assessments provided for in this Declaration and the Association shall have the remedies set forth in this Article XIII to enforce such covenant and agreement.



**Section 13.2 Delinquency.** Any Assessment provided for in this Declaration which is not paid when due shall become delinquent fifteen (15) days thereafter (the "date of delinquency"). A late charge of Ten Dollars (\$10.00) or ten percent (10%) whichever is greater, per each delinquent Assessment shall be payable with respect to each Assessment not paid by the date of delinquency. Also, Assessments not paid by the date of delinquency shall bear interest at the lesser of the following rates, accrued from the date of delinquency: twelve percent (12%) per annum or the maximum rate allowed by law. The Board, its attorney or other authorized representative may, at its option, at any time after the date of delinquency, and in addition to any other remedies provided herein or by law or in equity, enforce the obligation to pay Assessments in any manner provided by law or in equity, and without limiting the generality of the foregoing, by any or all of procedures set forth in Sections 13.3 and 13.4 below.

**Section 13.3 Enforcement by Suit.** The Board may cause a suit at law to be commenced and maintained in the name of the Association against any Owner or Owners, or any of them, to collect such delinquent Assessments as to which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of twelve percent (12%) per annum from and after the date of delinquency (or if less, the maximum rate allowed to be charged by law), late charges as provided for by this Declaration, court costs and reasonable attorneys' fees in such amount as the court may award. Suit to recover a money judgment for unpaid Assessments shall be maintainable by the Board, or its authorized agent, without foreclosing or waiving the lien hereinafter provided for.

**Section 13.4 Enforcement by Lien.**

(a) **Notice of Delinquent Assessment; Recording.** The Board may proceed to record, or cause to be recorded, a notice of delinquent assessment with respect to the Condominium as to which Assessments are delinquent as provided by, and subject to the requirements of, the Act. Such notice of delinquent assessment shall be recorded in the office of the County Recorder of the county in which such Condominium is located and shall set forth all Assessments which have become delinquent as of the date of recordation thereof, together with all costs (including reasonable attorneys' fees), an itemized statement of the charges and all late charges and interest accrued thereon. The notice of delinquent assessment shall also set forth a description of the Condominium with respect to which it is recorded, the name of the record Owner thereof and, if the lien is to be enforced by power of sale under non-judicial foreclosure proceedings, the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice of delinquent assessment shall be signed by any officer of the Association, or by any authorized representative of the Board. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person or entity whose name is shown as an Owner in the Association's records, and the notice shall be mailed no later than ten (10) calendar days after recordation.

(b) **Assessment Becomes Lien.** Immediately upon recordation of a notice of delinquent assessment pursuant to the provisions of this subparagraph, the amounts set forth in said notice of delinquent assessment shall be and become a lien upon the Condominium described in the notice of delinquent assessment, which lien shall also secure all other Assessments which shall become due and payable with respect to the Condominium as to which

the notice of delinquent assessment was recorded following the date of recordation of the notice of delinquent assessment, together with all costs (including reasonable attorneys' fees), and all late charges and interest whether accruing thereon, or accruing on the delinquent Assessments set forth in the notice of delinquent assessment.

(c) Additional Costs Secured by Lien. In the event the lien created is foreclosed judicially by action in Court, reasonable attorneys' fees and court costs as the Court may award, title search fees, interest at the rate of twelve percent (12%) per annum from the date of delinquency (or if less, the maximum rate allowed by law), late charges as provided for by this Declaration, and all other costs and expenses shall be allowed to the extent permitted by law.

(d) Foreclosure. Except as set forth in sub-section (v) below and subject to the requirements of Section 5600 et seq. of the Act, as the same may be amended modified or superseded from time to time, the lien so created may thereafter be enforced by sale of the Condominium as to which the lien is created by the Board, its attorney, or other person or entity authorized by the Board to make the sale, such sale to be conducted in accordance with the provisions of Sections 2924, 2924b, 2924c, 2924f, 2924g, and 2924h of the Civil Code applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner which may be permitted by law. The Board, or its duly authorized representative, on behalf of the Association, shall have the power to bid on and purchase the Condominium at foreclosure sale and hold, use, lease, encumber and convey the same.

(e) Monetary Penalties. A monetary penalty imposed by the Association as a disciplinary measure for failure of a Member to comply with the Declaration, Bylaws or the Rules and Regulations may become a lien against the Member's Condominium enforceable by judicial foreclosure. Such lien may not be enforceable by sale of the interest under Civil Code Sections 2924, 2924b, and 2924c. If the Act is amended to permit monetary penalties imposed by the Association as a disciplinary measure for failure of an Owner to comply with this Declaration, Bylaws or the Rules and Regulations to be enforceable by the sale of the interest under Civil Code Sections 2924, 2924b, and 2924c, then this provision shall be deemed amended to conform to any such amendment of the Act. A Special Assessment imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas and facilities for which the Member or the Member's family or the Member's Representatives and Invited Parties were responsible may become a lien against the Member's separate interest enforceable by the sale of the interest under Civil Code Sections 2924, 2924b, and 2924c as well as by court proceedings.

**Section 13.5** Curing of Default. Upon the timely payment, or other satisfaction, of all delinquent Assessments set forth in the notice of delinquent assessment recorded in accordance with this Article XIII and all other Assessments which have become due and payable with respect to the Condominium as to which such notice of delinquent assessment was recorded following the date of such recordation, together with all costs (including reasonable attorneys' fees), and all late charges and interest which have accrued thereon, the Board shall cause to be recorded a further notice stating the satisfaction and release of the lien created by the notice of delinquent assessment. A fee covering the cost of preparation and recordation of the notice of release and satisfaction shall be paid to the Association by the Owner of the Condominium subject to such lien prior to the execution and recordation of such notice of release by the Board.

The notice of release and satisfaction of the lien created by the notice of delinquent assessment shall be executed by any officer of the Association or by any authorized representative of the Board. For the purposes of this Section 13.5 and the provisions of Article XIII, Section 13.4 of this Declaration, the term "costs" shall include costs and expenses actually incurred or expended by the Association in connection with the cost of preparation and recordation of the notice of delinquent assessment and in efforts to collect the delinquent Assessments secured by the lien created by the notice of delinquent assessment, and shall also include a reasonable sum for attorneys' fees actually incurred.

**Section 13.6 Priority of Lien.** The lien created pursuant to this Declaration upon the recordation of a notice of delinquent assessment shall be prior and superior to all liens except (i) all taxes, bonds, assessments and other similar devices which by law would be superior thereto, and (ii) the lien or charge of the holder of any Mortgagee to the extent that such rights are set forth in Section 13.7 of this Article XIII.

**Section 13.7 Priority of Mortgages.** The lien of the Assessments, interest thereon and costs of collection (including attorneys' fees) as provided for herein, shall be subordinate to the lien of any Mortgage upon any Condominium. The sale or transfer of any Condominium shall not affect the Assessment lien; however, the sale or transfer of any Condominium pursuant to judicial or nonjudicial foreclosure of a Mortgage shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer except as set forth below in this Section. No sale or transfer shall relieve such Condominium from lien rights for any Assessments thereafter becoming due. Where the beneficiary of a Mortgage or other purchaser of a Condominium obtains title through judicial or nonjudicial foreclosure of the Mortgage, the person who acquires title and such person's successors and assigns shall not be liable for the share of the Assessments by the Association chargeable to such Condominium which became due prior to the acquisition of title to such Condominium by such person, except for Assessments as to which a notice of delinquent assessment has been recorded prior to the Mortgage. Such unpaid share of Assessments shall be deemed to become common expenses of the Association collectible as Assessments from all of the Condominiums, including the Condominium belonging to such person and such person's successors and assigns.

**Section 13.8 Homestead Waiver.** Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, and to the extent of any Mortgages, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect, or in effect from time to time hereafter.

**Section 13.9 Rights of Board; Waiver by Owners.** Each Owner hereby vests in and delegates to the Board or its duly authorized representatives the right and power to bring all actions at law or lien foreclosures, whether judicially or by power of sale, or otherwise, against any Owner or Owners for the collection of delinquent Assessments in accordance herewith and hereby expressly waives any objection to the enforcement in accordance with this Declaration of the obligation to pay Assessments as set forth in this Declaration.

ARTICLE XIV  
ENFORCEMENT OF GOVERNING DOCUMENTS

Section 14.1 Each Owner, Lessee, or occupant of a Condominium shall comply with the provisions of this Declaration, the Rules and Regulations, the Articles, and Bylaws, and the decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Furthermore, each Owner or other Representatives and Invited Parties include this Declaration, the Rules and Regulations, the Articles, the Bylaws, and the decisions and resolutions of the Association or the Board. Failure to comply with any such provisions, decisions, or resolutions, shall be grounds for an action: (i) to recover sums due, (ii) for damages, (iii) for injunctive relief, (iv) for costs and attorneys' fees, or (v) any combination of the foregoing.

Section 14.2 Enforcement of Governing Documents

(a) General Provisions 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, the Bylaws and/or the Rules and Regulations and shall be entitled to recover from any Owner against whom such restrictions, conditions, covenants, rules, reservations, liens and charges are enforced, all costs and reasonable attorneys' fees incurred thereby.

(b) Internal Dispute Resolution The Association shall provide a fair, reasonable and expeditious procedure for resolving a dispute between the Association and a Member involving their rights, duties, or liabilities under the Act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the Association. Unless a different procedure is otherwise set forth in the Rules and Regulations, the Association and the Members shall follow the internal dispute resolution procedure set forth in Section 5900 et seq. of the Act.

(c) Alternative Dispute Resolution The Association or a Member may not file an enforcement action in the Superior Court that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 16.220 and 16.221 of the Code of Civil Procedure unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to what may be required in Section 5925 et seq. of the Act. This Section does not apply to a small claims action, or, except as otherwise provided by law, to an Assessment dispute.

(d) De Minimis Violation Notwithstanding anything to the contrary, the governing documents in situations where the alleged violation(s) arise out of a dispute between Owners and/or Lessees who are neighbors, and, based on the facts surrounding such dispute the Board determines: (1) the alleged violation cannot be objectively verified, or is de minimis; (2) the alleged violation does not affect more than a single Owner; and (3) it is economically imprudent for the Association to pursue the enforcement of the alleged violation(s) in such

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between two(2) Owners or Lessees who are neighbors constitute a waiver of the right to enforce  
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**Section 14.3 Notice of Violation** Unless prohibited by law, in the event of a violation of the Association's governing documents, the Association may, if permitted by applicable law, record a Notice of Violation against the Condominium of the noncomplying Owner and/or the noncomplying Lessee, other residents of a Unit, or guests of the occupant of a Unit, etc. Upon recording a Notice of Violation, the Association shall have complete discretion in deciding whether, when and how to proceed with enforcement, and any delay after recording a Notice of Violation shall not give rise to a defense of waiver or estoppel in favor of a noncomplying Owner. The Association may take action to enforce compliance against a subsequent Owner who acquires a Condominium with a recorded Notice of Violation. The right of the Association to record a Notice of Violation shall be in addition to all other rights and remedies the Association may have at law or under the Association's governing documents.

**Section 14.4 Failure Not a Waiver** The failure of any Owner, the Association or any Official Person to enforce any of the Association's governing documents shall not constitute a waiver of the right to enforce the same thereafter, and no such failure shall result in or impose any liability upon the Board, or any of its officers or agents. Waiver or attempted waiver of any provision of this Declaration or the Association's other governing documents with respect to any Unit shall not be deemed a waiver thereof as to any other Unit, nor shall the violation of any provision hereof or thereof in respect to any Unit or Units affect applicability or enforceability of any provision of this Declaration in respect of any other Unit. A waiver of any enforcement right shall be only pursuant to an instrument in writing signed by the party to be charged with such waiver and shall be limited to the particular covenant, condition or restriction contained herein which is expressly set forth as being waived in such writing.

**Section 14.5 Nuisance** Without limiting the generality of this Section, 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 nuisance, either public or private, shall be applicable against such act or omission.

**Section 14.6 Discipline for Breach** After notice and hearing as provided in Section 14.7 below, the Board may do the following:

- (a) **Suspend Rights** Suspend an Owner's voting rights and/or the right to use the recreational facilities located within the Common Area (other than the right of ingress and egress to the Owner's Unit): (i) for the period during which any Assessment, including any monetary penalty against such Owner's Condominium, remains unpaid and delinquent, and (ii) for a period not to exceed thirty (30) days, or for as long as the violation continues, any other infraction of this Declaration, the Bylaws or the published Rules and Regulations of the Association committed by any Owner, or such Owner's family members or Representatives and Invited Parties.

(b) Impose Monetary Penalties. Impose a monetary penalty on any Owner in such amounts as determined by the Board and as more fully described in a schedule of monetary penalties set forth in the Rules and Regulations adopted and amended by the Board from time to time, for the failure to comply with and/or for any violation of the Association's governing documents committed by such Owner, or such Owner's guests, staff members, family members, tenants or invitees. The Board shall distribute to the Members, by personal delivery or individual delivery (i.e., mail, email, facsimile or other electronic means as provided in Section 4040 of the Act), a copy of the schedule of monetary penalties adopted by the Board, and any amendments thereto. Subject to the provisions of Article XIII, Section 13.4(e) above, the Association and the Board shall have the same rights and remedies, including enforcement by lien or foreclosure, and/or the imposition of late charges and interest and/or seeking judicial relief for the enforcement and collection of monetary penalties as they have for the enforcement and collection of Assessments and any monetary penalty provided for herein shall be deemed to be a Special Assessment. Any infraction or violation of an ongoing nature shall subject the violating Owner to a continuing monetary penalty which may be assessed on a daily basis until the infraction or violation in question has been remedied.

(c) Seek Judicial Relief. Seek judicial relief for the failure to comply with and/or for any violation of the Association's governing documents committed by such Owner, or such Owner's Representatives and Invited Parties, provided, however, that in a situation where injury to persons or property is immediately threatened, the Board may seek judicial relief without first complying with the notice and hearing provisions of Section 14.7 below.

#### Section 14.7 Notice and Hearing.

(a) General Provisions. The Board shall have the right to establish and from time to time to modify the Rules and Regulations for allowing an Owner a hearing for an alleged violation of this Declaration, the Bylaws or the Association's Rules and Regulations where such Owner may have such Owner's voting rights or common area privileges suspended and/or have a monetary penalty imposed. Such rules or regulations established and maintained by the Board shall be fair and reasonable, as required pursuant to California Corporations Code Section 7341 or any successor section thereto, and shall comply with the Act. The foregoing rules and regulations may be enforced against any Owner or such Owner's Lessees and the Owner's and Lessees' privileges may be suspended for any violations as provided herein and/or the Board may impose a reasonable monetary penalty.

(b) Procedures. Notice and a hearing regarding monetary penalties, suspension of privileges, and any other disciplinary measures taken under this Declaration or the Association's other governing documents shall be accomplished as follows:

(i) Right to be Heard. The Owner being penalized shall be given an opportunity to be heard, either orally or in writing, at an executive session Board meeting.

(ii) Notice of Hearing. Notice of the hearing shall be given either by personal delivery or individual delivery to the most recent address of the Owner as shown on the Association's records at least ten (10) days prior to the hearing. The notice shall contain, at a minimum, the date, time and place of the hearing, the nature of the alleged violation, the

proposed monetary penalty or sanction, and a statement that the Owner has the right to attend the hearing and to address the Board at the hearing.

(iii) Procedure for Hearing. At the hearing, the Owner so charged shall have the right to be heard by the presentation of oral or written evidence and arguments. If the Owner fails or refuses to attend the hearing, the Board may decide the matter in such Owner's absence.

(iv) Decision of Board. Following the hearing, the Board shall decide whether the Owner shall in fact be penalized or sanctioned or assessed for damages, as applicable.

(v) Notice of Decision. Within fifteen (15) days of its decision, the Board shall notify the Owner of its decision and the reasons therefor, either by personal delivery or first-class mail to the most recent address of the Owner as shown on the Association's records.

**Section 14.8 Remedies Cumulative**. Each remedy provided for by this Declaration for breach of any of the covenants, conditions, restrictions, reservations, liens or charges contained herein shall be in addition to any other available remedy, whether provided for by law or in equity, and all such remedies whether provided for by this Declaration or otherwise shall be cumulative and not exclusive. In addition, except for the nonpayment of any Assessments provided for herein, it is hereby expressly stipulated that the remedy at law to recover damages for the breach or violation of this Declaration and/or the Association's other governing documents is inadequate and that appropriate relief shall be awarded to enjoin any such breach or violation.

**Section 14.9 Joint and Several Liability**. In the case of joint ownership of a Unit, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners set forth in or imposed by this Declaration shall be joint and several.

**Section 14.10 Attorneys' Fees**. In the event that the Association takes action to enforce or interpret the Association's governing documents, to restrain violations or to determine the rights and duties of any person or entity under this Declaration, whether or not such action is in the form of a formal court proceeding or by involvement of the Association's legal counsel, the Association shall be entitled to actual attorneys' fees and costs plus, in the case of a proceeding, any other relief awarded.

## ARTICLE XV PROTECTION OF LENDERS

**Section 15.1 Power to Encumber; Notification Regarding Mortgagees**. Any Owner may encumber such Owner's Condominium by a Mortgage. Upon request, each Owner whose Condominium is encumbered by a Mortgage shall notify the Association through its secretary of the name and address of such Mortgagee or beneficiary, and the Association shall maintain a record of such encumbrancers. The Owner shall likewise notify the Association as to the release or discharge of any such Mortgage.

**Section 15.2 Examination of Books and Records.** A mortgagee shall have the right to examine the books and records of the Association during normal business hours, to the same extent as the Members' rights of inspection.

**Section 15.3 Notice of Default; Obligation by Mortgagee to Cure Breach.** A Mortgagee, upon written request, is entitled to written notice from the Board of any default by their mortgagor in the performance of any such mortgagor's (Owner's) obligation under this Declaration or the Bylaws which is not cured within thirty (30) days. who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is non-curable or of a type which is not feasible to cure or which is not practical to cure and does not materially affect the Association or any other Owners.

**Section 15.4 Loan made in Good Faith.** It is intended that any loan to facilitate the resale of any Condominium after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to Mortgagees hereunder.

**Section 15.5 Amendments Requiring Mortgagee Approval.** No amendment to this Section shall affect the rights of the Mortgagee under any Mortgage recorded prior to recordation of such amendment who does not join in the execution thereof. Unless at least seventy-five (75%) percent of holders of first Mortgages on individual Condominiums have given their prior written approval, neither the Association, nor any individual Owner shall:

- (a) **Terminate Condominium Regime.** By act or omission, seek to abandon or terminate the condominium regime;
- (b) **Change Pro Rata Interests.** Change the prorata interest or obligation of any Condominium for purposes of levying Assessments or allocating distributions of hazard insurance proceeds, or condemnation awards; and for determining the prorata share of ownership of each Condominium in appurtenant real estate and any improvements thereon which are owned by Condominium Owners in the Project in undivided prorata interests;
- (c) **Partition Condominium.** Partition or subdivide any Condominium without the prior written approval of at least the holder of the first mortgage lien on such Condominium;
- (d) **Encumber Common Area.** By act or omission seek to abandon, partition, subdivide, encumber release, hypothecate, sell or transfer the Common Area. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Project, shall not deemed a transfer within the meaning of this clause;
- (e) **Fail to Maintain Insurance.** Fail to maintain fire and extended insurance coverage on all improvements as more specifically set forth in Section 9.1(a)(i) on a current replacement cost basis in an amount not less than one hundred (100%) percent of the insurable value, based on current replacement costs;
- (f) **Use Hazard Proceeds.** Use hazard insurance proceeds for losses to the Common Area for other than repair, replacement or reconstruction of such improvements; or



(g) Make Material Amendments Affecting Mortgages Make material amendments to the Declaration and/or the Bylaws which affect the rights and protections afforded to Mortgagees

Section 15.6 Attendance at Meetings Because of its financial interest in a Condominium, a Mortgagee may appear (but may not vote) at meetings of the Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or Assessments.

Section 15.7 Information Provided to Association A Mortgagee is authorized to furnish information to the Board concerning the status of any loan encumbering a Condominium.

## ARTICLE XVI GENERAL INFORMATION

Section 16.1 Term This Declaration shall run with and bind the Association and the Project in perpetuity and shall inure to the benefit of and shall be enforceable by the Association by any Owner and/or his or her respective legal representatives, successors and assigns, unless an instrument in writing, signed by at least seventy percent (75%) of the then Owners of the Condominiums, is recorded agreeing to change the term of or terminate the same.

Section 16.2 Amendments Each and all of the provisions hereof may be modified, amended, added to or deleted only by the affirmative vote or written consent of at least fifty-one percent (51%) of the Voting Power, and if required by Section 5.5 of this Declaration by the appropriate percentage of Mortgagees required thereby, and by such other approvals, if any, as may be required by law or any prior agreements of record. Said amendments shall be effective upon recordation in the Office of the Recorder of Los Angeles County.

Section 16.3 Notice of Danger; Security In the event any Owner observes any equipment, furniture, structure, vehicle, conduct or activity within any portion of the Project which said Owner deems likely to cause or result in serious injury to the health or safety of any resident or occupant within the Project unless immediate corrective action is taken, said Owner shall immediately notify a member of the Board or the police (as applicable) that the appropriate action can be taken. The Association may provide a measure of security to the residents of the building but does not guarantee the safety and security of any resident or Owner. Each Owner and each resident shall take all reasonable measures to ensure the safety and security of the building and not jeopardize the safety and security of others. In the event any Owner observes any situation or activity which will likely result in a breach of security within the Project, said Owner shall immediately notify a security guard (if there is one on the Property) or any Official Person so that the appropriate action can be taken.

Section 16.4 Notification of Sale of Condominium Concurrently with consummation of the sale of any Condominium under circumstances whereby the transferee becomes an Owner thereof or within five (5) business days thereafter, the transferee shall notify the Board in writing of such sale. Such notification shall set forth: (i) the name of the transferee and the transferor;

(ii) the unit number of the Condominium purchased by the transferee; (iii) the transferee's mailing address, telephone number and, to the extent possible, email address; (iv) the date of sale. Prior to receipt of such notification, any and all communications required or permitted to be given shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

**Section 16.5 Taxes and Utilities** Each Owner shall pay any real and personal property taxes and utility charges separately for each Unit and separately from Assessments otherwise payable by each such Owner to the Association. All such taxes, charges and assessments and liens arising therefrom shall relate only to the Units to which they pertain and not to the Project as a whole.

**Section 16.6 Construction** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium Project, and this Declaration shall be construed and governed in accordance with California law.

**Section 16.7 Severability** The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any of the provisions hereof shall not affect the validity of the remaining provisions.

**Section 16.8 Successors and Assigns** This Declaration shall inure to the benefit of and be binding upon the heirs, personal representatives, grantees, lessees, successors and assigns of the Owners.

**Section 16.9 Delivery of Notices and Documents** Any written notice or other documents relating to or required by this Declaration may be delivered personally or by mail to the extent permitted by the Act or the California Corporations Code, by electronic mail by mail, such notice, unless expressly provided herein, or in the Bylaws to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received eight (48) hours after a copy thereof is deposited in the United States mail, postage prepaid, and fees prepaid, addressed to each Owner at the address of any Unit in the Project owned by such Owner, in whole or in part, or to the address last furnished by such Owner for the purpose of giving notice and delivering documents from the Board by electronic mail, such notice, unless expressly provided herein or in the Bylaws to the contrary with regard to the type of notice being given, shall be deemed to have been delivered and received upon confirmation of transmission. Each Owner shall file in writing with the Board promptly upon becoming an Owner such person's address for the purpose of giving notice and delivering documents, and shall promptly notify the Board in writing of any subsequent change of address.

**Section 16.10 Conflicting Provisions** In the case of any conflict between this Declaration and the Articles, the Declarations shall control. In the case of any conflict between this Declaration and the Bylaws and/or the Rules and Regulations, this Declaration shall control.

**Section 16.11 Statute References** Wherever reference is made herein to a California statute, including without limitation the California Civil Code or California Corporations Code,

such reference shall continue to apply to such statute as amended, restated, modified or superseded from time to time.

IN WITNESS WHEREOF, the undersigned have executed this Declaration this \_\_\_\_ day of \_\_\_\_\_ 2018 at Santa Monica, California.

1127 TENTH STREET CONDOMINIUM ASSOCIATION, INC.,  
a nonprofit, mutual benefit corporation

By: \_\_\_\_\_  
Its: President

I hereby certify and declare that the foregoing Declaration has been approved by the percentage of Owners required by the original Declaration. Executed at Santa Monica, California, on the \_\_\_\_ day of \_\_\_\_\_ 2018

By: \_\_\_\_\_  
Its: Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA        )  
  ) SS  
COUNTY OF LOS ANGELES    )

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA        )  
  ) SS  
COUNTY OF LOS ANGELES    )

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT “A” – PERCENTAGE INTEREST IN COMMON AREA AND ASSESSMENTS**

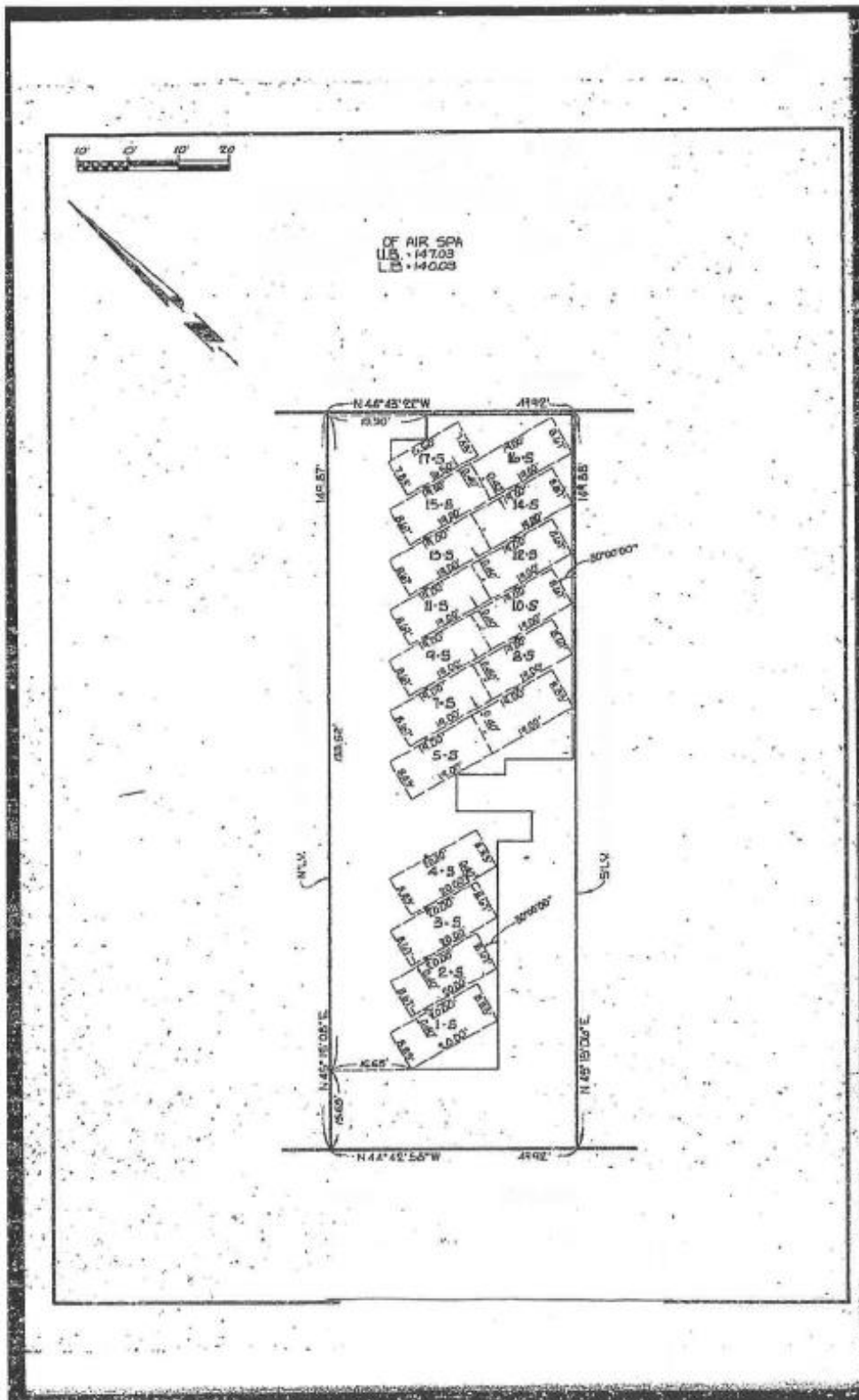
Unit No.	Percentage Interest in Common Area and in Assessments
101	8%
102	6%
103	9%
104	10%
201	8%
202	6%
203	9%
204	10%
301	15%
303	9%
304	10%

**EXHIBIT "B" – PARKING SPACE ASSIGNMENTS AND PLAN**

Unit No.	Parking Space Easements
101	9 and 10
102	17
103	1
104	5 and 6
201	7 and 8
202	2
203	4
204	15 and 16
301	11 and 12
303	3
304	13 and 14

**See Parking Space Plan on Next Page**

EXHIBIT "B" cont.



( ; + , % , 7C 3 - REPAIR AND MAINTENANCE SCHEDULE

This ExK L E L W 3 & ' L V D F R Q W L Q X D W L R Q R I W K H W H U P V D Q G F R and Section 6.2 of the Declaration regarding the maintenance and repair obligations of the Owners and the Association and set forth in more detail the provisions contained therein.

Component	Association Responsibility	Owner Responsibility
Appliances inside Unit (including, but not limited to, refrigerators, dishwashers, ranges, ovens, washers and dryers, and garbage disposals)		Maintain, Repair and Replace
Balcony Floor Surfaces (including waterproofing)		Maintain, Repair and Replace
Balcony Railings/Ledges	Maintain, Repair and Replace (except no replacement of Owner installed upgrades)	
Balcony Walls EXTERIOR	Maintain, Repair and Replace (except no replacement of Owner installed upgrades)	
Balcony Wall Surfaces INTERIOR		Maintain, Repair and Replace
Chimneys/Fireplaces		
Chimney Flues	Maintain, Repair and Replace	
Fire Boxes		Maintain, Repair and Replace
Spark Arrestors	Maintain, Repair and Replace	
Doors		
Front Door		Maintain, Repair and Replace
Front Door- Exterior Surface		Maintain, Repair and Replace
Front Door- Interior Surface		Maintain, Repair and Replace
Front Door Casing		Maintain, Repair and Replace
Garage Door and related components	Maintain, Repair and Replace	



Component	Association Responsibility	Owner Responsibility
BalconyPatioDoors and Door Frames		Maintain, Repair and Replace
BalconyPatioDoor - Exterior Surface		Maintain, Repair and Replace
BalconyPatioDoor - Interior Surface		Maintain, Repair and Replace
PatioBalcony Door Casings		Maintain, Repair and Replace
All Exterior Door Hardware		Maintain, Repair and Replace
All Door Weather stripping		Maintain, Repair and Replace
Doorbell exterior panels, buttons and circuits		Maintain, Repair and Replace
Doorbell chimes inside the Unit		Maintain, Repair and Replace
Dryer Duct Work and Washer Hookup		Maintain, Repair and Replace
Exterior Light Fixtures		
Front door light fixture and light bulb	Maintain, Repair and Replace	
BalconyPatiolight fixture and light bulb		Maintain, Repair and Replace
Exterior stucco, molding and trim	Maintain, Repair and Replace	
Exterior vents for plumbing and appliances		Maintain, Repair and Replace
Gas pipes (from gas main to Unit shutoff valve, including the valve)	Maintain, Repair and Replace	
Gas Pipes from exterior shutoff valve throughout Unit	Maintain, Repair and Replace	

Component	Association Responsibility	Owner Responsibility
Heating and Air Conditioning Equipment (including lines, wires, vents, pipes, duct work, over flow pans, platform pads and any other related equipment related thereto serving individual Unit)		Maintain, Repair and Replace
Interior Surfaces		
Ceiling Surfaces (including any paint, wall paper and acoustical coatings)		Maintain, Repair and Replace
Floor Surfaces		Maintain, Repair and Replace
Wall Surfaces (including any paint, wallpaper and other finishes)		Maintain, Repair and Replace
Restoration of Drywall and Wall, Ceiling and Flooring Finishes After Association Repairs	5 H V W R U H U W H D G S D L condition	Restore ceiling, floor and wall finish (e.g., painting, wall paper, etc.)
Interior wood trim, cabinets and shelves		Maintain, Repair and Replace
Landscaping - Patios and Balconies (including, but not limited to, maintaining, trimming and replacing in a neat and attractive condition and in a manner which does not endanger the Common Area by roots, branches, overwatering or otherwise)		Maintain, Repair and Replace
Mailboxes	Maintain, Repair and Replace	
Parking Spaces	Replace	Maintain and Repair
Parking Spaces Boundary Lines	Maintain, Repair and Replace	
Patio fences	Repair and Replace	Maintain

<b>Component</b>	<b>Association Responsibility</b>	<b>Owner Responsibility</b>
Patio floor surfaces (including waterproofing)		Maintain, Repair and Replace
Patio floor structure (e.g., cement slab)	Maintain, Repair and Replace	
Pipes, Drains and Plumbing Fixtures		
Pipes and Drains Serving Only Individual Unit		Maintain, Repair and Replace
Pipes and Drains in Walls Serving More than One Unit	Maintain, Repair and Replace	
Plumbing fixtures inside a Unit (including, but not limited to, fixtures, toilets, faucets, bathtubs, tub and shower valves, shower pans, drain lines, and angle stops) which exclusively service a Unit, wherever located		Maintain, Repair and Replace
Roofs	Maintain, Repair and Replace	
Rain Gutters and Downspouts	Maintain, Repair and Replace	
Security Equipment – any locks, intercom and security systems installed by an Owner which exclusively serves such Owner’s Unit		Maintain, Repair and Replace
Skylights		Maintain, Repair and Replace
Smoke Detectors inside Unit		Maintain, Repair and Replace
Storage Units (built-ins) in Parking Spaces –	Maintain, Repair and Replace Exterior Surface and Structure	Maintain Interior Surface/Airspace
Walls		
Interior Walls Within Units (Non-Bearing)		Maintain, Repair and Replace
Structural Integrity of Perimeter Walls of Units	Maintain, Repair and Replace	

Component	Association Responsibility	Owner Responsibility
Party Walls Between Dwelling Portion of Units	Maintain, Repair and Replace	
Water Heaters		
Serving Common Area or more than one Unit	Maintain, Repair and Replace	
Serving Individual Unit		Maintain, Repair and Replac
Windows		
Glass, Frames, Hardware and Rollers		Maintain, Repair and Replac
Window Casing		Maintain, Repair and Replace
Locks and Latches		Maintain, Repair and Replac
Screens and Frames		Maintain, Repair and Replac
Interior Caulking		Maintain, Repair and Replac
Wiring and Other Electrical Components		
Electrical Wiring in Walls Serving Individual Units		Maintain, Repair and Replac
Electrical Panels and Circuit Breakers serving One Unit		Maintain, Repair and Replac
Electrical Panels and Circuit Breakers Serving More than One Unit	Maintain, Repair and Replace	
Switches and outlets inside a Unit		Maintain, Repair and Replac
Cable TV Wiring in Walls Serving Individual Units		Maintain, Repair and Replac