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Declaration of Covenants, Conditions and Restrictions of 200 BRANNAN OWNERS
ASSOCIATION (As Restated in 2013)

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
200 BRANNAN OWNERS ASSOCIATION
(As Restated in 2013)©**

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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
200 BRANNAN OWNERS ASSOCIATION
(As Restated in 2013)©**

This Declaration of Covenants, Conditions and Restrictions of 200 BRANNAN OWNERS ASSOCIATION ("**Declaration**" or "**CC&Rs**") is a revised version of the now superseded Declaration entitled "Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements of 200 Brannan, A Condominium Community" which was recorded in the office of the San Francisco County Recorder on October 9, 2003 as Document No. 2003-H559316-00, in Reel 1490, Image 1182, and as may have been subsequently amended (hereinafter "**Former Declaration**").

RECITALS

1. **Legal Description.** This **Declaration** governs all of the real property and improvements thereon located at 200 Brannan Street (the "**Brannan Building**") and 1 Federal Street (the "**Federal Building**") in the County of San Francisco, State of California, described in **Exhibit A** (collectively, the "**Property**").

2. **The Community.** There are a total of 241 **Condominiums** (including 240 **Residential Units** and one (1) **Commercial Unit**) in the 200 Brannan development, which is a Condominium project within the meaning of the provisions of the California **Davis-Stirling Act**. It is managed by the 200 Brannan Owners Association.

3. **This Restated Declaration.** The **Association** determined that its **Former Declaration** is outdated. Therefore the **Members** have approved and recorded this **Declaration** which supersedes the **Former Declaration**. The provisions of this **Declaration** are intended to enhance and protect the value, enjoyment, safety, desirability and attractiveness of 200 Brannan Owners Association Condominiums.

4. **Applicability of Restrictions.** As revised, these covenants, conditions and restrictions shall run with the **Property** and shall be binding on all parties having or acquiring any right, title or interest in any portion of the **Property** in the same manner as the **Former Declaration**, and shall be for the benefit of all **Owners**.

**ARTICLE I
DEFINITIONS**

The following terms, when shown in bold type throughout this **Declaration**, shall have the following meanings:

Section 1.1. "1 Federal Owner" means an **Owner** of a **Residential Unit** at the **Federal Building**.

Section 1.2. "1 Federal Parking Spaces" means the **Parking Area** at the **Federal Building**, as shown on the **Map**. The **1 Federal Parking Spaces** shall consist of **Parking Spaces**, driveways and easements benefitting such **Parking Spaces**.

Section 1.3. "41 Federal Unit Owner" means an **Owner** of a live/work **Unit** located at 41 Federal Street "41 Federal" in the County of San Francisco, State of California (See also **Article II, Sections 2.5(c) and 2.5(d)** and **Article VI, Section 6.7** - Vehicles).

Section 1.4. "200 Brannan Garage" means the underground garage at the Brannan Building, as shown on the **Map**. The **200 Brannan Garage** shall consist of **Parking Spaces**, driveways and easements benefitting the **Parking Spaces**.

Section 1.5. "200 Brannan Owner" means an **Owner** of a **Residential Unit** at the **Brannan Building**.

Section 1.6. "Articles" means the **Articles** of Incorporation of 200 Brannan Owners Association, as amended from time to time.

Section 1.7. "Assessment" means a Regular, Special, Extraordinary Expense or Reimbursement **Assessment** made or assessed against an **Owner** and his or her **Unit** in accordance with the provisions of **Article IV** of this **Declaration**.

Section 1.8. "Association" means the 200 BRANNAN OWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns.

Section 1.9. "Board" or "Board of Directors" means the governing body of the **Association**.

Section 1.10. "Bylaws" means the **Bylaws** of the **Association**, as may be amended from time to time.

Section 1.11. "Commercial Unit" means the **Unit** used exclusively for commercial purposes and designated as Unit 100 on the **Map**. (See also **Section 6.23** below.)

Section 1.12. "Common Area" means all of the **Property**, except **Unit** area, including the earth parcel shown on the **Map**.

Section 1.13. "Community" means the development constructed on the **Property**.

Section 1.14. "Condominium" means the **Unit**, together with the undivided interest in the **Common Area** conveyed in fee to an **Owner**, and all related easements. See generally California Civil Code section 4125.

Section 1.15. "Davis-Stirling Common Interest Development Act" means that set of statutes governing Common Interest Developments which starts with California Civil Code Section 4000 and is also referred to as the **Davis-Stirling Act** or the **Act**.

Section 1.16. "Declaration" means this restated **Declaration** and any further revisions or amendments. The term **Declaration** is interchangeable with the term "Covenants, Conditions and Restrictions" or "**CC&Rs**".

Section 1.17. "Eligible Holder" means any **Institutional Mortgagee** who has delivered a written notice to the **Association** by certified mail, return receipt requested, with a copy by first class mail within thirty (30) days of the creation of the **Mortgage** or deed or trust containing its name, address and the number or address of the **Condominium** encumbered by the **Mortgage** and requesting designation as an **Eligible Holder**. In order to maintain eligibility, an **Eligible Holder** must renew its request for such designation in the same manner whenever contact information changes. The original request and each renewal request shall include the debtor's name, loan number, current holder of the promissory note or other obligation, and address and assessor's parcel number of the encumbered parcel. Strict compliance with this section is required.

Section 1.18. "Exclusive Use Common Area" means those portions of the **Common Area** which are for the exclusive use of one or more, but fewer than all, of the **Owners** of the **Units**. **Exclusive Use Common Area** is a subpart of **Common Area** distinguished by different rights and responsibilities from general **Common Area**. **Exclusive Use Common Area** shall include the following components when the component exclusively serves a single **Unit**: **Parking Spaces**, balconies, patios, yards and decks.

Section 1.19. "First Mortgage" means a **Mortgage** which has priority under the recording statutes of the State of California over all other **Mortgages** encumbering a **Condominium**.

Section 1.20. "First Mortgagee" means the **Mortgagee** of a **First Mortgage**.

Section 1.21. "General Notice" means delivery of documents and/or information to an **Owner** by **Individual Notice**, inclusion in a billing statement or newsletter, or posting the printed document in a prominent place at the **Property** designated for such notices.

Section 1.22. "Individual Notice" means transmittal of notices, documents, or other communications to an **Owner** via first-class mail, or via email, facsimile, or other electronic means, provided that the **Owner** has agreed in writing to that method of delivery. The **Owner** shall be responsible for maintaining his or her current addresses - mail and email (if applicable) - with the **Association**. The **Association** may, but shall not be required to, provide an undelivered communication by some other means. If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail. If a document is delivered by electronic means, delivery is complete at the time of transmission. If a document or information is required to be "in writing", then the information provided must be in an electronic record capable of retention by the receiving **Owner** (i.e., able to be printed and/or stored).

Section 1.23. "Institutional Mortgagee" means a **First Mortgagee** which is (i) a bank, savings and loan association, insurance or mortgage company or other entity or institution chartered under or regulated by any federal and/or state law; (ii) an insurer or governmental guarantor of a **First Mortgage**, including, without limitation, the Federal Housing Authority and the Veteran's Administration; (iii) or the State of California.

Section 1.24. "Governing Documents" means collectively this **Declaration**, the **Bylaws**, **Articles**, rules, policies and guidelines approved and adopted by the **Board**, and any amendments to such documents.

Section 1.25. "Map" means the following subdivision **Maps**: (i) "Map of 1 Federal Street, a Residential Condominium Project" recorded in the Official Records of San Francisco County on September 30, 2003, as Serial No. H551169, in Book 83 of Condominium Maps at Pages 7-10, and (ii) "Map of 200 Brannan Street, a Residential/Commercial Condominium Project" recorded in the Official Records of San Francisco County on September 30, 2003, as Serial No. H551170, in Book 83 of Condominium Maps at Pages 11-23.

Section 1.26. "Member" means a **Person** who holds membership in the **Association** and is synonymous with the term "**Owner**".

Section 1.27. "Mortgage" means a Deed of Trust, as well as a recorded **Mortgage** interest.

Section 1.28. "Mortgagee" means a beneficiary (such as a bank) under a **Mortgage** and/or Deed of Trust.

Section 1.29. "Occupant" means an **Owner**, resident, guest, invitee, tenant, lessee, sublessee, or other person in possession of a **Condominium**.

Section 1.30. "Owner" means the owner of record in the chain of title, whether one or more **Persons** or entities, having a recorded fee simple title to or undivided fee interest in any **Condominium**. This includes contract purchasers, but excludes **Persons** having any interest merely as security for the performance of an obligation. If title is in the name of a Trust, the Trustee is the **Owner**. If title is not held by a natural person or Trustee, the **Board** may adopt a policy defining "**Owner**" for purposes of use, residency and **Director** qualifications.

Section 1.31. "Parking Area" means all **Parking Areas**, including the **200 Brannan Garage** and the **1 Federal Parking Spaces**, which are designated on the **Map**. The **Parking Area** shall consist of **Parking Spaces**, driveways and easements benefitting the **Parking Spaces**.

Section 1.32. "Parking Space" means and refers to each portion of the **Parking Area** used for parking purposes which is designated on the **Map** by the letter "P" followed by a number. Each **Parking Space** includes the airspace encompassed within its boundaries. Many **Parking Spaces** are **Exclusive Use Common Areas** with exclusive rights granted to a particular **Unit**. Other **Parking Spaces** shall remain **Common Area** to be controlled, leased and/or assigned by the **Association** pursuant to **Section 3.14** below.

Section 1.33. "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, or other entity. This term includes any **Owner**, **Member**, a family member, tenant, **Occupant**, guest or invitee.

Section 1.34. "Property" means all of the real property and improvements of the 200 Brannan condominium complex and includes all **Units**, structures and **Common Area**.

Section 1.35. "Residential Unit" means any **Unit** except the **Commercial Unit**.

Section 1.36. "Storage Area" means those areas of the **Common Area** which are designated by the **Association** as **Storage Areas**.

Section 1.37. "Unit" means the separate interest as generally defined in Civil Code section 4185. The term "**Unit**" includes both the **Commercial Unit** and **Residential Units**.

1.37(a) Boundaries. The boundaries of each **Unit** shall be the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors bounding the **Unit**. Each **Unit** includes the airspace encompassed by its boundaries. The approximate dimensions of each **Unit** are shown on the **Map** as the boundaries of the **Unit**; however the existing physical boundaries of a **Unit** as originally constructed or as reconstructed in accordance with the original construction design shall be conclusively presumed to be located entirely within its boundaries.

1.37(b) Inclusions. The **Unit** expressly includes, regardless of location, the following components: the interior finish materials of walls and ceilings, carpeting, floor coverings, fixtures, cabinets, interior doors, weatherstripping, skylights (if any), light fixtures, toilets, wax or plastic rings, showers, shower pans, bathtubs, sinks, drains (including p-traps) and drain seals, space heaters, z-vents, filters, clothes dryer vents, as well as bathroom and kitchen plumbing fixtures (including the joints where the fixtures attach to pipes), faucets, fans, valves, washers, gaskets, tile, grout, caulking and waterproof elements of any bathroom and kitchen surfaces, including any waterproof elements behind tiles or other finish material. Electrical switches, receptacles, boxes and panels, circuit breakers, battery-operated smoke detectors, carbon monoxide detectors and similar alarms, utility components, fixtures and extensions thereof and appliances which are located wholly within or around the boundaries of a **Unit** or are recessed in the wall of the **Unit** and accessible from or adjacent to the **Unit**, and which service only that **Unit**, are also part of the **Unit**.

ARTICLE II **PROPERTY RIGHTS**

Section 2.1. Common Area Ownership. The interest of each **Owner** in the use and benefit of the **Common Area** is linked (appurtenant) to the **Condominium** owned by the **Owner**. Each **Owner** has a proportionate undivided interest in the **Common Area** as shown in **Exhibit B** attached hereto. No **Condominium** shall be conveyed by the **Owner** separately from the interest

in the **Common Area**. Any conveyance of any **Condominium** shall automatically transfer the right to use the **Common Area** without the necessity of express reference in the instrument of conveyance.

Section 2.2. No Partition. Except as provided by California Civil Code section 4600, there shall be no judicial partition of the **Property** or any part, nor shall any **Person** acquiring an interest in the **Property** or any part seek any judicial partition, provided, however, that if any **Condominium** is owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing in this **Declaration** shall be deemed to prevent a judicial partition as between co-tenants.

Section 2.3. Dedication. The **Association** may dedicate any of the **Common Area** to an appropriate public authority, provided that any such dedication shall have the assent of at least a majority of a quorum of **Owners**. The **Board** may grant **Common Area** easements or licenses to utility companies, communications companies or public entities, so long as the grant in whole or in part benefits the **Owners** and/or does not significantly interfere with the **Owners'** use of the **Common Area**.

Section 2.4. Grant of Exclusive Use of Common Area. The **Board** and/or **Owners** may approve the grant of exclusive use of a portion of the **Common Area** to an **Owner** under the limited circumstances provided for in Civil Code section 4600 and this section. The **Owner** must make application to the **Board**, which must include a drawing showing the proposed modification(s) and a full description of the proposed encroachment, including dimensions, materials and surrounding areas, etc. (as specified on the application).

2.4(a) If the **Board** determines that the subject **Common Area** is generally inaccessible and is not of general use to the membership at large, then the **Board**, in its sole discretion, may approve such exclusive use. Such areas may include, for example, confined areas within the building and adjacent to the applicant's **Unit**. The **Board** may also have similar discretion where the request conforms to other provisions of the above-cited statute. Typically, if a grant is made, a license is granted to a **Person** and may have conditions and/or be of limited duration.

2.4(b) If the **Board** finds that the proposed transfer does not comply with the exceptions stated in the above-referenced statute and/or this section, then for the **Board** to grant an exclusive use license or easement, there must also be an affirmative approval by at least twenty-five percent (25%) of the **Owners**, but not less than a majority of the votes cast.

2.4(c) The **Board** shall impose terms and conditions as are appropriate and beneficial to the **Association**. The terms may include recordation of documentation in the chain of title. Additionally, the **Owner** must accept the burden of management and maintenance of such **Common Area** and the **Board** may include the obligation to add the **Association** as an additional insured on **Owner's** liability insurance.

2.4(d) A written record must be kept by the **Owner** and any successor **Owner** of all such requests and approvals. The burden is on the **Owner** to produce written evidence of such

approval. If the **Owner** is unable to produce such evidence, there shall be a presumption that no approval was given.

Section 2.5. Easements. The ownership interests in the **Common Area** and **Units** described in this Article are subject to the easements granted and reserved for the **Owners of Condominiums** in the **Community**. Said easements shall be deemed to be covenants running with the land for the use and benefit of the **Owners** and their **Condominiums** superior to all other encumbrances applied against or in favor of any portion of the **Community**. Individual grant deeds to **Condominiums** may, but shall not be required to, set forth the easements specified in this section. Except for the easements expressly limited in duration, all easements shall be deemed to be perpetual, subject only to the amendment or termination of this **Declaration**.

2.5(a) Easements on Map. The **Common Area** and **Units** are subject to all easements, dedications and rights of way shown on the **Map**.

2.5(b) Easements for Common Area. Except as set forth in **Section 2.5(c)** below, every **Owner** shall have a non-exclusive right and easement for the entering (ingress), exiting (egress), use and enjoyment of the **Common Area** which shall be linked (appurtenant) to and shall pass with the title to every **Condominium**, subject to the provisions set forth in the **Governing Documents**.

2.5(c) Easements for 200 Brannan Garage.

2.5(c)(1) Generally. Only **Owners** having exclusive use easement rights to a **Parking Space** in the **200 Brannan Garage**, the **Association** and such other **Persons** having title, owning or leasing a **Parking Space** in the **200 Brannan Garage**, shall have non-exclusive rights and easements to use such portion(s) of the **200 Brannan Garage** as may be reasonably necessary to facilitate use of such **Person's Parking Space**, and of entering (ingress to) and exiting (egress to and from) the **Parking Space** along driveways constructed on the **Brannan Building** (the "Parking and Access Easement"). The Parking and Access Easement is linked (appurtenant) to and shall pass with the title to every **Residential Unit**.

2.5(c)(2) 1 Federal Building. Only one (1) **Residential Unit** at the **Federal Building** shall have exclusive use easement rights to a **Parking Space** in the 1 Federal Building. Every other **Residential Unit** at the **Federal Building** has exclusive use easement rights to a minimum of one (1) **Parking Space** in the **200 Brannan Garage** for such 1 **Federal Owner's** use. Each **200 Brannan Owner** has exclusive use easements rights to a minimum of one (1) **Parking Space** in the **200 Brannan Garage**.

2.5(c)(3) 41 Federal Owners. Pursuant to a Parking and Loading Easement Agreement recorded March 29, 2002, as instrument number 2002-HI37524-00 in the Official Records of the City and the First Amendment to Parking and Loading Agreement recorded August 16, 2004, as Instrument number 2004-H787458-00 (the "Parking and Loading Easement Agreement"), each 41 **Federal Unit Owner** has the right to one (1)

Parking Space for such **41 Federal Unit Owner's** use. Notwithstanding the foregoing, in no event shall the **Association** be obligated to provide in total, more than one (1) **Parking Space** for each live/work **Unit** at 41 Federal and a total of nine (9) **Parking Spaces** to the residents of 41 Federal. In the event there is any conflict between the terms of the Parking and Loading Easement Agreement and the **Governing Documents**, the terms and provisions of the Parking and Loading Easement Agreement shall prevail. In addition to the provisions set forth in the Parking and Loading Easement Agreement, the easements for the **41 Federal Unit Owners** to **Parking Spaces** shall also be subject to the following conditions:

2.5(c)(3)(i) Rules and Regulations. As provided for in the Parking and Loading Easement Agreement, ownership and use of such easements shall be subject to such rules and regulations as the **Board** may reasonably adopt pertaining to said easements including **Assessment** procedures whereby **41 Federal Unit Owners** having authority to use **Parking Spaces** shall be responsible for payment of a fee as reasonably determined by the **Board** to reflect 200 Brannan building costs. Each such **41 Federal Unit Owner**, by accepting such easement, agrees to be bound by said rules and regulations.

2.5(c)(3)(ii) No Subletting. **41 Federal Unit Owners** shall not sublet the **Parking Space** without the approval of the **Association**, which shall not be unreasonably withheld.

2.5(c)(3)(iii) Delinquency and Enforcement. Delinquency in payment of garage related costs levied by the **Association** or costs incurred by the **Association** due to the **41 Federal Unit Owner's** breach of obligations shall permit the **Association** to collect the delinquency in the same manner as a delinquent **Owner Assessment**. Any violation of the provisions of this **Section 2.5(c)** can be addressed in the same manner as set forth in **Article XI**.

2.5(c)(3)(iv) Dispute Resolution. Any dispute arising between a **41 Federal Unit Owner** and any other **Owner** shall be settled by the **Association**. Any dispute between a **41 Federal Unit Owner** and the **Association**, with respect to compensation upon extinguishment and/or reasonableness of the **Association's** rules, shall be settled by mediation before any formal action is filed or initiated. The cost shall be borne equally.

2.5(d) Easement to Parking and Loading Area at 41 Federal. Pursuant to the Parking and Loading Easement Agreement, every **200 Brannan Owner** has a perpetual non-exclusive loading and access easement on, over and across the ground floor of 41 Federal for the purposes set forth below (the "Loading and Access Easement"). The Loading and Access Easement area includes (i) two (2) loading spaces located on the ground floor of 41 Federal (the "Loading Spaces"), (ii) vehicular entering (ingress) and exiting (egress) to and from the Loading Spaces from Federal Street, and (iii) pedestrian access to and from the Loading Spaces from Federal Street. The purpose of the Loading and Access Easement is to provide access to and from the Loading Spaces located in the area comprising the Loading and Access Easement to and from 41 Federal.

2.5(e) Easements to Exclusive Use Common Area. All easements to **Exclusive Use Common Areas** are subject to the right of the **Association** to enter in and upon such **Exclusive Use Common Areas** as provided by and in accordance with the limitations upon such right as set forth in this **Declaration**. Each **Owner** has an exclusive right and easement for the use, possession and enjoyment of the **Parking Space** which is granted to that **Owner**, including easements for entering (ingress) and exiting (egress). For those **Owners** that have been granted an exclusive use easement for a patio, balcony, deck or yard (as shown on the **Map**), such **Owners** have an exclusive right and easement for the use, possession and enjoyment of such patio, balcony, deck and/or yard that they have been granted, including easements for entering (ingress) and exiting (egress), as applicable.

2.5(f) Encroachment. If any portion of the **Common Area** encroaches on any **Unit** or any part thereof or any portion of a **Unit** encroaches on any **Common Area** due to engineering errors, errors or adjustments in original construction, reconstruction, repair, settlement, shifting, or movement of the building, or any other cause, the owner of the encroachment shall have the right to maintain, repair or replace the encroachment, as long as it exists, and the rights and obligations of **Owners** shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that no right shall be created in favor of an **Owner** or **Owners** if said encroachment occurred due to the misconduct (willful or otherwise) of said **Owner(s)** or predecessor(s) of **Owner(s)** other than adjustments in the original construction. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the **Owners** agree that minor encroachments over adjoining **Units** or **Common Area** shall be permitted and that there shall be appropriate rights for the maintenance of said encroachments so long as they shall exist. In the event that an error in engineering, design, or construction results in an encroachment of a building into the **Common Area**, or into or onto an adjoining **Unit**, or into a required setback area, a correcting modification may be made in the **Map**.

2.5(g) Support, Maintenance and Repair. The **Association** and each **Owner** has a non-exclusive right and easement linked (appurtenant) to the **Common Area** and to all **Units** through each **Unit** and the **Common Area** for the support, maintenance and repair of the **Common Area** and all **Units**.

2.5(h) Easement to Governmental Entities. All governmental and quasi-governmental entities, agencies, and utilities and their agents shall have a non-exclusive easement over the **Common Area** and **Exclusive Use Common Area** for the purposes of performing their duties within the **Community**.

2.5(i) Additional Easements. Notwithstanding anything expressly or impliedly to the contrary, this **Declaration** shall be subject to all easements granted by developer for the installation and maintenance of utilities and drainage facilities necessary for the development and maintenance of the **Community**.

2.5(j) Association's Easements. There are reserved to the **Association** and its duly authorized agents and representatives such easements as are necessary to perform the duties and obligations of the **Association** set forth in the **Governing Documents**, including the right

to enter upon **Common Area**, **Exclusive Use Common Area** and **Units** in the **Community**, subject to the limitations contained in the **Governing Documents**.

Section 2.6. Below Market Rate Units. Certain **Units** within the **Community** have been designated limited equity units ("Limited Equity Units," also known as "Below Market Rate" or "BMR" Units) by the San Francisco Redevelopment Agency or its successor ("Agency") and are subject to additional covenants, conditions and restrictions required by the Agency ("LEU Restrictions"). There are fifty-one (51) Limited Equity Units distributed throughout the **Community**, which are constructed with different fixtures, finishes and amenities. These Limited Equity Units were sold to **Owners** with income levels between 80-120% (subject to Agency's ability to reduce such levels pursuant to the terms of that certain Owner Participation and Disposition and Development Agreement recorded on January 12, 2001, as Document No. 2001 6889864, as amended ("OP/DDA")) of the median income for the San Francisco Primary Metropolitan Statistical Area as determined by the United States Department of Housing and Urban Development. The sale and uses of the Limited Equity Units and the designated unit numbers are more particularly set forth in the OP/DDA and the Agency's Limited Equity Home Ownership Program Loan Disclosure Information, as well as the Short Form Deed of Trust and Assignment of Rents, the Addendum to Deed of Trust, the Promissory Note Secured by Deed of Trust, the Grant Deed and the Limited Equity Home Ownership Program Declaration of Resale Restrictions and Option to Purchase Agreement for each such Limited Equity Unit. These restrictions will last for at least forty-five (45) years and include, without limitation, prohibiting the leasing of the Limited Equity Units, and limiting re-sales to purchasers who are qualified by the Agency. Such re-sales are to be at prices determined by a formula based on then-current interest rates and median incomes (which may not factor in the total value of capital improvements or appreciation, if any).

ARTICLE III **AUTHORITY OF THE ASSOCIATION**

The **Board** shall have the power and authority to conduct the business of the **Association**, except as may be limited by the **Governing Documents** or the law, and, where appropriate or necessary, the **Board**, in its sound discretion and for the benefit of all **Owners**, shall generally enforce the provisions of the **Governing Documents** in the manner it deems most appropriate. In addition to those powers and duties set forth in the **Bylaws** or elsewhere in these **CC&Rs**, the **Board** shall also have the following duties and powers:

Section 3.1. Utilities. The **Association** shall procure and pay for water, sewage, garbage, recycling, electrical, gas, and other necessary utility service for the **Common Area** and (to the extent not separately metered or charged) for the **Units**. The **Association** may procure or otherwise facilitate communications improvements such as cable, internet, common communication or media service and allocate charges equitably. The **Association** may grant licenses or easements across **Common Area** to permit installation and maintenance of cable, telephone, internet or other similar lines and/or equipment by private companies.

Section 3.2. Common Area Services. The **Association** shall maintain the **Common Area**.

Section 3.3. User Fees. The **Association** may impose and collect reasonable fees for the use of **Common Area** facilities or areas by **Owners** and **Occupants**. Deposits and/or fees may also be imposed for **Common Area** use for moves in or out.

Section 3.4. Professional Services. As deemed prudent by the **Board**, the **Association** may procure and pay for professional services, including legal, management, reserve and accounting services.

Section 3.5. Taxes. The **Association** shall pay all taxes and assessments, if any, levied or assessed separately against the **Common Area**.

Section 3.6. Discharge of Liens. The **Association** shall pay, bond around or otherwise cause the discharge of any lien or encumbrance, including taxes, levied against any **Condominium** (including mechanic's liens) which, in the opinion of the **Board**, may constitute a lien against the **Common Area**. Where one or more **Persons** are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it. Any costs incurred by the **Association** by reason of said lien or liens shall be specifically assessed to said **Owners** as a **Reimbursement Assessment**.

Section 3.7. Other Obligations of the Board. The **Association** shall procure and pay for any other goods, materials, supplies, labor, services, painting, engineering, maintenance, repairs, structural alterations, improvements, insurance, taxes or assessments which the **Board** is authorized to secure or pay for pursuant to this **Declaration** or by law, or which is reasonably necessary in the discretion of the **Board** for the convenient and appropriate operation of the **Common Area**.

Section 3.8. Authority for Reasonable Entry for Inspection, Maintenance or Construction. The **Association** may enter any **Unit**, and any portion of the **Common Area** to which an **Owner** has been granted an exclusive easement or license, whenever such entry is reasonably necessary in connection with the performance of any inspection, maintenance or construction for which the **Association** is responsible. Such entry shall be made with as little inconvenience to the **Occupant** as is practical. Whenever possible, at least twenty-four (24) hours notice will be given to the **Occupant**.

Section 3.9. Manager. The **Association** may delegate the daily management duties to a manager or management company, subject to the direction and control of the **Board**.

Section 3.10. Water Management. To address water rationing or other prudent water use management, the **Association** may require installation of "low flow" devices and may offer reasonable incentives to **Owners** who install "low flow" or other water saving devices. The **Association** may also install flow meters to more fairly pro rate water costs. The **Association** may utilize the services of a flow meter company and cause the separate billing of water actually used by individual **Units**. Flow meter and water charges shall be collectible in the same manner as Regular **Assessments**. In the event that less than all **Units** have flow meters, an equitable

allocation shall be made so **Units** with flow meters are not charged for domestic water use of those **Units** without flow meters.

Section 3.11. Rules.

3.11(a) Rule-Making and Policy-Making Power. Subject to the provisions set forth in the **Davis-Stirling Act**, including **Member** review, the **Board** may propose, enact, adopt and/or amend rules and/or policies of general application to the **Owners** relating to the use of any part of the **Property** by the **Owners** and other **Persons**, including tenants and guests. Such subjects may include parking, commercial vehicles, vehicle dimensions, recreational vehicle and trailer parking, car washing, storage, trash, compost, recycling and garbage disposal, use of recreational facilities, dryer ducts, washer water hoses, pets, rental or lease of **Condominiums**, signs, holiday decorations, displays, and/or activities which might adversely affect the **Property, Community** or its appearance or might offend, inconvenience, annoy or endanger the **Owners** or **Occupants**. The **Board** may adopt policies to address any omission, ambiguity or conflict in the provisions of the **CC&Rs**. The discretionary rules shall not, however, be in conflict or materially inconsistent with any applicable provision of the **Articles, Bylaws** or **Declaration**. In the event of any such conflict in a discretionary rule, the provision contained in the **Articles, Bylaws** or **Declaration** shall be deemed to prevail.

3.11(b) Breach of Rules and/or Policies. Any breach of the rules and/or policies shall give rise to the rights and remedies set forth in **Article XI**.

Section 3.12. Electric Vehicles. **Occupants** shall not use common electricity to charge electric vehicles. The **Board** may, however, facilitate the recharging of electric vehicles with the installation of additional electrical outlets and/or related equipment. The **Board**, using its discretion, may allocate the cost of installation and electricity among those who use those facilities.

Section 3.13. Hazardous Materials. If the **Association** learns of the presence or condition of any material, organism, or substance in the **Common Area, Unit**, or **Exclusive Use Common Area** which is deemed by any governmental agency to be actually or potentially hazardous, the **Board** may, at its discretion, make written findings as to the circumstances and the need to take certain action and establish and implement appropriate policy and actions as are in the best interests of the **Association**. This shall include the power to take corrective measures similar to those set forth in **Article V, Section 5.1(e)**.

Section 3.14. Parking Spaces. All **Common Area Parking Spaces** which are **Exclusive Use Common Areas** conveyed as easements appurtenant to a **Unit**, shall remain under the control of the **Association**. The **Association** shall lease or otherwise assign **Parking Spaces** to **41 Federal Owners** to comply with the requirements of the Parking and Loading Easement Agreement as set forth in **Section 2.5(c)(3)** above. **Commercial Unit** parking shall not be used as public parking for customers. The **Association** shall establish rules and regulations regarding the use of unassigned **Parking Spaces** in the **Common Area**. The **Board** may grant a license to an **Owner** for the exclusive use of any **Parking Space** which has not been granted as an exclusive

easement. The **Association** may charge a rental fee for any such license and impose such terms and conditions as the **Board** deems appropriate. The **Board** may also designate unassigned **Parking Spaces** for guest parking or for use by residents of the **Property** on a first come first served basis.

Section 3.15. Storage Areas.

3.15(a) Generally. The **Association** may designate a portion of the **Common Area** as the **Storage Area**. The **Association** may lease, operate, maintain, repair, replace, restore and/or reconfigure any such **Storage Area**. The **Association** shall have the authority to lease spaces in the **Storage Area**; however, only **Owners** and **Occupants** may be lessees of such spaces. The **Association** may charge a rental fee for any such use and impose such terms and conditions as the **Board** deems appropriate. By utilization of a card access or similar system, the **Storage Area** shall be operated in such a manner as to permit the **Person** to which a space in the **Storage Area** is leased to enjoy his or her rights set forth in such lease.

3.15(b) Rules/Regulations. The **Association** shall establish rules and regulations regarding the use of **Storage Areas** in the **Common Area**. Such rules may regulate and restrict allowable contents and methods of storage. Sprinkler heads must be kept clear.

3.15(c) Breach. In the event of any breach of the **Governing Documents**, including failure to pay the **Storage Area** rental fee or any other **Assessment**, all of the remedies set forth in **Section 4.4** (Enforcement of Assessments) and **Article XI** (Enforcement of Governing Documents) may be utilized. If an **Owner** is delinquent in payment of any **Assessment**, it shall be deemed a breach of the storage lease and, after notice and hearing, the **Association** may retake possession.

ARTICLE IV
ASSESSMENTS

Section 4.1. Assessments.

4.1(a) Generally. Each **Owner**, by acceptance of a deed or other ownership interest, has and continues to covenant and agrees to pay **Assessments** to the **Association**, together with interest, late charges, costs, and legal fees, which shall be a charge on the **Condominium** and may become a continuing lien upon the **Condominium** against which each such **Assessment** is made. Each such **Assessment** and related charges shall also be a joint and several personal obligation of each **Person** who holds an ownership interest in such property at the time the **Assessment** becomes due and payable. All delinquent **Assessments** shall be subject to the provisions of **Article IV, Section 4.4**, below.

4.1(b) Combined or Multi-Unit Ownership. If two (2) or more **Condominiums** have been combined into one living space, each **Condominium** shall be subject to separate **Assessment**, notwithstanding their combination. Any **Assessment** delinquency associated

with one of the **Owner's Units** shall subject all of such **Owner's Units** to collection options set forth in this Article.

4.1(c) Types of Assessments.

4.1(c)(1) Regular Assessments. The **Board** shall establish for each fiscal year an Annual **Assessment** to be allocated among the **Units** as set forth in **Section 4.2** below. Unless otherwise provided, the Annual **Assessment** shall be due and payable as twelve (12) monthly Regular **Assessments**. Such Regular **Assessments** shall be due and payable on the first day of each month and be delinquent if not received by the **Association** by the 15th day of the month.

4.1(c)(2) Special Assessments. Special **Assessments** shall be allocated in the same manner as Regular **Assessments**.

4.1(c)(2)(i) Special **Assessments** may be levied for the purpose of defraying, in whole or in part, actual or estimated revenue shortfalls or such other purposes as the **Board** deems appropriate, subject, of course, to the **Assessment** level increase provisions of **Section 4.3 below**.

4.1(c)(2)(ii) Special **Assessments** may be approved, but implemented over months or years. However, each such increment approved at a point in time shall be levied, due and payable, independent of all other increments. Special **Assessments** shall be due as set forth in the Notice of Levy of Special Assessment (**see Section 4.3(c)** below).

4.1(c)(3) Extraordinary Expense Assessments. Where the **Board** determines an emergency or other appropriate situation exists as defined by statute, the **Board** may levy an Extraordinary Expense **Assessment**, but only in accordance with Civil Code section 5605 or any superseding provision of the California Civil Code which addresses **Assessments** necessary for extraordinary expenses.

4.1(c)(4) Reimbursement Assessments.

4.1(c)(4)(i) Definition. A Reimbursement **Assessment** is a charge against any **Owner** (and/or tenant) and the **Owner's Condominium**. It may be levied by the **Board** where there is a violation of the **Governing Documents** or misconduct by any **Owner**, or the tenants, guests, agents, employees, licensees, or invitees of an **Owner**. A Reimbursement **Assessment** may also be levied when a condition created or caused by an **Owner** or an **Owner's** predecessor in interest has or will require the **Association** to spend money (including incurring attorneys fees or other costs). A Reimbursement **Assessment** may also be levied under any of the following circumstances: (1) if a fine or penalty has been imposed by a third party against the **Association** (for example, a government fine); (2) if an **Owner** or tenant has caused any increase in the **Association** insurance premiums; or (3) by mutual agreement between an **Owner** and the **Association**.

4.1(c)(4)(ii) Implementation. Unless otherwise agreed between the **Owner** and **Association**, prior to levying a Reimbursement **Assessment**, the **Association** must provide the individual with due process pursuant to **Article XI, Section 11.4**.

4.1(c)(4)(iii) Collection. A Reimbursement **Assessment** shall be due and payable to the **Association** when levied or such later time as may be set. When a Reimbursement **Assessment** is levied, it may be asserted and/or collected in the same manner as a Regular **Assessment**, including a lien. Note, however, that non-judicial foreclosure only applies if it is to repair damage to **Common Area** or other "out of pocket" cost. Non-judicial foreclosure cannot be used to collect a penalty/fine.

4.1(c)(5) Additional Assessments. The **Association** may also levy separate **Assessments** on individual **Owners** and their **Units** by agreement for such subjects as use gas stoves, use of storage facilities and/or additional **Parking Spaces** not linked to particular **Units**.

Section 4.2. Divisions of Assessments. Regular and Special **Assessments** shall be charged equally against all **Condominiums**, except for that portion of the **Assessments** specifically allocated to meet the cost of insurance, painting and roof reserves, and any commonly metered domestic water, gas or electricity. These specially allocated items shall be levied among the **Units** in the proportion that the approximate square footage of living space for each **Unit** bears to the approximate square footage of all **Units**. The percentages are set forth in **Exhibit B** and the numbers shall remain valid even if there are later determined to be some disparities with the "As-Built" dimensions. Any claim of error in the division of **Assessment** calculation shall be waived if not brought to the attention of the **Board** in the first quarter of the fiscal year. In no case shall any recalculation extend to a prior financial year.

Section 4.3. Assessment Level Increases.

4.3(a) Approval of Board of Directors. The **Board** may impose a Regular **Assessment** up to and including a twenty percent (20%) increase over the aggregate Regular **Assessment** levied in the **Association's** preceding fiscal year. In order to exercise this discretionary power to increase Regular **Assessments**, the **Association** must have complied with Civil Code section 5300. The **Board** may impose Special **Assessments** which in the aggregate do not exceed five percent (5%) of the budgeted gross expenses of the **Association** for that fiscal year. The **Board** also has the power to levy an Extraordinary Expense **Assessment** pursuant to **Article IV, Section 4.1(c)(3)**.

4.3(b) Approval of the Owners. **Assessments** may be increased above the amounts set forth in **Section 4.3(a)** above, only with the approval of a majority of a quorum of **Owners**. For purposes of this section, quorum means more than fifty percent (50+%) of the voting power of the **Association**. (Based on 241 **Units**, this would require participation by the voting power of at least 121 **Units** and the approval by a majority of those participating in the vote.)

4.3(c) Notice. Owners shall be notified of a Special **Assessment** or an increase in Regular **Assessments** not less than 30 nor more than 60 days prior to the increased **Assessment** becoming due. Such notice must be in writing and delivered to the **Owner** by personal delivery or first-class mail. As of 1/1/2014, written notice may be delivered to **Owners** by **Individual Notice**.

Section 4.4. Enforcement of Assessments.

4.4(a) Delinquency. The **Association** shall adopt and distribute a collection policy which shall provide for the enforcement of **Assessments**, including the provisions set forth below. If an **Assessment** is delinquent, the **Association** may require payment of all of the following:

4.4(a)(1) reasonable costs incurred in collecting the delinquent **Assessment**, including reasonable attorney's fees;

4.4(a)(2) a late charge not exceeding ten percent (10%) of the delinquent **Assessment**;

4.4(a)(3) interest on all sums imposed (including the delinquent **Assessment**, reasonable fees and costs of collection, and reasonable attorney's fees) at an annual interest rate not to exceed twelve percent (12%) commencing thirty (30) days after the **Assessment** becomes due.

4.4(b) Returned Checks and Other Charges. An **Owner** who issues a check to the **Association** which is returned for any reason shall pay a reasonable charge set by the **Association** for processing such check. If the check cannot be negotiated, payment may be demanded in accordance with California Civil Code section 1719, which is entitled "Treble Damages for Failure to Pay Amount of Dishonored Check." Additionally, **Members** shall reimburse the **Association** for any insufficient funds or other costs incurred in Automated Clearing House (ACH) transactions.

4.4(c) Acceleration of Assessment. If any **Assessment** is delinquent for a period of more than sixty (60) days or an **Owner** is delinquent three (3) or more times for any duration within a twelve (12) month period, the **Association** may declare the entire balance of the annual or other **Assessment** amount (plus any other outstanding **Assessment**) immediately due and payable in full, together with any other delinquent amounts. Upon acceleration, interest, and a late charge on the full accelerated balance, will accrue.

4.4(d) Lien. The amount of a delinquent **Assessment**, plus any costs of collection, late charges, and interest, shall be a lien on the **Owner's Condominium** from and after the time the **Association** causes to be recorded with the County Recorder of San Francisco County a Notice of Delinquent Assessment. This lien includes all additional charges and sums which become due and payable after the date of recordation of the Notice of Delinquent Assessment. An **Association** lien shall survive the sale or transfer of a **Condominium**, except in the event of a foreclosure by a senior interest.

4.4(e) Non-judicial Foreclosure. The **Association** has the power to conduct non-judicial foreclosure in order to collect delinquent **Assessments**. Each **Owner** hereby appoints as trustee the **Person** designated by the **Association** as "trustee" in the Notice of Delinquent Assessment, or such substitute trustee as is designated pursuant to Civil Code section 2934a. Additionally, such **Owner** empowers such trustee to enforce the lien and to foreclose the lien by the private power of sale provided in Civil Code section 5675, or by judicial foreclosure. Each **Owner** further grants to the trustee the power and authority to sell the **Condominium** of any defaulting **Owner** to the highest bidder to satisfy such lien. Note that a fine (a penalty unrelated to reimbursement of costs) may be the subject of a lien and/or judicial foreclosure, but cannot be the basis for a non-judicial foreclosure.

4.4(f) Other Recourse.

4.4(f)(1) The **Association** may bring an action at law against the **Owner** personally obligated to pay the delinquent **Assessments**, and/or foreclose its lien against the **Owner's Condominium** (whether by judicial or non-judicial foreclosure).

4.4(f)(2) When an **Owner** has an exclusive **Parking Space** easement owned independent of title to the **Owner's Condominium** and that **Owner** is delinquent in payment of any **Assessment**, the **Association** may exercise the same collection options against that **Parking Space** as are available against the **Owner's Condominium**.

4.4(f)(3) Further, the **Association** may exercise any and all legal rights it may also have to cause the collection of delinquent **Assessments**. The **Association**, acting on behalf of the **Owners**, shall have the power to bid for the **Condominium** at the foreclosure sale and to acquire and hold, lease, **Mortgage** and convey the **Condominium**.

4.4(f)(4) Assignment of Rents and Security for Payment. As security for the payment of all liens provided for in this **Declaration**, each **Owner** assigns and grants to the **Association** the right and authority to collect the rents of the **Owner's Condominium** so long as the **Owner** is delinquent in payment of any **Assessments**. The **Association** may at any time, upon 10 day written notice to a delinquent **Owner** and **Owner's** tenant, collect such rents and apply them to any or all delinquent amounts, including costs and expenses (including reasonable attorneys fees). After such notice, tenant shall be jointly and severally liable for all delinquent amounts up to a maximum amount of tenant's obligation under the lease. When a tenant makes such payment to the **Association**, **Owner** hereby acknowledges that such payment shall be deemed a credit or offset against rents otherwise due from tenant to **Owner**. The assignment of rents shall be subordinate to the rights of the holder of any first **Mortgage** if such lender exercises a similar right.

4.4(f)(5) Any debt of a former **Owner** may be the subject of an assignment, sale or other transfer to a third party debt collector.

Section 4.5. Grantee Liability.

4.5(a) Voluntary Conveyance. Where an **Owner** voluntarily conveys part or all of that **Owner's** interest in a **Condominium**, the **Person** acquiring the interest takes subject to all **Assessments** and charges (delinquent or not) outstanding against the **Condominium** at the time of the conveyance. Upon request of an **Owner**, the **Association** shall provide a true statement in writing from an authorized representative of the **Association** as to any **Assessments** and/or other charges levied upon the **Owner's Condominium** which are unpaid on the date of the statement. The statement shall also include true information on late charges, interest, and costs of collection which, as of the date of the statement, are or may be made a lien upon the **Owner's Condominium**.

4.5(b) Conveyance by Foreclosure. In the event of a foreclosure of a **First Mortgage** by trustee sale, unless otherwise provided by law, the **Person** acquiring title, and his or her successors and assignees, shall not be liable for **Assessments** chargeable to such **Condominium** which became due and payable prior to the acquisition of title by such acquirer. In lieu of a foreclosure by Trustee Sale, a **First Mortgage** holder, with the consent of the **Association**, can accept a deed in lieu of foreclosure that relieves it of some or all of the delinquency that occurred prior to the deed in lieu of foreclosure.

4.5(c) Priorities. When a Notice of Delinquent Assessment has been recorded, such **Assessment** shall constitute a lien on the **Condominium** prior and superior to all other liens except (1) all taxes, bonds, and other governmental levies which by law would be superior thereto, and (2) the lien or charge of any **Mortgage** of record made in good faith, for value, and recorded prior to the **Association's** lien. Any foreclosure shall not relieve such **Condominium** from liability for the pro rata share of the annual or other **Assessment** that would otherwise be payable after the foreclosure.

Section 4.6. No Waiver or Offset. No **Owner** may exempt himself or herself from personal liability or release his or her **Condominium** from liens and charges by waiver of any **Owner** rights or by abandonment or non-use of any **Condominium**. As provided for by law, **Owners** cannot use any homestead or other exemption to avoid the obligation to pay **Assessments** (see generally *Lien Exception to Homestead Right* - Code of Civil Procedure section 703.010(b)). No offsets or deductions against any **Assessment** shall be permitted for any reason, including, without limitation, any claim that the **Association** is not properly discharging its duties.

ARTICLE V

RESPONSIBILITIES FOR MAINTENANCE, REPAIR AND REPLACEMENT

The following sets forth **Association** and **Owner** responsibilities for certain components and systems. Any component or condition not addressed herein may be the subject of a policy adopted by the **Board**.

Section 5.1. Association and Owner Responsibilities for Maintenance, Repair and Replacement.

5.1(a) Common Area. The **Association** is responsible for the maintenance, repair, replacement, management, operation, and upkeep of the **Common Area**, including perimeter trees and sidewalks (**Exclusive Use Common Area** is addressed below).

5.1(a)(1) Parking Areas. The **Association** will operate, maintain, repair, replace and restore the **Parking Areas** including the striping, numbering, plumbing and sump pumps located therein. The **Association** may from time to time engage a parking operator. By utilization of a card access or similar system, the **Parking Area** shall be operated in such a manner as to permit the **Owner** (or other party) to which a **Parking Space** has been granted to enjoy his or her rights thereto.

5.1(a)(2) Utilities. The **Association** shall maintain all utilities facilities located in the **Common Area** or to which the **Association** has been granted an easement, except for those facilities maintained by utility companies, public, private, or municipal.

5.1(a)(2)(i) Electrical and Gas Systems. The electrical wiring between the **Unit** meters and the circuit breaker box serving a **Unit** is the responsibility of the **Association**. The **Owner** shall maintain, repair and replace (as necessary) the circuit breaker box and all circuit breakers, wiring, switches, receptacles, fixtures or outlets and other related components (starting with the circuit breakers) that serve the **Unit**. The **Association** is responsible for maintenance, repair and replacement of any gas lines from the meter to the point where the line enters **Unit** area. Thereafter, the **Owner** is responsible for the gas lines, valves, and other components.

5.1(a)(2)(ii) Communications Wiring. The **Owner** is responsible for maintenance, repair and/or replacement of all internal communication wiring (including telephone, cable, satellite, internet and nonmetallic communication lines) designed to serve a single **Unit** (sometimes referred to as home run wiring), but which may be located outside the boundaries of the **Unit**. Access shall be subject to the consent of the **Association**. Any proposal to alter or install lines outside of the **Unit** must be approved in advance by the **Association**.

5.1(a)(2)(iii) Plumbing Systems.

5.1(a)(2)(iii)(A) Generally. Except as noted below, the **Association** is responsible for the maintenance, repair and replacement of plumbing lines located in the **Common Area**. The **Owner** is responsible for the maintenance, repair, and replacement of plumbing components located within the **Unit**, which are a part of the **Unit** or which are adjacent to and exclusively serve that **Unit** (wherever located). This includes, for example shut off valves under sinks and at toilets. It includes the drain connections at or near toilets, sinks, showers and tubs. Each **Owner** is responsible for valves that exclusively serve that **Owner's Condominium** wherever

located (shower valves are one example). If the **Association** performs maintenance, repair, or replacement to pipes inside the wall of a **Unit**, the **Association** shall only be responsible for restoring the surface to a condition ready for application of finish material such as texture, paint, carpet or tile.

5.1(a)(2)(iii)(B) Alterations. As a condition of approval of an alteration involving plumbing, the **Association** may require additional shut-off valves installed at the **Unit**. The **Association** may deny any alteration which involves moving pipes located below the floor and which are above the ceiling of a lower **Unit** (see also **Article XI - Architectural Control**).

5.1(a)(2)(iv) HVAC Systems. **Units** located in the Brannan building have central heat and air conditioning. **Units** in the Federal building do not have central heating or air conditioning, but do have gas fireplaces for heating.

5.1(a)(2)(iv)(A) Brannan Building. The **Association** is responsible for the HVAC up to the point where it enters the **Unit**. This includes rooftop equipment and flues down to the **Unit**.

5.1(a)(2)(iv)(B) Federal Building. The **Owner** is responsible for the maintenance, repair and/or replacement of the fireplace and related heating system.

5.1(a)(2)(iv)(C) Both Buildings. **Owners** are responsible for maintenance, repair and/or replacement of fans and vents at the particular **Units** such as kitchen cooking fans and bathroom fans. The **Owner** is responsible for dry ducting up to the point it enters a common wall. Ceiling fans and baseboard heaters are the responsibility of the **Owner**.

5.1(a)(3) Fireplace and Chimney Flue.

5.1(a)(3)(i) Gas Fireplaces. Some fireplaces are natural gas appliances and use is limited to natural gas. Burning of any other material or substance in a gas fireplace is dangerous and prohibited. Installation or conversion of gas fireplaces to allow burning of any other substance is not allowed. Firebox maintenance, repair and replacement are the **Owner's** responsibility. At the discretion of the **Board**, the **Association** may control such work and levy the cost as a Reimbursement **Assessment** against the **Owner**. The **Owner** is also responsible for all aspects of the gas burner, regulator, valve and supply line from the gas cock. The **Association** shall maintain and repair flues and caps where necessary due to normal wear and tear.

5.1(a)(3)(ii) Wood Burning Fireplaces. For wood burning fireplaces, the **Owner** shall be responsible for periodic cleaning of the fireplace flue. The **Association** may, at its discretion, periodically coordinate or otherwise implement chimney flue cleaning. Firebox liners or stone panels are an **Owner** responsibility. The **Owner** shall repair and replace the box, flues and caps where necessary due to normal wear and tear. At the

discretion of the **Board**, the **Association** may control such work and levy the cost as a Reimbursement **Assessment** against the **Owner**. The **Association** may periodically require **Owners** to provide it with either (i) a signed declaration of non-use, (ii) evidence of inspection and good condition, or (iii) evidence of timely cleaning. Failure or refusal to timely cooperate with such life safety measures may result in per diem fines and/or court action.

5.1(a)(4) Life Safety/Surveillance Systems. The **Association** shall maintain and repair the life safety systems, including, without limitation, fire sprinklers, backup generator, backup water pressure systems, alarms, and magnetic fire doors. In addition the **Association** shall install, maintain, and repair surveillance systems, including a key card or similar entry system. The **Association, Board** and management shall not be deemed to have made any representation or warranty to **Owner**, tenant, **Occupant** or guest, or to any other **Person** using the facilities or improvements within the **Community** regarding security or safety. Each **Owner** shall be responsible for the security and safety of **Persons** who occupy or use the **Condominium** owned by the respective **Owner**. The **Association** shall not be subject to any claims or liability in connection with the use, operation or provision of any 24-hour on-site staff service or safety system, or the failure to provide any 24-hour on-site staff service or safety system, within any portion of the **Community**.

5.1(a)(5) Storage Area. **Owners** shall be responsible for keeping the interiors of the storage spaces in a neat and clean condition. Sprinkler heads must be kept clear. The **Owner** is responsible for any locks. The **Association** shall not have responsibility for the security of or damage to personal property stored in the storage spaces and shall not be responsible for any **Owner** or **Owner** predecessor modifications.

5.1(a)(6) Windows and Exterior Glass Doors. For purposes of this section, reference to windows includes operable windows, fixed windows, and/or exterior glass doors.

5.1(a)(6)(i) Owner Routine Maintenance. The **Owner** shall maintain and keep in good repair the windows. This may include periodic cleaning of window weep holes, as well as sealing the bottom tracks, including corners, to keep moisture in the tracks from damaging the **Unit** and the **Common Area** walls adjacent to the window and/or exterior glass door. This may also include lubrication of the tracks, wheels and operating hardware of windows and exterior glass doors. The **Owner** is also responsible for maintaining and replacing weatherstripping as necessary. **Owners** shall not apply tinted reflective material to the windows.

5.1(a)(6)(ii) Association Responsibility.

5.1(a)(6)(ii)(A) Replacement of Window. The **Association** is responsible for replacement of the window (including glass). As double pane glass ages, the seal between the panes will eventually fail. Moist air may enter between the panes and at times may fog or condense on the inside. The **Association** shall have discretion

as to the method, means and timing of any repair or replacement of the glass. If the need for replacement is caused by occupants or conditions in the **Unit**, the cost for the work may be the subject of a Reimbursement **Assessment** against the **Owner** of that **Unit**.

5.1(a)(6)(ii)(B) Maintenance. The **Association** shall seal/caulk around the windows and exterior glass doors as part of the **Association's** routine cyclical exterior work.

5.1(a)(6)(iii) Window Cleaning. The **Association** will clean exterior windows periodically. **Owners** of **Units** 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 119, 121, 123, 125, 128, 132, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 226, 234, 324; 330, 424, 430, 434, 436, 501, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512 and 513, and any other **Units** with balconies, decks or patios, must provide access through their **Units** to their respective balconies, decks or patios for such cleaning. **Owners** of **Units** with doors, including sliding glass doors, to their balconies, decks or patios are responsible for keeping the windows on such doors clean.

5.1(a)(7) Front Doors to Units. There are three types of front doors at 200 Brannan: courtyard doors, hallway doors and penthouse doors. The **Association** shall be responsible for the maintenance, repair and replacement of all front doors and hinges. All other related hardware, including locks, shall be maintained, repaired and replaced by the **Owner**. The **Association** shall maintain, repair and replace an intercom entry system (this may include changing the technology used), as well as the doorbell system at the **Unit's** front door.

5.1(a)(8) Mailboxes. The **Association** is responsible for the mailboxes, except for locks and keys. The **Owner** is responsible for the repair and replacement of locks and keys.

5.1(b) Exclusive Use Common Area. The responsibility for the maintenance, repair and replacement of **Exclusive Use Common Area** shall be as follows:

5.1(b)(1) Decks, Balconies and Patios.

5.1(b)(1)(i) The **Association** is responsible for the repair and replacement of the deck, balcony and patio components caused by normal wear and tear. **Owners** shall cooperate with the **Association** in providing access to decks, balconies and patios for such repair and replacement. This may include removal by the **Owner** of all personal property.

5.1(b)(1)(ii) The **Owner** shall keep each deck, balcony and patio in good condition and generally clear of trapped water (such as under planters and pots) and leaf debris. No **Owner** shall wash clean patios, balconies, decks or yards with water (and shall instead sweep or dry mop such space). The **Owner** shall be responsible for all repairs resulting

from negligence, neglect or misuse. The **Board** may adopt guidelines which reasonably require **Owners** to perform certain other aspects of maintenance of decks, balconies and patios.

5.1(b)(1)(iii) The **Association** will perform routine and cyclical railing work. **Owners** are responsible for periodically checking railings and shall notify the **Association** of any condition that may require other work. Also, **Owners** are responsible for determination of whether the balcony and railing configurations are appropriate to their particular circumstances (whether child-proofing, pet-proofing or other precautionary measures). Any alteration that may be visible from outside of the building is still subject to the architectural review and approval process.

5.1(b)(1)(iv) **Owners** of **Units** which contain a roof drain within such **Owner's Exclusive Use Common Area** are obligated to maintain such roof drain and shall keep it functional and free and clear of debris.

5.1(b)(2) **Spigots.** Spigots at decks, balconies and patios shall be maintained by the **Owner** benefitted, and repaired and replaced by the **Association** as necessary due to normal wear and tear. The **Association** may levy a Reimbursement **Assessment** against the affected **Owner** for the cost of such work. The **Owner** is responsible for any anti-siphon device.

5.1(b)(3) **Protection from Freeze Damage.** **Owners** shall take reasonable precautions to protect water pipes (including hose bibs) in **Exclusive Use Common Area** from freeze damage.

5.1(b)(4) **Owner Improvements.** **Owners** shall be responsible for the maintenance, repair, replacement and/or removal of improvements and/or architectural alterations made by or on behalf of **Owner** or an **Owner's** predecessor. This responsibility includes damage to **Common Area**.

5.1(b)(5) **Other Components.** Unless otherwise determined by the **Board**, all other **Exclusive Use Common Areas** shall be maintained by the **Owner** benefitted, and repaired and replaced by the **Association** to the extent that such work is appropriate due to normal usage.

5.1(c) Unit Area. Each **Owner** shall keep the interior of the **Owner's Unit**, including fixtures and appliances, in good repair and condition. Each **Owner** shall have the sole responsibility and the exclusive right, at the **Owner's** expense, to do the following:

5.1(c)(1) **Decorations and Alterations.** The **Owner** may paint, tile, wax, paper, or otherwise refinish and decorate the inner surfaces of walls, ceilings and floors bounding the **Owner's Unit**. Notwithstanding the right to alter interior finishes, unless there is prior **Association** approval, no alteration may be made which may increase sound transmission from one **Unit** to another;

5.1(c)(2) Appliances. The **Owner** shall maintain, repair and replace appliances (which are fixtures or personal property), including dishwashers, refrigerators, ice makers, washers, dryers, ovens, ranges, and microwave ovens. **Owners** are responsible for maintenance of the clothes dryer exhaust vent ducts, which includes periodically checking and cleaning the ducts that extend from the back of the clothes dryer to the point where it exits **Unit** area. The **Owner** is also responsible for the cost to repair damage wherever suffered, caused by the washing machine and hoses, refrigerator water lines and/or any other appliance in **Owner's Condominium**;

5.1(c)(3) Waterproofing Integrity of Surfaces. The **Owner** shall maintain, repair and replace the waterproofing elements of **Unit** surfaces and systems in kitchens and bathrooms, including tiled areas, showers, shower pans, and tubs;

5.1(c)(4) Fixtures and Personal Property. The **Owner** shall maintain, repair and replace fixtures and personal property which utilize water (such as toilets, dishwashers, refrigerators and laundry machines) in such a manner that they will not cause water or other damage to adjacent areas. **Owners** shall also keep sinks, bathtubs, showers, laundry machines, ice makers/water dispensers, and toilets from leaking or overflowing;

5.1(c)(5) Smoke and Other Detectors/Alarms. The **Owner** shall maintain and replace independent battery-operated smoke alarms and carbon monoxide detectors/alarms inside the **Unit**. The **Association** shall repair and replace hardwired emergency systems;

5.1(c)(6) Fire Sprinklers. The **Association** shall maintain, repair and replace the components of the fire sprinkler system. **Owners** must cooperate by providing access for inspection, testing and repairs. An **Owner** of a **Unit** with sprinkler heads that have been painted shall reimburse the **Association** for the cost of replacement. No partition wall, furniture or alteration shall be installed in such a way as to block the intended spray pattern of sprinkler heads; and

5.1(c)(7) Other. The **Owner** shall maintain, repair and/or replace the components identified in the definition of **Unit** herein.

5.1(d) Landscaping. All landscaping on the **Property** shall be kept neat and orderly. The **Association** shall be responsible for all landscaping located on the **Common Area**, excluding **Exclusive Use Common Area**. **Association** authority shall include discretion in the trimming, removal and/or replacement of trees and other landscaping.

5.1(e) Insects, Organisms and Pests.

5.1(e)(1) The **Owner** is responsible for taking reasonable measures to keep **Unit** area and **Exclusive Use Common Area** free of pests and the damage they cause. Reasonable measures shall include prompt notification to the **Association** of any conditions which

promote and/or cause the presence of infestations or damage upon on which the **Association** should investigate and/or act.

5.1(e)(2) At the discretion of the **Board**, the **Association** may assume responsibility to coordinate and cause repair and maintenance where such work must be performed at more than one **Unit**. If the **Association** exercises the right to such control, it may include reasonable notice of the need to vacate the residence temporarily and/or as otherwise provided in Civil Code section 4785.

5.1(e)(3) The **Association** may cause the temporary, summary removal of any **Occupant** of a residence for such periods and at such times as may be necessary for prompt, effective treatment of pests or organisms.

5.1(e)(4) The costs of temporary relocation during the repair and maintenance shall be borne by the **Owner** or other **Occupant(s)** of the **Unit** affected.

5.1(e)(5) In the event the **Association** advances costs for which an **Owner** is responsible or costs of enforcement of this section, it may seek reimbursement in the same manner as collection of delinquent **Assessments**.

5.1(e)(6) No pest control or other contractor shall be permitted to conduct destructive testing of any kind or nature on the **Common Area** without the prior written approval of the **Association**.

5.1(e)(7) The **Owner** is responsible to abate any nuisance caused by the presence of pests such as vermin, rodents, mice, ants, silverfish, mosquitos, insects or similar infestations in or immediately adjacent to the **Owner's Unit** or **Exclusive Use Common Area**. The eradication of pests in those areas is the responsibility of the **Owner**, unless the **Board**, in its discretion, opts to treat the problem.

Section 5.2. Water Damage. Waterproofing or plumbing components in **Unit** areas such as kitchens and bathrooms (particularly tubs and showers) require routine **Owner** maintenance or periodic repair or replacement in order to preserve the function and waterproofing integrity of the **Unit** areas. Sewer lines are also vulnerable to abuse. In some instances, water damage or plumbing problems may involve **Common Area** and/or adjacent **Units**. Where the cause of the damage cannot be determined by observation and unless the parties otherwise agree, in order to (a) diagnose the condition(s), (b) determine reasonable methods and costs of repair, and (c) allocate responsibility, the process set forth below shall apply. The **Association** may also use this process to troubleshoot other types of leaks when the source and/or responsibility are unclear.

- (1) The **Association** shall retain a third-party architect, engineer, contractor or other representative to observe, test, and/or report on (a) the condition of the subject area, (b) the cause(s) of the damage and (c) a fair allocation of liability and/or repair costs consistent with the lines of responsibility set forth in this **Declaration**.

- (2) If the **Association** advances funds for the testing, demolition, repairs and/or other related costs, it may impose a Reimbursement **Assessment** on the responsible **Owner(s)** pursuant to **Article IV, Section 4.1(c)(4)**.
- (3) All parties shall be permitted to observe any destructive testing and/or demolition exposing the damaged area.
- (4) Upon determination of responsibility, the **Association** may cause the repairs to be performed and impose a Reimbursement **Assessment** on the responsible **Owner(s)** pursuant to **Article IV, Section 4.1(c)(4)**.

Section 5.3. Inspection, Repair and Replacement of Risk Components.

5.3(a) Notwithstanding the provisions of this **Article V**, the **Board** may determine that certain portions of the **Units** required to be maintained by the **Owners**, or certain objects or appliances within the **Units**, pose a particular risk of damage to other **Units** and/or to the **Common Area**, or of life safety, if they are not properly inspected, maintained, repaired or replaced. They may pose a risk to adjacent neighbors. Failure and damage may cause insurance claims which in number, type or severity may cause an insurer to non-renew the policy or increase premiums, thereby affecting all **Owners**, not just those with direct damage. Examples of these types of components include carbon monoxide detectors, fire sprinkler heads, dryer vents, washing machine hoses and ice maker supply lines.

5.3(b) If the **Board** determines it warrants **Association** action, has provided notice to the **Owners** of the proposed policy to be adopted and has adopted such policy, then the **Board** may require one or more of the following with regard to an identified Risk Component:

5.3(b)(1) That it be inspected at specified intervals by the **Association** or an inspector designated by the **Association** (see also **Section 5.1(c)(6)**).

5.3(b)(2) That it be replaced or repaired at specified intervals, or with reference to manufacturers' warranties, recalls or other advisories.

5.3(b)(3) That it be replaced or repaired with items or components meeting particular standards or specifications established by the **Board**.

5.3(b)(4) That when it is repaired or replaced, the installation include additional components or installations specified by the **Board**.

5.3(b)(5) That it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the **Association**.

5.3(b)(6) If the replacement or repair is completed by an **Owner**, that it be inspected by a **Person** designated by the **Association**.

5.3(c) The imposition of requirements by the **Board** shall not relieve an **Owner** of his or her obligations to perform and pay for repairs, maintenance, and replacement.

5.3(d) The **Association** shall not incur any liability due to the failure to adopt or enforce any such policy.

5.3(e) If any **Owner** fails to repair, maintain or replace a Risk Component in accordance with the requirements established by the **Board**, the **Association** may, after proper notice and hearing, take appropriate action under **Article XI**.

Section 5.4. Enforcement.

5.4(a) Common Area. If the need for maintenance, repair or replacement of any **Common Area** is caused by an **Owner**, **Owner's** predecessor, or the **Owner's** family, guests, tenants, invitees, or pets, or emanates from within the **Owner's Unit**, then the **Association** may cause the work to be performed, and upon determination of responsibility by the **Association** may levy a Reimbursement **Assessment** against the **Owner** and/or the **Owner's Condominium**. If damage to the **Common Area** emanates from adjacent **Unit** area, the current **Owner** of the **Unit** from which the damage emanated is responsible for the cost to repair and restore the **Common Area**, regardless of when the damage occurred. Any such cost may be levied as a Reimbursement **Assessment**.

5.4(b) Unit and Exclusive Use Common Area. If the **Board** reasonably finds that a **Unit** or **Exclusive Use Common Area** requires maintenance, repair or replacement of any component or condition for which the **Owner** is responsible, the **Board** may direct the **Owner** to perform the work and if the **Owner** fails or refuses to do so within a reasonable period of time, the **Association** may utilize the provisions of **Article XI** entitled *Enforcement of Governing Documents*, and cause the work to be performed and levy a Reimbursement **Assessment**. The **Association** may also utilize the provisions of **Article X, Section 10.10(c)** entitled *Association Options for Abating Continuing Nuisances*.

5.4(c) Entry for Repairs. The **Board** or its contractors or agents may enter any **Unit** or **Exclusive Use Common Area** when necessary in connection with any inspection, maintenance, repair, landscaping, or construction for which the **Association** is responsible. Such entry shall be made with as little inconvenience to the **Occupant** as is practical. Whenever possible, at least twenty-four (24) hours notice will be given to the **Occupant**. If the **Owner** or **Occupant** is responsible for the area in which the problem originates or is responsible for creating emergency circumstances, and access is not provided by an **Occupant**, the **Owner** shall reimburse the **Association** for locksmith fees or other costs to access and/or secure the premises. **Owner(s)** shall be responsible for all **Association** costs incurred due to failure to cooperate and/or provide reasonable access to **Owner's Unit**. The costs of temporary relocation during the repair and maintenance shall be borne by the **Owner** of the **Unit** affected.

5.4(d) Emergency or Consent Key Access. The **Association** may require that **Owners** and **Occupants** provide key(s) to access the **Unit** in the event of an emergency or with **Owner/Occupant** consent. If the **Owner** or **Occupant** is responsible for creating emergency circumstances, and access is not provided by an **Occupant**, the **Owner** shall reimburse the **Association** for locksmith fees or other costs to access and/or secure the premises. **Owner(s)** shall be responsible for all **Association** costs incurred due to failure to cooperate and/or provide reasonable access to **Owner's Unit**. The costs of temporary relocation during the repair and maintenance shall be borne by the **Owner** of the **Unit** affected.

5.4(e) Continuing Nuisance. Failure of an **Owner** to perform any maintenance, repair or replacement determined by the **Board** to be the **Owner's** responsibility and necessary shall be deemed a continuing nuisance.

5.4(f) Other Options. These enforcement options shall be in addition to those provided for in **Article XI**.

Section 5.5. Miscellaneous.

5.5(a) Where repair or replacement of components crosses lines of responsibility, the **Association** may undertake the work and charge the **Owner** an appropriate amount and/or impose a Reimbursement **Assessment**. For example, where the cause of damage originates in or at one **Unit** and necessitates **Association** repair of **Common Area**, the **Association** may, but shall not be required to, repair damage to neighboring **Unit** area as part of the overall repair process.

5.5(b) The **Owner** of the **Unit** where the point of origin of physical damage occurs shall be liable to the **Association** for any damages caused to the **Common Area** and shall be liable to **Owner(s)** of any adjacent damaged **Unit(s)**. If in the **Board's** discretion, the **Association** opts not to address damage to adjacent **Unit** area, the **Owner** of such **Unit** shall still have recourse to unilaterally assert a claim for reimbursement or other damages directly from the responsible **Owner**.

5.5(c) The **Association** shall not be liable for any interior water-related, sewerage, or other damage to the **Units** (including personal property) unless it can be shown that the **Association** acted with gross negligence in any maintenance, repair or replacement project undertaken by the **Association**. Further, the **Association** shall not be liable for any loss of use.

5.5(d) The **Association** is not responsible for any costs or expenses relating to temporary relocation or loss of use of **Units** during any maintenance, repair and/or replacement of any facet of the **Condominiums**, regardless of the reason for such work.

5.5(e) In the event the **Association** must disturb interior finished surfaces when performing maintenance, repair or replacement of any component, the **Association** shall be responsible

only for restoring the surface to a condition ready for application of finish material such as texture, paint, carpet or tile. **Owners** are responsible to cooperate as necessary to move personal property.

5.5(f) Earthquake Damage. The **Association** shall have no liability for uninsured or underinsured damage to **Unit** areas or personal property caused by an earthquake or other catastrophic event. In the event of earthquake damage to the drywall inside a **Unit**:

5.5(f)(i) Replacement. The **Association** shall only be liable for the replacement of drywall on the perimeter walls which, in the estimation of the **Board**, suffered sufficient damage to require replacement. The restoration and repairing of all other interior walls shall be at the sole expense of the **Owner**.

5.5(f)(ii) Re-taping. Damage to perimeter walls that does not require replacement of the drywall (e.g., buckled joint tape, hairline fractures of the drywall, etc.) shall be the responsibility of the **Owner**. The **Owner** shall also be responsible for restoration and repair of all finished surfaces, including, but not limited to, re-taping, painting, plastering, and wallpapering.

ARTICLE VI **USE RESTRICTIONS**

The **Property** shall be occupied and used as follows:

Section 6.1. Use of Units.

6.1(a) With the exception of the **Commercial Unit**, no **Owner** shall occupy, use or permit his or her **Unit** to be used for any purpose other than for residential purposes and incidental home based activities as permitted by **Section 6.16**, below.

6.1(b) No **Owner** shall permit anything to be done or kept in his or her **Unit** or **Common Area** which will result in the increase of premiums, decrease in coverage, non-renewal or cancellation of insurance on any **Unit** or any **Common Area**, or which would be in violation of any law. To the fullest extent permitted by law, if the nature of use of any **Unit** causes an increase in the rate of insurance procured by the **Association**, the **Board** may levy a Reimbursement **Assessment** for the additional amount. The **Board** may make such a determination based on facts reviewed in a duly-noticed hearing.

6.1(c) Nothing shall be done in any **Unit** which will impair the structural integrity of any building in the **Community** or which would structurally alter any such building or decrease the effectiveness of fire safety systems. Drilling into concrete surfaces is prohibited unless approved in advance in writing by the **Board**. Requests for architectural changes are addressed in **Article X**.

6.1(d) Each **Person** shall comply with all of the requirements of all governmental authorities, federal, state and local, and all laws, ordinances, rules and regulations applicable to his or her **Condominium**. Violation of any such law is also a violation of these **CC&Rs**.

Section 6.2. Use of Common Area. All use of the **Common Area** is subject to **Association** rules and regulations adopted by the **Board**. Use of the **Common Area** is further subject to the following:

6.2(a) There shall be no obstruction of the **Common Area**. Nothing shall be stored in the **Common Area** without the prior consent of the **Board**, and/or in accordance with written guidelines adopted by the **Board**, or in designated storage areas. Except for reasonable amounts kept for normal household use, no gasoline, kerosene, cleaning solvents or other flammable liquids shall be stored anywhere on the **Property**.

6.2(b) Nothing shall be done to or in the **Common Area** which has an adverse effect on its enjoyment, use, value, insurability, condition or appearance. **Owners** shall be liable for their own acts, as well as jointly and severally liable for the acts of family members, tenants, pets, guests and invitees. Any damage or destruction to the **Common Area** or areas the **Association** maintains may result in a Reimbursement **Assessment** being levied against the **Owner**, tenant, and/or the **Owner's Condominium**.

6.2(c) Nothing shall be altered or constructed or removed from the **Common Area**, except with the written consent of the **Board**.

6.2(d) There shall be no violation of the rules and regulations relating to the use of the **Common Area**.

6.2(e) In order to properly maintain and repair the **Common Area** and other components which are the **Association's** responsibility, it is important that the **Board** have notice of any problems. **Owners** are encouraged to report to the **Association** any **Common Area** problem observed in the condition of the **Common Area** or other area of **Association** responsibility, particularly at their respective **Units**. Failure to do so may reduce the **Association's** financial responsibility for making later repairs to the **Unit**.

Section 6.3. Use of Decks, Balconies, Yards and Patios.

6.3(a) No **Person** shall store any items on patios, balconies, yards or decks including without limitation furniture (excluding furniture designed specifically for outdoor use), bicycles, barbecues and appliances. Except for outdoor furniture, any other items must have prior approval of the **Association**. The approval may take the form of pre-approved written guidelines. Such guidelines may include specifics as to size, placement and number of plants and other personal property.

6.3(b) No **Person** shall install outdoor speakers on patios, balconies or decks or in yards which would cause noise to interfere with the quiet enjoyment of neighboring **Owners** or **Occupants**.

6.3(c) No outdoor carpeting, artificial grass or similar covering shall be placed on any patio, balcony, deck or yard. Further, no additional outdoor lighting may be installed without the prior written approval of the **Association**.

6.3(d) No **Person** shall water plants or flowers in such a way to cause water to encroach on below or neighboring patios, balconies, decks or yards. **Owners** must keep drains clear of debris and functional.

6.3(e) No **Person** shall enclose any patio, balcony, deck or yard with netting or shades without the prior written approval of the **Association**.

6.3(f) No **Person** shall throw, or permit to be swept or thrown, any dirt, water, objects, or other substance whatsoever of any kind from his/her deck, balcony, or patio.

Section 6.4. Signs and Flags. No signs, posters, flags or banners are permitted except as provided for by law or approved by the **Board**. With the exception of the **Commercial Unit**, commercial signs are not permitted, with the exception of one (1) for sale or for rent sign per **Unit**. A small alarm service sign shall not be deemed commercial in this context. The **Board** may adopt reasonable rules or policies on the overall subject, including the type, appearance and size of permitted signs. Enforcement shall be limited to instances in which such action does not violate any law or regulation governing the display of signs, posters, flags or banners.

Section 6.5. Animals.

6.5(a) No animals, reptiles, rodents, birds, exotic pets, livestock, or poultry of any kind shall be raised, bred, or kept in any **Unit** or the **Common Area**, except that no more than two (2) domestic dogs or two (2) domestic cats, or one (1) domestic dog and one (1) domestic cat, fish (which shall not be counted in determining the number of pets) and no more than two (2) birds (in birdcages) may be kept as domestic pets in any **Residential Unit**, provided they are not kept, bred or maintained for any commercial purposes, and they are kept under reasonable control at all times.

6.5(b) The keeping and control of each type of pet shall be expressly subject to such controls and prohibitions as may be adopted by the **Board** and/or as specified in the rules. Such rules may include additional limitations on type and/or size of animals which may be kept. The rules may also include breed and other restrictions or prohibitions. The **Board** shall specifically have the right to prohibit the maintenance of any pet which, after notice and hearing, is found to be a nuisance to other **Owners**. However, the **Board** may immediately ban any animal that causes injury to any person or other pet from the property until a hearing can be held.

6.5(c) No pet shall be allowed in the **Common Areas** except as may be permitted by the rules. **Owners** and **Occupants** shall prevent their pet from soiling any portion of the **Common Areas** and shall promptly clean up any waste left by their pet.

6.5(d) Each person bringing or keeping a pet upon the **Property** shall be liable to the other **Owners**, their family members, guests, invitees, tenants and their respective family members for any damage to persons or property proximately caused by his/her pet. Notwithstanding anything to the contrary contained herein, each owner of a pet shall comply with the applicable ordinances of the City and County of San Francisco.

Section 6.6. Nuisance.

6.6(a) Generally. No noxious or offensive activity shall be carried on in any **Unit** or in the **Common Area**, nor shall anything be done which may be or become an annoyance or nuisance to the other **Occupants**. Without limiting the foregoing, no **Owner** shall permit noise, including, but not limited to the use of any equipment or machines which would cause undue noise, vibration or emission of noxious odors and fumes (for smoking odors and fumes see below), barking dogs, the parking of vehicles in areas other than those designated for parking or licensed for exclusive use, the operation of excessive noisy air conditioners or amplified sound systems to emanate from an **Owner's Unit** or from activities within the **Common Area**, which would unreasonably disturb any other **Occupant's** enjoyment of his or her **Unit** or the **Common Area**. Nuisance may include, for example, tobacco smoke, a visual blight, loud, noxious, odorous, destructive or offensive activity or anything which causes significant embarrassment, disturbance or annoyance to others. Some activity at inappropriate times may constitute a nuisance. **Owners** who have independent alarm systems within their respective **Units** shall take reasonable care in preventing consistently false alarms of such system causing an annoyance or nuisance or in any way interfering with the quiet enjoyment of neighboring **Owners** and **Occupants** of the **Community**. Barbecue cooking is prohibited on all decks, patios, balconies and/or yards.

6.6(b) Association Options. The **Association** has the authority to elaborate with examples and pass rules addressing such activity. Because a nuisance is largely subjective, the **Association** is not obligated to become involved in such disputes except as follows: If the nuisance is such that it disturbs more than one household, the **Association** shall take appropriate action to abate the nuisance if the affected **Occupants** request in writing that action be taken by the **Board**. If the nuisance is such that it only disturbs a single household, and the disturbance is not sufficient to require intervention by the **Association**, the two parties shall resolve their dispute by Alternative Dispute Resolution as provided for in **Section 11.3(c)(3)**.

6.6(c) Smoke Related Odor and Fumes Migration. In the event of any dispute related to smoking related odor and fumes migration from one **Unit** to another **Unit**, the **Owners** shall reasonably cooperate to mitigate such infiltration. Additionally, the **Association** may conduct an investigation in order to determine the source of smoking related odors and fumes. Regardless of the number of **Units** involved, if the **Association** determines the intrusion to be

recurring and significant, it may require modifications to a smoker's **Unit** (at that **Owner's** cost) to keep any odors and fumes or smoke (including that from medical marijuana) from migrating into the living areas of others. Smoke related odor and fumes includes tobacco, marijuana and similar types of smoke.

Section 6.7. Vehicles.

6.7(a) Rules. In order to promote vehicle safety and enhance the appearance and atmosphere of 200 Brannan, **Owners** shall park, store or keep vehicles in accordance with rules adopted by the **Association**, which may be amended from time to time in accordance with the provisions of the **Davis-Stirling Act**. These rules may include provisions such as parking, vehicle types, auto alarms, etc. Vehicle restrictions shall apply to all parking areas within the **Property**.

6.7(b) Vehicle Type Restrictions. **Parking Spaces** shall be used solely for the parking of standard passenger vehicles, including automobiles, motorcycles, passenger vans designed to accommodate ten (10) or fewer people, and pickup trucks having a manufacturer's rating or payload capacity of one (1) ton or less, and shall not be used for storage purposes. No trailer, camper, mobile home, commercial vehicle, truck (other than pickup trucks permitted above), bus or van designed for more than ten (10) passengers, vehicle having more than two (2) axles, boat, inoperable automobile, or similar equipment shall be parked, stored or permitted to remain upon any area of the **Property** other than on a temporary basis. Commercial vehicles shall not include sedans (or standard vans or pickup trucks) which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive, as determined by the **Board**. The **Association** may adopt rules limiting the dimensions of vehicles which might otherwise impede the use of **Parking Spaces** by others.

6.7(c) Other Limitations.

6.7(c)(1) Vehicles shall not be parked anywhere in the **Community** except in **Parking Spaces**.

6.7(c)(2) **Parking Spaces** shall be used for parking of permitted vehicles only and not for the parking or storage of boats, trailers or non-mobile vehicles of any description. Garage space may not be converted into any use that would prevent its use as a parking area for the number of vehicles for which the area was originally intended.

6.7(c)(3) Some **Parking Spaces** are owned but not linked in title to a particular **Unit** at 200 Brannan, 1 Federal or 41 Federal. Such **Parking Spaces** can only be owned by an **Owner** of a **Unit** and can only be used by a resident of one of the buildings.

6.7(c)(4) There shall be no repairs or restorations of any vehicle upon any portion of the **Property**. Emergency repairs may be performed, but only to the extent necessary to

enable prompt movement to a proper repair facility. No vehicle washing is permitted on the **Property**.

6.7(c)(5) No vehicle which emits extraordinary levels of exhaust pollution or noise, as determined by the **Board**, shall be operated within the **Property**. If a vehicle leaks excessive amounts of oil or other fluids, the cost of the clean up may be the subject of a **Reimbursement Assessment**.

6.7(c)(6) Vehicles parked in the garage must display a current registration and be operable. In order to avoid unsightly appearances within the **Property** vehicles must present a well-maintained appearance. For example: all vehicles must be in operating condition and have no flat tires, broken windows, oil leaks, significant body damage and/or primer paint.

6.7(c)(7) In the event an alarm system on a vehicle parked in a **Parking Space** is consistently activated and becomes a nuisance and interferes with the quiet enjoyment of other **Owners** and **Occupant** of the **Community**, the owner of such vehicle shall disconnect, repair or adjust such alarm system, or remove it's the vehicle from the **Community**.

6.7(c)(8) Recharging of electric vehicles in the garage is not permitted unless specifically authorized in writing by the **Board**. The **Board** may facilitate the recharging of electric vehicles with the installation of additional electrical outlets and/or related equipment. The **Board** may, according to its discretion, allocate the cost of installation and/or electricity among those who use those facilities.

6.7(c)(9) No **Parking Space** may be rented or leased to non-residents.

6.7(d) Towing. The **Association** may cause any vehicle parked on **Common Area** in violation of the **Governing Documents** to be towed, subject to the provisions of California Vehicle Code section 22658.

Section 6.8. Handicap Parking. The **Community** contains certain **Parking Spaces** designated as handicap parking spaces which are owned or controlled by the **Association**. The **Association** may lease, assign or otherwise make these spaces available to handicapped **Owners** or **Occupants**. An **Owner** or **Occupant** of a **Unit** in the **Brannan Building** may be leased a handicap parking space located in the **Federal Building** and an **Owner** or **Occupant** of a **Unit** in the **Federal Building** may be leased a handicap parking space located in the **Brannan Building**. Evidence of handicap status shall be displayed by distinguishing license plate or placard issued by the California Department of Motor Vehicles.

The **Association** shall have the authority and be responsible for coordinating the leasing of **Parking Spaces** pursuant to this section and shall adopt rules and regulations with respect thereto, including the procedure to be followed should an **Owner** or **Occupant** be handicapped and wish to lease a handicap **Parking Space**, notice to be given to the **Association** and **Owner**, and review

of the required evidence of handicap. The **Association** shall maintain appropriate records of such leases and/or exchanges; including a copy of the evidence provided.

Section 6.9. Overloading. There shall be no use beyond the maximum loads the floor of the improvements are designed to carry.

Section 6.10. Window Coverings/Exterior Appearance. All window coverings, or other materials which are visible from the exterior, shall conform to the rules so as to preserve the uniformity of appearance from the exterior and from areas subject to common use; provided, however that, window coverings visible from the exterior of the **Unit** shall be restricted to drapes, curtains, shutters or blinds of the off-white or white color. Nothing shall be done or permitted within any **Unit** which will interfere with or disrupt the uniformity of the exterior appearance.

Section 6.11. Garbage and Refuse Disposal.

6.11(a) Generally. All rubbish, trash and garbage shall be regularly removed from the **Unit** and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall be kept only in sanitary containers. All trash, garbage and other waste must be in sealed bags before placing in trash chutes or sanitary containers. No toxic or hazardous materials shall be disposed of within the **Community** by dumping in the trash chutes, garbage containers or down the drains or otherwise (other than those required, in limited quantities, for normal household cleaning and landscaping work). Recyclable materials shall be placed in designated recycling containers. The **Board** may adopt additional rules related to disposal of trash, garbage, recycling, composting and other waste.

6.11(b) General Rules.

6.11(b)(1) All household garbage must be bagged and securely tied in leak proof containers before disposal into the trash chute or taken to the trash room. Volatile or flammable materials are not to be disposed of by placing them in the garbage chutes.

6.11(b)(2) Installation of trash compactors in the **Units** is not permitted as the compacted garbage can cause damage to trash equipment due to the velocity of the fall in trash chutes.

6.11(b)(3) Recyclable and composting materials shall be placed in designated recycling and composting containers.

Section 6.12. Mechanical Equipment. Notwithstanding any provisions regarding the necessity of **Board** approval, any mechanical equipment installed in any **Unit** or **Exclusive Use Common Area** including, but not limited to, any HVAC equipment (if any), shall be insulated and installed so as not to interfere with the quiet enjoyment of other **Owners** or any other person.

Section 6.13. Power Equipment. No power equipment or hobby shops shall be permitted on the **Community**, except with prior written approval of the **Board**. In deciding whether to grant

approval, the **Board** shall consider the effects of noise, air pollution, vibration, dirt or grease, fire hazard, interference with radio or television reception, and similar objections, as well as compliance with hazardous materials regulations.

Section 6.14. Restricted Access. Access to the roofs, utility and equipment rooms is by **Association** permission only. If any such access is required by any **Owner, Occupant** or trades person, such requests shall be directed to the manager.

Section 6.15. Antennae, Satellite Dishes, External Cables or Fixtures, etc. No radio and television antennae, television or telephone cable or other exterior wiring, satellite dishes or other exterior fixtures may be erected or kept in place on **Common Area** without the prior written consent of the **Association**. Enforcement shall be consistent with any Federal or State law or regulation governing the installation of satellite dishes and antennae. The **Association** may adopt a policy and/or guidelines on the subject consistent with applicable law. It is the goal of the **Association** to allow **Owners** to enjoy the benefit of communications technology while continuing to enhance and maintain the aesthetic beauty and value of the **Property**, as well as preserve the integrity of exterior waterproofing.

Section 6.16. Restriction on Businesses. With the exception of the **Commercial Unit**, no trade or business shall be conducted in or from any **Unit**, except for professional, administrative type work, provided there is no external evidence thereof and, if the **Board** adopts a related policy, it is conducted in accordance with that policy. In no event shall a business be conducted which will (a) have a measurable negative impact on other residents, (b) increase vehicle or foot traffic within the **Property** or to the **Unit**, (c) cause any damage to the **Common Area**, (d) adversely affect or increase the cost of **Association** insurance, (e) increase by any significant amount, electrical or water consumption or (f) interfere with the primary use of the **Condominium** as a residence. This section shall not apply to such business as may properly be conducted by the **Commercial Unit** (see **Section 6.23** below and **Exhibit C** attached hereto).

Section 6.17. Sound Transmission. No **Unit** shall be altered in any manner that would increase sound transmissions, resonances, or reverberations to any other **Unit**, including but not limited to the modification or penetration of any common wall, floor or ceiling. **Owners** shall not rigidly attach any source of sound or vibration to shared common walls or ceiling. This includes all audio speakers, including monitor and flat screens that may have built-in speakers.

Section 6.18. Floor Covering.

6.18(a) Generally. All **Owners** covenant and agree to take all reasonable precautions to lower noise and vibration transference between **Units** and to abide by any **Association** rules regarding floor coverings. Any mitigation of noise transference which is required of an **Owner** by the **Board** shall be the sole responsibility of said **Owner**.

6.18(b) Alterations. Alterations to floor surface materials (other than carpet to carpet or rugs) must be approved in advance by the **Association**. The **Association** may require the use of an acoustical underlayment if the installation of hard surface flooring is desired.

The **Association** may require **Owner** to retain the services of an acoustical consultant and/or architect (to be paid for by such **Owner**) to ensure that the sound absorbing materials and procedures to be utilized by the **Owner** in the alteration of such flooring material, meet or exceed the sound absorbing criteria of the flooring being replaced.

6.18(c) Enforcement. The **Association** will not enforce this section unless there is a complaint from another resident regarding noise transference. After notice and hearing, the **Association** may require the **Owner** to alter the flooring. For example, it may require **Owner** to install carpeting or rugs over at least 75% of the floor surfaces (excluding kitchen and bathrooms) or remove the non-conforming floor coverings and replace such floor coverings with other flooring which conforms to higher acoustical separation standards at such **Owner's** sole expense. The **Board** may adopt additional sound attenuation restrictions and guidelines.

Section 6.19. Clothes Lines. No exterior clothes lines shall be erected or maintained and there shall be no outside laundry or drying of clothes. No draping of towels, carpet or laundry over railings shall be allowed.

Section 6.20. Smoking Prohibition.

6.20(a) Generally. Cigarette, cigar, pipe and/or other smoking is prohibited anywhere within the **Community**. This prohibition includes all **Common Area**, **Exclusive Use Common Area** and **Units** within the **Community**.

6.20(b) Disclosure of Prohibition. **Owners** shall specifically disclose to all potential buyers that smoking is prohibited everywhere within the **Community**, including within the **Units**. **Owners** shall also disclose such prohibition to any tenants, other residents and guests.

6.20(c) Effective Date. The restriction against smoking in **Common Area** or **Exclusive Use Common Area** shall be effective immediately. The smoking prohibition for all other areas in the **Community** (including within **Units**) shall apply to all current and future **Occupants** beginning two (2) years from the date of recordation of this **Declaration**.

6.20(d) Limited Exception. Smoking marijuana for medical purposes as permitted by California Health and Safety Code sections 11362.7 et seq. in any **Unit** is not prohibited by this section, provided that the marijuana smoke is not reasonably detectable outside the **Unit**.

6.20(e) Nuisance. For all purposes within the jurisdiction of the **Association**, nonconsensual exposure to smoke occurring on or drifting into the **Common Area** or other living areas is a nuisance, and the uninvited presence of smoke in such areas is a nuisance and a trespass. The **Association** and/or other affected **Occupants** may take action under **Section 6.6 - Nuisance** and need not prove an injury different in kind or in degree from injury to others to prove a violation. Additionally, the **Association** may conduct an investigation in order to determine the source of drifting smoke. Regardless of the number of **Units** involved,

if the **Association** determines the intrusion to be recurring and significant, it may require modifications to a smoker's **Unit** (at **Owner's** cost) to keep any smoke (including that from medical marijuana) from migrating into the living areas of others.

Section 6.21. Illegal Acts. Any illegal act or condition shall also constitute a breach of the **Governing Documents** and may, at the option of the **Association**, be enforced as such.

Section 6.22. City Ordinances. For any use restrictions which may apply to the **Property** as set forth in the **Governing Documents**, there may also be City ordinances which apply. In the event of overlap or conflict between the two, the more restrictive shall be applied.

Section 6.23. Commercial Unit. There is one **Condominium** designated as for commercial use ("**Commercial Unit**"). The **Commercial Unit** may be used for any commercial purposes as set forth in **Exhibit C** attached hereto.

ARTICLE VII **SALE OR LEASE OF CONDOMINIUMS**

Section 7.1. Rental or Lease of Residential Units. A general objective of the **Governing Documents** is to protect, enhance and maintain the residential atmosphere which exists within the **Property** and to avoid occupancy of residences for short periods of time or by an unreasonable number of individuals. No "Time-Share" arrangements are permitted whether by way of rental, lease, or sale. No customary hotel services, such as room service for food and beverage, mail services or the furnishing of laundry and linen for a fee shall be provided to the tenant. Further, no **Owner** is permitted to lease his or her **Condominium** to a **Person** or company who would then sublet to others for transient or short-term use. No less than the entire residence shall be rented or leased, except that an **Owner** who remains a full-time resident can have a roommate. Accordingly, an **Owner** not subject to LEU Restrictions (as such term is defined in **Section 2.6** above) shall be entitled to rent, lease or permit use of his or her **Residential Unit** if:

7.1(a) There is a written rental or lease agreement specifying that (1) the **Occupant(s)** shall be subject to all provisions of the **Governing Documents**, (2) a failure to comply with any provision of the **Governing Documents** shall constitute a breach of the agreement, and (3) all tenants are subject to disciplinary action or other actions by the **Association** to enforce the **Governing Documents**;

7.1(b) All leases entered into or renewed after recordation of this **Declaration** must incorporate this **Declaration** by reference into the lease;

7.1(c) For all leases entered into after recordation of this **Declaration**, the initial period of the rental or lease is not less than six (6) months. Thereafter, tenancy under any lease or sublease shall be not less than thirty (30) days. *(Note that the minimum lease term contained in this **Declaration** shall not apply to a seller/**Owner** who may lease the **Condominium** back from the new **Owner** for a shorter period of time in the context of a sales transaction.);*

7.1(d) The **Owner** provides any tenant with current copies of all the **Governing Documents**. The **Owner** shall also provide copies of any subsequent changes or additions. The **Association** may require evidence that the tenant has received copies of all **Governing Documents**. If such evidence is requested and is not timely provided, the **Association** may unilaterally provide such copies and charge the **Owner** a Reimbursement **Assessment**;

7.1(e) The **Owner** and the tenant shall be jointly and severally liable at all times for compliance by the tenant or other **Occupants** or guests with the **Governing Documents** during the tenant's occupancy and use of the **Condominium**;

7.1(f) The **Owner** shall forego the use of the recreational facilities during the time that the **Owner's Condominium** is occupied by a tenant;

7.1(g) The **Owner** shall be responsible for any damage caused by the tenant or guest to **Association** property or cost incurred due to a tenant or guest violation of the terms or standards in the **Governing Documents**;

7.1(h) The **Owner** shall notify the **Association** of the name, day and evening telephone numbers and email address for each tenant and any other **Occupants** within ten (10) days of the change in occupancy. Upon written request, the **Owner** shall provide the **Association** with a copy of the lease agreement.

Section 7.2. Sale of Condominiums - Obligations of Owners. Owners shall be subject to the following:

7.2(a) Owner's Duty to Notify Association of Contract Purchasers. Each **Owner** shall notify the **Association** of the names of any contract purchaser of the **Owner's Condominium**.

7.2(b) Contract Purchasers. A contract seller of a **Condominium** must delegate his or her voting rights as a **Member** and his or her right to use or enjoy the **Common Area** to any contract purchaser in possession of the property. However, the contract seller shall remain jointly and severally liable for any default in the payment of **Assessments** by the contract purchaser until title to the property sold has been transferred to the purchaser and recorded.

7.2(c) Documents and Information Relating to Sale. Prior to the transfer of title to a **Condominium**, the **Owner** shall provide the prospective new **Owner** with a copy of the **Governing Documents** and such other documents and information as are required by California Civil Code section 4525. Such documents may be delivered by **Individual Notice**.

Section 7.3. Termination and Commencement of Obligations. This section addresses personal liability only.

7.3(a) Even though there is an annual **Assessment** amount, when ownership changes occur:

7.3(a)(1) the transferring-Owner shall be personally liable for the Regular monthly **Assessments** which are due and payable up to the time of transfer, and

7.3(a)(2) the receiving-Owner shall be personally liable for the Regular monthly **Assessments** which are due and payable after acquisition of any form of ownership interest.

7.3(b) In the event monthly payment of Regular **Assessments** has been accelerated under **CC&R Article IV, Section 4.4(c)**, upon change in title, the personal liability of both parties shall be prorated, as if the acceleration did not occur. Therefore, each party shall be personally liable for amounts due and payable only during the time when his or her ownership interest is held.

7.3(c) Special and Reimbursement **Assessments** may be subject to terms and conditions specified by the **Board**.

7.3(d) Except as otherwise provided in **Section 4.5(b)**, a lien, and the **Association's** right to lien, survives a voluntary conveyance of a **Condominium**.

Section 7.4. Notice of Acquisition. A purchaser or other **Person** acquiring an ownership interest to a **Condominium** shall notify the **Association** not more than ten (10) days after the date of acquisition and provide (a) the name(s) of all **Persons** with an ownership interest as listed on the recorded title transfer documents, (b) a mailing address for the **Owner(s)**, (c) day and evening telephone numbers, (d) an email address, and (e) the effective date of acquisition of each ownership interest.

Section 7.5. Acceptance of Condominium Conditions. When acquiring a **Condominium**, the new **Owner(s)** accept responsibility for alterations and conditions created by a predecessor, which may include unresolved architectural violations, creation of defective conditions or failure to perform proper maintenance, repair and replacement of components in and around the **Condominium** and adjoining or adjacent **Exclusive Use Common Area**. It is therefore important that prospective purchasers examine all improvements and conditions of **Exclusive Use Common Area** and **Common Area** in and around the **Unit**.

Section 7.6. Civil Code Section 4255 Statutory Notice. This **Property** is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the **Property** may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from **Person to Person**. You may wish to consider what airport annoyances, if any, are associated with the **Property** before you complete your purchase and determine whether they are acceptable to you. For purposes of this section, an "airport influence area," also known as an "airport referral area," is the area in which current or future airport-related noise, overflight, safety, or airspace protection factors may significantly affect land uses or necessitate restrictions on those uses as determined by an airport land use commission. The statement in a **Declaration**

acknowledging that a property is located in an airport influence area does not constitute a title defect, lien, or encumbrance.

ARTICLE VIII INSURANCE

Section 8.1. Types of Insurance. The **Association** shall procure and maintain the following types of insurance:

8.1(a) Fire and Hazard Insurance. Fire and hazard insurance with coverage for the **Common Area** and **Units** to original/builder-grade quality. Original/builder grade is defined as features and finishes **Owner** can establish were original as conveyed by the developer or in the first sale. The **Association** may also insure any property, whether real or personal, owned by the **Association**, against loss or damage, with the **Association** as owner and beneficiary for such insurance. Such insurance shall contain a waiver of subrogation claims against the **Owners**.

8.1(b) Additional Endorsements. To the extent not included in the basic policy coverage, the following endorsements should be included, as deemed appropriate by the **Board**: building ordinance, demolition, increased cost of construction and contingent liability from the operation of building laws, inflation guard coverage, glass coverage, "agreed amount" endorsement, replacement cost endorsement; and primary coverage endorsement.

8.1(c) Liability Insurance. A commercial general liability policy insuring the **Association**, its agents, and the **Owners** against liability incident to the ownership or use of the **Common Area** or any other **Association**-owned or maintained real or personal property. The amount of general liability insurance that the **Association** shall carry at all times shall not be less than the minimum amounts required by California Civil Code section 5800 and California Civil Code section 5805.

8.1(d) Directors and Officers Liability Insurance. Directors and Officers Liability Insurance shall be maintained in an amount which is no less than the minimum amounts required by California Civil Code section 5800.

8.1(e) Fidelity Bonds. A fidelity bond naming the **Association** as obligee, in an amount equal to at least one-fourth (1/4) of the total sum budgeted for the Current Operation Account and Reserve Account for the current fiscal year. The fidelity bond shall contain a waiver of any defense based upon the exclusion of persons serving without compensation. The **Board** may also require fidelity bonds for management personnel who have access to **Association** funds (see also **Bylaw Section 7.1(b)**).

8.1(f) Other Insurance. Worker's Compensation insurance to the extent necessary to comply with applicable laws, and any additional or other insurance deemed necessary or appropriate by the **Board**.

Section 8.2. Provisions and Limitations.

8.2(a) It is acknowledged that terms of insurance coverage do not always coincide with defined areas of **Owner** and **Association** ownership, or responsibilities to maintain, repair or replace. Notice is hereby given to any insurer issuing policies in accordance with these **CC&R** requirements, that the **Association's** fire and hazard insurance shall be construed to provide the coverage for all improvements (whether **Unit**, **Common Area** or **Exclusive Use Common Area**) wherever located. Should there be a conflict or inconsistency between the coverage provided in the policy and those definitions or responsibilities required by the **CC&Rs**, the more comprehensive of the two shall be applied.

8.2(b) The **Association** shall have no liability for uninsured or underinsured damage to **Unit** areas or personal property caused by an earthquake or other catastrophic event.

8.2(c) Earthquake Damage to Drywall. In the event of earthquake damage to the drywall inside a **Unit**:

8.2(c)(i) Replacement. The **Association** shall only be liable for the replacement of drywall on the perimeter walls which, in the estimation of the **Board**, suffered sufficient damage to require replacement. The restoration and repairing of all other interior walls shall be at the sole expense of the **Owner**.

8.2(c)(ii) Re-taping. Damage to perimeter walls that does not require replacement of the drywall (e.g., buckled joint tape, hairline fractures of the drywall, etc.) shall be the responsibility of the **Owner**. The **Owner** shall also be responsible for restoration and repair of all finished surfaces, including, but not limited to, re-taping, painting, plastering, and wallpapering.

Section 8.3. Coverage Not Available. If any insurance policy or endorsement required by this Article is not available, or is economically unfeasible, then the **Association** shall obtain alternate insurance which provides, as nearly as reasonably possible, such coverage.

Section 8.4. Owner Obligation to Carry Insurance.

8.4(a) Every **Owner** shall procure and continuously maintain adequate personal insurance coverage (first-party insurance) to insure his or her personal property and/or any improvement not covered by the **Association's** master policy. Additionally, every resident **Owner** shall carry Comprehensive Personal Liability insurance (this type of insurance is often referred to as an HO-6 policy for resident **Owners**). This HO-6 policy includes fixtures, personal property, loss of use, loss assessment and personal liability coverage. Each non-resident **Owner** shall carry insurance generally equivalent to that required of a resident **Owner**. Each **Owner** should consult with his or her insurance agent as to the most appropriate insurance. All **Owners** hereby waive all rights of subrogation against the **Association** and any insurance maintained by an **Owner** must not prevent a waiver of subrogation rights by the insurer as to the **Association**.

8.4(b) Insurance procured by the **Association** does not cover many perils and liabilities individual **Owners** and **Occupants** may incur. For example, if an **Owner** caused a fire which also damaged an adjacent **Unit**, the **Association's** master policy may not necessarily restore **Unit** areas which have been upgraded, will not pay for living expenses during repairs and will not pay for or defend the **Owner** against the neighbor's claim for damage to the neighbor's **Unit**, personal property and living expenses during repair. Any improvements made by an **Owner** within his or her **Unit** may be separately insured by the **Owner**, but the insurance is to be limited to the type and nature of coverage commonly known as "improvements insurance." The **Association** shall make available to all **Owners** a copy of the **Association's** policy to enable **Owners** to insure their **Units** without duplicating insurance carried by the **Association** and inadvertently triggering a co-insurance clause in the **Association's** policy. It is very important that each **Owner** consult with his or her insurance professional in procuring or maintaining the insurance required above. The subject of loss assessment coverage generally and loss assessment coverage for earthquake damage should also be addressed.

8.4(c) In the event the **Association** fire and hazard insurance does not cover the loss or the loss is under the **Association** deductible, the **Association** may require the **Owner** and/or **Occupant** to claim any loss under such **Owner's/Occupant's** policy of insurance.

8.4(d) The **Board** may adopt policies further addressing **Owner** required insurance. The **Association** may, but shall not be required to, have **Owners** or **Occupants** provide evidence of compliance with this section. The **Association** shall have no liability for failure to procure evidence of compliance, nor to cause **Owners** or **Occupants** to procure such insurance.

Section 8.5. Adjustment of Losses. The **Board** is appointed attorney-in-fact by each **Owner** to negotiate and agree on the value and extent of any loss under any policy carried pursuant to this Article, **Section 8.1**. The **Board** is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 8.6. Earthquake Insurance.

8.6(a) The **Association** may, but shall not be required to, obtain earthquake insurance. The **Association**, **Directors** and/or manager shall not incur any liability for the failure to obtain or maintain earthquake insurance or a seismic reserve account. The **Board** may periodically submit to the **Owners** the question of whether or not to obtain earthquake insurance, which may be submitted in the form of a vote to increase **Assessments** to cover such cost.

8.6(b) Whether or not a master policy is in place, **Owners** are urged to consult with their insurance professionals on the subject of individual earthquake insurance, including related loss **Assessment** coverage.

8.6(c) After consultation with the **Association's** certified public accountant and/or counsel, at its discretion, the **Board** may establish and maintain a seismic reserve fund which shall be

accounted for in the same manner as other reserve accounts. Such fund may be in conjunction with or in lieu of earthquake insurance. The fund may be used for upgrading structural components.

8.6(d) The cost of the deductible(s), exclusions or shortfalls shall be borne equally by all **Owners** and/or paid from any seismic reserve fund.

Section 8.7. Association Insurance Deductible. The **Board** has discretion to determine both the size of the deductible, as well as allocation of responsibility to pay the deductible for any insurance claim. In the event a deductible policy has not been adopted by the **Board**, or the **Board** does not, in its discretion, allocate the deductible in a different manner, the deductible shall be paid by the **Owner** of the **Unit** where the point of origin of the physical damage originates. Responsibility for earthquake deductibles is addressed in **Section 8.6(d)** above. In the event the **Association** advances the cost of a deductible for which the **Owner** is responsible, such amount may be levied against the **Owner** as a Reimbursement **Assessment**.

ARTICLE IX **DAMAGE, DESTRUCTION AND CONDEMNATION**

Section 9.1. Restoration Defined. As used in this Article, the term "restore" shall mean repairing, rebuilding or reconstruction of damage to substantially the same habitability and configuration as prior to fire or other casualty damage and consistent with "original/builder grade" standards. "Original/builder grade" is defined as features and finishes **Owner** can establish were original as conveyed by the developer or in the first sale.

Section 9.2. Insured Casualty. If any improvement is damaged or destroyed from a risk covered by the insurance maintained by the **Association**, then the **Association** shall, to the extent permitted under existing laws, restore the improvement. The **Association** shall proceed with the filing and adjustment of all claims arising under the existing insurance policies. The insurance proceeds shall be paid to and held by the **Association**. The **Association** may delegate such responsibility to the **Owner** as to **Unit** area repairs which may be covered by the insurance.

Section 9.3. Restoration Proceeds. The costs of restoration of the damaged improvement shall be paid first from any insurance proceeds paid to the **Association** under existing insurance policies. If the insurance proceeds exceed the costs of restoration, the excess proceeds shall be paid into reserves and held for the benefit of the **Association**. If the insurance proceeds are insufficient to restore the damaged improvement, the **Board** shall then add to the insurance proceeds any reserve account funds designated for the repair or replacement of the damaged improvement. If the total funds then available are sufficient to restore the damaged improvement, the improvement shall be restored. If the aggregate amount of insurance proceeds and such reserve account funds are insufficient to pay the total costs of restoration, a special **Assessment** shall be levied by the **Board** up to the maximum amount permitted without the approval of the **Owners** or in accordance with the limitations or other provisions set forth in this **Declaration** or by law. If the total funds then available are sufficient to restore the damaged improvement, the

improvement shall be restored. The **Board** may also procure funding for reconstruction from any commercial lender or governmental entity.

If the total funds available to the **Association** are still insufficient to restore the damaged improvement, then the **Board** shall first attempt to impose an additional special **Assessment** pursuant to **Section 9.4** below; and second to use a plan of alternative reconstruction pursuant to **Section 9.5** below. If the **Owners** do not approve such actions, then the entire building of which the damaged improvement is a part shall be addressed as set forth below.

Section 9.4. Additional Special Assessment. If the total funds available to restore the damaged improvement as provided in **Section 9.3** are insufficient, then the **Association** shall request that the **Owners** approve a special **Assessment** to make up all or a part of the deficiency ("Additional Special **Assessment**"). If the amount of the Additional Special **Assessment** approved by the **Owners**, and the amounts available pursuant to **Section 9.3** above, are insufficient to restore the damaged improvement, or if no Additional Special **Assessment** is approved, the **Association** shall consider a plan of alternative reconstruction in accordance with **Section 9.5**. Raising and spending money on such repairs is without prejudice to the levy of a Reimbursement **Assessment**, Extraordinary Expense **Assessment** (**Section 4.1(c)(3)**), borrowing and/or assertion of any other legal right with respect to a party that caused or is otherwise responsible for the damage.

Section 9.5. Alternative Reconstruction. The **Board** shall consider plans to reconstruct the damaged improvement, making use of whatever funds are available to it pursuant to **Section 9.3** and **Section 9.4** above. The **Board** shall present any proposed plan for Alternative Reconstruction to the **Owners** for approval. Any such plan must protect the secured lender rights. A plan for Alternative Reconstruction must be approved by an affirmative vote of two-thirds of the voting power of the **Owners** whose residences were materially damaged, as determined by the **Board** ("Affected **Owners**"), and a majority of the voting power of all **Owners**. If no plan for Alternative Reconstruction is agreed to within nine (9) months of the onset of the damage, then the provisions of **Section 9.7** shall apply.

Section 9.6. Rebuilding Contract. If any improvement is significantly damaged or destroyed, the **Board** shall retain one or more licensed design professionals for the purpose of evaluating the scope of the necessary restoration, preparation of plans and specifications, solicitation of bids, and coordination of any repair and reconstruction of the **Community**. If there is a determination to restore the building to the same general condition or reconstruct using an alternative reconstruction plan, the **Board** shall have the authority to enter into a written contract with a contractor for such repair and reconstruction after obtaining bids from at least two licensed and reputable contractors. The **Board** shall take all steps necessary to assure the commencement and completion of repair and reconstruction at the earliest possible date.

Section 9.7. Sale of Building. If the damaged improvement is part of a **Condominium** building ("Damaged Building"), the damage permanently renders some or all **Units** uninhabitable, and the improvements will not be restored in accordance with the provisions of **Sections 9.3, 9.4, and 9.5**, with the approval of more than fifty percent (50+%) of the **Owners**, the **Board**, as the

attorney-in-fact for each **Owner** of a **Unit** in the Damaged Building, shall be empowered to sell the Damaged Building, including all residences therein, in their then present condition, on terms to be determined by the **Board**, provided that the **Board** receives adequate assurances that the purchaser shall, and has the financial capability to: (i) restore the Damaged Building (either by renovation or removal and rebuilding), (ii) remove the Damaged Building and restore any remaining improvements as may be necessary, (iii) remove the Damaged Building (including foundations), grade the area, and, whether on a temporary or long term basis, appropriately landscape or otherwise improve the area, or (iv) perform any combination of the foregoing. Any work to be performed by the purchaser with respect to any of the foregoing shall be subject to **Association** architectural approval.

In lieu of selling the Damaged Building to a third person, the **Association** may purchase the **Condominium** building on satisfaction of the following conditions:

9.7(a) **Owners** holding 67% of the total voting power (including a majority of the votes allocated to the **Units** within the Damaged Building) approve of the purchase;

9.7(b) the purchase price is the fair market value of the Damaged Building as of the date of sale as determined by an appraisal made by a qualified and independent real estate appraiser;

9.7(c) any special **Assessment** needed to fund the purchase price shall be levied against all **Units**, including the **Units** within the Damaged Building;

9.7(d) the **Association** has an adequate source of funds to repair, renovate or rebuild all or a portion of the Damaged Building and/or to remove and appropriately landscape the remaining area. For this purpose, no **Condominium** that is being purchased shall be subject to any **Assessment** intended to be used as a source of such funds.

The proceeds from any sale, together with the insurance proceeds received and any reserve funds allocated to the Damaged Building, after deducting therefrom the **Association's** sale expenses, including commissions, title and recording fees, and legal costs, shall be distributed among the **Owners** of **Units** in the Damaged Building and/or their respective **Mortgagees**, in proportion to their ownership interest in the **Common Area**.

If a Damaged Building is removed and not restored so that the new building contains the same number of **Units** as the removed building, the **Board** shall take appropriate steps to adjust the property interests of the remaining **Unit Owners** to effect such amendments as may be necessary to the **Declaration**, the **Condominium Plan** and the **Map** to reflect the revised property interests and other related changes.

Section 9.8. Board Discretion. There is no practical way to anticipate the particular circumstances of every catastrophic event and the best course of action to make appropriate repairs. In dealing with such an event, failure to technically comply with the requirements of this Article shall not invalidate the decisions and actions of the **Board** so long as the **Directors** have

made their decisions in a manner consistent with the following: **Board** decisions have been made in good faith and in the best interest of all of the **Owners** and the **Community**. The **Board** has worked with and relied on the opinions and recommendations of professionals or others with expertise in the subject matter. The overall objectives of the **Board's** efforts have been to minimize further damage to the **Property**, to restore habitability to the **Units** and to protect the value of the **Property**, including the secured interests of **Mortgagees**.

Section 9.9. Condemnation.

9.9(a) Generally. The **Association** shall represent the **Owners** in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the **Common Area(s)**, or part thereof. In the event of a taking or acquisition of part or all of the **Common Area(s)** by a condemning authority, the award or proceeds of settlement shall be payable to the **Association**, or any trustee appointed by the **Association**, for the use and benefit of the **Owners** and their **Mortgagees** as their interest may appear. In the event of an award for the taking of any **Condominium** in the **Community** by eminent domain, the **Owner** of such **Condominium** shall be entitled to receive the award for such taking, and after acceptance thereof the **Owner** and such **Owner's Mortgagee** shall be divested of all interest in the **Community** if such **Owner** shall vacate his or her **Condominium** as a result of such taking. The remaining **Owners** shall decide by majority vote whether to rebuild or repair the **Community**, or take other action. The remaining portion of the **Community** shall be resurveyed, if necessary, and the **Declaration** shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining **Owners** in the **Community**. In the event of a taking by eminent domain of any part of the **Common Area**, the **Association** shall participate in the negotiations, and shall propose the method of division of the proceeds of condemnation, where **Condominiums** are not valued separately by the condemning authority or by the Court. Proceeds of condemnation shall be distributed among **Owners of Condominiums** and their respective **Mortgagees** according to the relative values of the **Condominiums** affected by the condemnation, said values to be determined by an appraisal made by a qualified and independent real estate appraiser. In the event of an insignificant taking such as an easement or other action which does not adversely affect the value or use and enjoyment of any **Unit** or **Common Area**, the proceeds shall be payable to the **Association** for the general use and benefit of **Owners**.

9.9(b) Substantial Taking. If there is a substantial taking of the **Community** (more than fifty percent (50%)), the **Owners** may terminate the legal status of the **Community** and, if necessary, bring a partition action under California Civil Code section 4600 or any successor statute, on the election to terminate by fifty-one percent (51%) of the total voting power of the **Association** and the approval of **Eligible Holders** holding **Mortgages** on **Condominiums** which have at least fifty-one percent (51%) of the votes of **Condominiums** subject to **Eligible Holder Mortgages**. The proceeds from the partition sale shall be distributed to the **Owners** and their respective **Mortgagees** in proportion to the fair market values of their **Condominiums** as determined by an appraisal made by a qualified and independent real estate appraiser.

ARTICLE X
ARCHITECTURAL CONTROL

Section 10.1. Architectural Approval.

10.1(a) **Owners** may cosmetically alter or remodel the interiors of their **Units**. However, no alterations shall be made which impair the integrity of fire, structural or acoustical components of the building. **Association** approval is necessary before any gypsum board, plaster, or framing is cut, removed, or replaced. No alteration of the **Unit** may be made which may result in an increase in sound transmission into any other **Unit**. As a condition of approval of an alteration involving plumbing, the **Association** may require new or replacement separate shut-off valve(s) be added to the **Unit**. The **Association** may deny any alteration which involves moving pipes located below the floor and which are above the ceiling of a lower **Unit**.

10.1(b) The **Community** has been constructed utilizing steel framing components. Sheet metal screws must be attached to a steel stud in order to hang or affix heavy objects such as pictures or mirrors on a wall. The use of nails is not recommended. The location of the steel studs can be determined by using a magnet. In the event of construction remodeling or additions to the home, **Owners** are required to hire a contractor who is familiar with steel-framed construction.

10.1(c) There shall be no drilling, penetrating or otherwise tampering with the concrete or other structural components of the **Community**, including slabs, floors, walls, ceilings and balconies. These areas are constructed based upon the Post-Tension and other concrete construction design and any penetration or tampering will cause structural damage to such areas and may result in personal injury.

10.1(d) Unless in compliance with written standards published by the **Association** or written approval is procured from the **Association** for a specific alteration, there shall be no alteration of the **Common Area** (including **Exclusive Use Common Area**) or significant and/or structural modifications of individual **Units** without the prior written approval of the **Association**. Unless prior approval of the **Association** is obtained, no alteration of the **Unit** may be made which will be visible from the outside of the **Unit**.

10.1(e) **Air Conditioners.** Individual **Unit** air conditioners are prohibited unless approved by the **Board** as an architectural alteration as provided in this Article.

10.1(f) The **Owner** must comply with all laws and ordinances regarding alterations and remodeling. If a building permit is required by the City for any interior work, the **Owner** is required to provide a copy to the **Association**. A copy of professionally drawn plans may be required to be submitted to the **Association** before approval of changes is given.

10.1(g) As a condition of approval, the **Board** may require the **Owner** to submit a dust abatement plan that includes airflow, sealing off areas and other precautions to eliminate or minimize dirt or dust from migrating into other **Units** and **Common Area**.

10.1(h) The **Board** may exercise control directly or utilize an Architectural Committee.

10.1(i) **Landscaping.** No landscaping or other physical improvements or additions shall be made to any decks, balconies, patios, yards, or any other **Common Areas** or portions of **Units** which are visible from the street or from any **Common Area** by any **Owner** until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Association.

Section 10.2. Architectural Committee. The Architectural Committee, if any, shall be composed of three (3) **Owners** appointed by the **Board**. If there is no committee, the **Board** shall function in this role. Any decision on an application shall be subject to the ultimate control of the **Board**. If a decision on an application has been rendered by the Architectural Committee, there shall be a right of appeal to the **Board**. The determination of the **Board** shall be final. The **Board** shall always maintain the ultimate authority to overrule the Architectural Committee. Members of the Architectural Committee shall not receive any compensation for services rendered. The **Board** may approve reimbursement to Architectural Committee members for reasonable out-of-pocket expenses incurred by them in connection with the performance of any Architectural Committee functions.

Section 10.3. Architectural Procedures/Guidelines. Subject to the notice provisions of the **Davis-Stirling Act**, the **Board** shall adopt architectural procedures for review and approval of architectural applications or other similar work. In addition, the **Board** may adopt and/or amend guidelines and regulations to be used to address architectural alterations. The **Board** or Architectural Committee may require submission of additional plans and specifications or other information prior to approving or disapproving the application or alteration.

Section 10.4. Basis for Approval of Improvements. The **Association** may approve an **Owner's** proposal for improvements only if it finds that (a) the plans and specifications conform to this **Declaration** and to any architectural standards which have been adopted by the **Board** at the time the proposal was submitted, (b) the proposed alteration or addition will be consistent with the subjective standards of the **Community** and the provisions of this **Declaration** as to quality of workmanship and materials, harmony of exterior design and visibility with respect to existing structures, and (c) any major exterior improvements have been approved by the San Francisco Redevelopment Agency (or its successor).

Section 10.5. Proceeding with Work. Verification of both Liability and Workmen's Compensation must be on file with the **Association** before any contractor may perform work in the building. The **Association** may require that the contractor add the **Association** as an additional insured on the contractor's insurance. Upon receipt of written approval of the Association, the **Owner** shall diligently proceed with the commencement and completion of all work so approved. Work must be commenced within three (3) months from the date of the approval. If the **Owner**

fails to comply with the provisions of this section, the approval given shall be deemed revoked unless the **Board** extends the time for commencement. Any request for an extension shall be in writing. No extension shall be granted unless the **Board** finds that there has been no change in the circumstances under which the original approval was granted.

Section 10.6. Failure to Complete Work. Completion of the work approved must occur in the six (6) month period following the approval of the work unless the **Board** determines that completion is impossible or would result in great hardship to the **Owner** due to strike, fires, national emergencies, natural calamities or other supervening forces beyond the control of the **Owner** or his or her agents. If **Owner** fails to complete the work within the six (6) month period, the **Board** shall proceed in accordance with the provisions of **Section 10.10** below.

Section 10.7. Non-Waiver. It is acknowledged that over time, **Directors** change, aesthetic standards change, and community preferences change. Given that aesthetic standards may evolve over time, it is acknowledged that past approvals are no assurance of current or future approvals for similar alterations. This evolution of standards does not make the exercise of discretion arbitrary or selective. It is the goal of the **Association** to maintain consistency in aesthetic decisions within a reasonable time period. However, approval of any application or alteration shall not be deemed a waiver of any right to deny or approve any similar application or alteration.

Section 10.8. Liability. The **Board**, **Directors** and/or the Architectural Committee shall not be liable to the **Association** or any **Owner** for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, or (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications.

Section 10.9. Combining Units.

10.9(a) Subject to prior written approval of the **Board**, which approval shall not unreasonably be withheld, the **Owner** of two or more adjacent **Units** may combine the **Units** by creating internal access from one **Unit** to another, through the walls or other portions of the **Common Area** which separate and divide the individual **Units**, or separate and divide two or more **Units** previously joined hereunder, so long as any such work does not impair the fire or structural integrity of the building or violate any part of any applicable building code. All of such work shall be done at the expense of the **Owner** and shall be performed in accordance with any permits which may be required. All plans must be approved by the Association prior to commencement of work.

10.9(b) Any **Owner** combining **Units**, as provided in this section, shall indemnify all other **Owners** and the **Association** against and hold them harmless from any cost, loss, liability, damage or injury to property or persons arising from or caused by such work. As a condition to granting its approval, the Association may impose reasonable terms and conditions, including, without limitation, a requirement that **Owner** obtain lien and completion bonds to assure lien-free completion of the work. The **Owner** of such combined **Units** shall be entitled

to the votes and shall be obligated to pay the **Assessments** on each of the owned **Units** in the same manner as if they had not been combined. The **Association** may require restoration at the time of any change in ownership. Further, no **Unit** shall be independently conveyed, leased or transferred as an independent **Unit** unless and until such restoration has been accomplished.

Section 10.10. Architectural Enforcement. For any architectural alteration or other condition or requirement where **Association** approval is necessary, the burden is on the **Owner** to produce written evidence of such approval. Otherwise the **Board** may deem that no approval was given.

10.10(a) Notice of Noncompliance. If the **Board** has determined that an **Owner** is not in compliance with the architectural regulations, then the **Board** may send notice of such noncompliance to the **Owner**. The notice of noncompliance shall include a specific description of the architectural violation, as well as a proposed remedy and/or course of action. For purposes of this section, noncompliance includes, but is not limited to, failure to obtain **Association** approval, failure to follow the approved plan, failure to comply with architectural guidelines, and/or failure to properly maintain improvements.

10.10(b) Hearing and Determination. Prior to taking disciplinary action against an **Owner** for an apparent architectural violation, the **Association** shall provide the **Owner** with due process pursuant to **Article XI, Section 11.4**. If the **Board** finds that there is no valid reason for the continuing noncompliance, the violation shall be deemed a continuing nuisance, and the **Board** may require the **Owner** (at **Owner's** expense) to remedy or remove the unapproved architectural alteration.

10.10(c) Association Options for Abating Continuing Nuisances. If the **Owner** does not comply with the **Board's** ruling within any period specified or within any extension of such period as the **Board**, in its discretion, may grant, the **Board** may utilize the general enforcement provisions of this **Declaration**, including removal of the noncomplying improvement or remedying the noncompliance. The costs of any such action(s) shall be levied against the **Owner** as a Reimbursement **Assessment**.

Section 10.11. Architectural Agreement. The **Association** shall have the right to condition its approval on the execution and recordation of an Architectural Agreement entered into between the **Association** and an **Owner**. Such an Agreement may memorialize the conditions under which an architectural alteration was approved, and the rights and responsibilities of the **Association**, the **Owner**, and future **Owners** of the **Unit**. The **Association** shall provide the **Owner** with a copy of any such recorded Notice. Unless otherwise provided in such an Agreement, the following shall apply to all alterations, regardless of whether expressly included in a separate written agreement: (a) **Owner** will indemnify, hold harmless and defend the **Association**, **Directors**, and manager from any claim arising from or related to the approval of the work and the work itself; (b) **Owner** will be responsible to maintain, repair and replace all aspects of the alteration and/or reimburse the **Association** for such costs; (c) consent to occupy any **Common Area** is granted as a "license" which may be revoked by the **Association** for failure to maintain, repair and/or replace any facet

of the alteration or failure to comply with the conditions of approval; (d) **Owner** is already required to maintain homeowner property damage and liability insurance, but shall be required to procure such other insurance as is required by the **Association**; and (e) all of **Owner's** successors will also be bound to the **Owner's** obligations.

ARTICLE XI
ENFORCEMENT OF GOVERNING DOCUMENTS

Section 11.1. Violation. A violation of the **Governing Documents** shall be defined as a single act or omission occurring on a single day. Any activity or condition which constitutes a public or private nuisance shall also be deemed a violation. Further, any violation of the **Governing Documents** shall be deemed a nuisance. If the detrimental effect of a violation continues for additional days, discipline imposed by the **Association** may include one component for the violation and, according to the **Association's** discretion, a per diem (per day) component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The **Association** shall take reasonable and prompt action to mitigate, repair or avoid the continuing damaging effects of a violation or nuisance occurring within the **Common Area** at the cost of the responsible party.

Section 11.2. Jurisdiction. The **Association** shall have jurisdiction over any **Person** on the **Property** or with rights in the **Property** and any real and/or personal property on the **Property**. This jurisdictional authority shall be subject to the terms, conditions and safeguards provided in the **Governing Documents**. The **Owner** shall be liable for compliance by tenants, other Occupants, guests or invitees (including the guests or invitees of tenants).

Section 11.3. Enforcement Options. In the event of a breach or violation of any of the **Governing Documents** by any **Person** (including becoming more than thirty (30) days delinquent in payment of any **Assessment**), the **Board**, for and on behalf of all other **Owners**, may enforce compliance with the **Governing Documents** through the use of such remedies as are deemed appropriate by the **Board** and available in law or in equity, including, but not limited to, the following:

11.3(a) Suspension of Rights. The **Board** may suspend voting rights or the right to use **Common Area** facilities. Suspension of voting rights shall not affect the numerical total of "voting power."

11.3(b) Fines. A fine is a penalty and unrelated to any reimbursement or other cost incurred. The **Association** may implement a schedule of reasonable fines for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as illegally parked vehicles). If such a fine policy and schedule is adopted by the **Association**, the **Association** shall distribute it to each **Owner**, as part of the Annual Policy Statement. The **Board** may levy a reasonable fine in accordance with the **Association's** fine policy and schedule and/or in the range specified in any Notice of Hearing. A fine, while enforceable by lien and/or judicial foreclosure, shall not be the subject of non-judicial foreclosure. The **Association** may file a lien to preserve its rights to later file a judicial

foreclosure action. In imposing any fine, the **Association**, in its sole discretion, may choose to suspend some or all of the fine for a period of time pending compliance with a directive of the **Association**.

11.3(c) Alternative Dispute Resolution (ADR). In the event of a dispute arising out of the **Governing Documents**, there are several dispute resolution tools available to **Owners** and the **Association**. With the exception of a Small Claims suit, some form of Alternative Dispute Resolution (ADR), pursuant to the **Davis-Stirling Act** or such other form of ADR as may be agreed upon, must be attempted before filing a legal action.

11.3(c)(1) Owner and Association Disputes: Internal Dispute Resolution Procedure (IDR). In the event of a dispute between an **Owner** and the **Association**, prior to filing legal action, the parties shall "meet and confer" in an effort to resolve the dispute pursuant to the provisions of Civil Code sections 5900-5920 or an Internal Dispute Resolution procedure otherwise adopted by the **Board**. The **Association** participants may be the manager, one or more **Directors**, or other designated representative(s) of the **Board**. IDR is optional to the **Owner**, but mandatory for the **Association** if the **Owner** requests it.

11.3(c)(2) Owner and Association Disputes: Mediation. In the event of a dispute between an **Owner** and the **Association**, the parties shall attempt to resolve such dispute by mediation before any formal action is filed or initiated. The cost shall be borne equally.

11.3(c)(3) Owner-to-Owner Disputes: Mediation/Arbitration. In the event of a dispute between **Owners**, affected **Owners** shall attempt to resolve any dispute by mediation. The cost of the mediator shall be borne equally. If the parties cannot agree on a mediator to provide this service, the **Association** can recommend and/or facilitate the use of an Alternative Dispute Resolution provider, such as local low cost mediation. In the alternative, any party can request the president of the San Francisco Bar Association to identify local low cost mediation service providers and such designation shall be binding. If mediation fails and the dispute continues, the parties shall proceed with binding arbitration administered by the American Arbitration Association and in accordance with the applicable procedures established by that organization.

11.3(d) Legal Action. Preserving status quo in the **Community** is an important goal of this **Declaration**. This includes the preservation of aesthetics and the quiet enjoyment of each residence. With the exception of nonpayment of any **Assessment**, the recovery of dollar damages for any violation of the **Governing Documents** is an insufficient remedy. Enforcement of the **Governing Documents** against any **Owner** or **Occupant** may be undertaken by appropriate legal proceedings instituted by any **Owner**, the **Association**, or both. Legal proceedings may include the following:

11.3(d)(1) an action for mandatory injunction (a court order or judgment which requires someone to do something);

11.3(d)(2) an action for prohibitory injunction (in which the court prohibits specified behavior);

11.3(d)(3) an action for declaratory relief (such as interpretation of any provision of the **Governing Documents**); and/or

11.3(d)(4) A claim for damages, including prospective costs and costs actually incurred in obtaining compliance.

No action shall be filed unless or until there is compliance with the Alternative Dispute Resolution provisions of the **Davis-Stirling Act**.

11.3(e) Self Help. The **Association** shall have the right to enter any **Unit** to gain compliance with the **Governing Documents**, including but not limited to the following:

11.3(e)(1) Maintenance, Repair and Replacement. If the **Association** reasonably finds a **Unit** requires maintenance, repair or replacement of any component or condition for which the **Owner** is responsible, the **Board** may direct the **Owner** to perform the work and if the **Owner** fails or refuses to do so, the **Association** may, after notice to the **Owner**, utilize these provisions, and cause the work to be performed. The **Association** may collect the cost by adding it to the **Assessment** for that **Unit** and collecting it in the same manner as a Reimbursement **Assessment**.

11.3(e)(2) Removal of Nuisance. The **Association** shall have authority to enter a **Unit** to cause the removal of a nuisance from the **Property**. This power does not relieve the **Association** of its duty to comply with the due process and notice requirements of the **Governing Documents**, unless there is immediate peril to persons or property.

11.3(f) Imposition of Reimbursement Assessment. The **Association** may levy a Reimbursement **Assessment** as provided for in **Article IV, Section 4.1(c)(4)** hereof.

11.3(g) Termination of Leased/Assigned Parking and/or Storage Area Rights. Some parking and storage spaces are under the discretionary control of the **Board**. (For example, see **Sections 1.31 and 3.14**) They may be leased to an **Owner** or resident. If the **Board** has confirmed (by hearing) an **Owner** or resident violation of the **Governing Documents**, the **Board** may terminate any such lease and retake possession.

11.3(h) Referral to Governmental Agency. The **Association**, in its sole discretion, may refer any enforcement action to the appropriate governmental agency with jurisdiction, such as the police department, fire department, health department or other proper agency.

Section 11.4. Implementation. Prior to taking disciplinary action against an **Owner**, the **Association** must provide the **Owner** with due process as set forth in this **Section 11.4**. In the event of a risk to persons or property, the **Board** may take or require action to mitigate the risk until a hearing can be conducted.

11.4(a) Notices. Notices and requests must be in writing and delivered to the **Owner** by personal delivery or first-class mail. As of 1/1/2014, written notice may be delivered to **Members** by personal delivery or **Individual Notice**. Notices from the **Association** shall include at a minimum, the date and time for the meeting at which the **Board** will consider disciplinary action, a brief description of the action or inaction constituting the alleged violation, and a statement that the **Owner** has a right to attend and may address the **Board**.

11.4(b) Meeting re: Compliance. The **Association** will notify an **Owner** in writing at least 10 days prior to any meeting at which the **Board** is seeking compliance from an **Owner** (including via the levying of fines). The **Owner** may request that the issue be considered in Executive Session.

11.4(c) Notice of Hearing Results. If the **Board** determines that the **Owner** is in violation of the **Governing Documents**, the **Association** will provide written notice of the outcome of the hearing to the **Owner** within fifteen (15) days following the action.

Section 11.5. Miscellaneous.

11.5(a) Cumulative Remedies. The respective rights and remedies provided by this **Declaration** or by law shall be cumulative. The exercise of any right(s) or remedy(ies) shall not affect the exercise, at the same or at different times, of any other rights or remedies for the same or any different default or breach or for the same or any different failure of any **Owner** or others to perform or observe any provision of this **Declaration**.

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

11.5(c) Rules re: Disciplinary Proceedings. The **Association** shall be entitled to adopt rules and/or policies that further the efficient conducting of disciplinary proceedings. Such rules and/or policies shall form a part of the **Governing Documents**.

11.5(d) Noncompliance with Procedure. Failure by the **Association** to technically comply with these procedures, or any rules or policies adopted, shall not be fatal to the process so long as there is no significant prejudice to the **Person** who has been charged with a violation. Appearance at a hearing shall constitute a waiver of any defect in notice.

11.5(e) Owner Standing. Any **Owner** shall also have such rights of enforcement as exist by virtue of Civil Code section 5975 (including direct enforcement of this **Declaration**) or otherwise by law.

11.5(f) Fees and Costs of Enforcement. The **Association** shall be entitled to its actual legal fees and costs incurred in the enforcement of the **Governing Documents** and other costs, and may levy same as a Reimbursement **Assessment**. (Recovery of fees and costs related to delinquent **Assessments** are addressed in **Article IV**.)

ARTICLE XII **GENERAL PROVISIONS**

Section 12.1. Severability. Should any provision in this **Declaration** be void or become invalid or unenforceable in law or in equity by judgment or court order, the remaining provisions shall be and remain in full force and effect.

Section 12.2. Interpretation. The provisions of this **Declaration** and the other **Governing Documents** shall be liberally construed to effectuate the purpose of efficiently governing, operating and perpetuating a uniform plan for the operation of a **Condominium** Project.

Section 12.3. Term of Declaration. The provisions of this **Declaration** shall continue and be effective until January 1, 2023, after which date this **Declaration** shall be automatically extended for successive periods of ten (10) years, until it is terminated by the **Owners** in accordance with the law. This **Declaration** may be amended as provided below.

Section 12.4. Amendment. This **Declaration** may be amended by approval of **Owners** holding sixty-seven percent (67%) of the total votes. (Based on 241 **Condominiums**, this is 162 votes.) Said amendment shall be effective upon recordation in the Office of the Recorder of the City and County of San Francisco. Notice of approval shall be given to all **Owners** but, at the **Board's** discretion, need not include the full document previously submitted and voted upon, unless requested by an **Owner**.

Section 12.5. Presumption of Validity. There will be a presumption subsequent to the recording of an amendment to this **Declaration** that all votes and consents required to pass the same pursuant to this **Declaration** were duly obtained. Such presumption may be rebutted by an action commenced within one (1) year from the date the amendment is recorded; in the absence of any such action, such presumption shall thereafter become conclusive.

Section 12.6. Document Hierarchy. To the extent of any inconsistency between the **Governing Documents** and the law, the law controls. To the extent of any inconsistency between the **Articles** and the **Declaration**, the **Declaration** controls. To the extent of any inconsistency between the **Bylaws** and the **Articles** or **Declaration**, the **Articles** or **Declaration** control. To the extent of any inconsistency between the operating rules and the **Bylaws**, **Articles** or **Declaration**, the **Bylaws**, **Articles** or **Declaration** control.

Section 12.7. Security. Each **Owner** and resident is responsible for his or her own safety and the security of his or her **Condominium** and personal property. The **Association** may, but shall not be obligated to, maintain or support certain activities or equipment within the **Community** designed to enhance safety and security within the **Community**. However, neither the **Association** nor its **Directors** shall in any way be liable for any loss or damage by reason of failure to provide security or ineffectiveness of security measures undertaken. Each **Owner** agrees to

inform his or her tenants that the **Association** and its representatives are not insurers and that each **Person** using the **Property** assumes all risks of personal injury and loss or damage to property, resulting from acts of third parties.

Section 12.8. Owner Responsibility. Each **Owner** shall be liable to the **Association** for any damage to the **Common Areas** or areas which the **Association** must maintain, repair or replace caused directly or indirectly by the **Owner** or his or her family, pets, guests, invitees, tenants, the guests or invitees of any **Occupant** (including but not limited to inadvertence, failure to act, active or passive negligence or willful misconduct or otherwise). Each **Owner** shall protect, defend, hold harmless and indemnify the **Association** and **Directors** from any third-party claim arising out of such conduct.

Section 12.9. Indemnification by Association of Directors and Officers. The **Association** shall, to the fullest extent permitted by law, protect, defend and indemnify its past and present **Directors**, Officers and Committee members from potential liability for their activity while acting in good faith and engaged in **Association** business. Such protection may include that provided for in (a) the **Association's** insurance, including the liability insurance in the case of damage to person or property, and/or (b) the Corporations Code, specifically section 7237. In the event that any claim of indemnification is made to the **Association** by such individual, the **Association** shall, in a timely way, tender the claim to its broker and/or insurance carriers. To the extent that the individual seeking indemnification has exposure to any uninsured loss, the **Association** shall also submit the matter to its counsel for a legal opinion as to **Association** obligations.

Section 12.10. Advancement of Expenses. To the fullest extent permitted by law, the **Association** shall, consistent with Corporations Code section 7237(f), advance all costs of defense of an accused Officer, **Director** or Committee member, if such costs of defense are not provided by insurance.

Section 12.11. Limitations on Personal Liability of Individual Directors/Officers.

12.11(a) No action shall be brought against an individual **Director** or Officer unless expressly permitted by the provisions of Civil Code section 5800.

12.11(b) No suit or action against a **Director**, Officer or other volunteer of the **Association** personally shall be sustainable in any court unless commenced within twelve (12) months of the date claimant knew or should have known of alleged misconduct and/or the inception of damage or injury.

Section 12.12. Davis-Stirling Act.

12.12(a) Correction of Numbering. If the **Governing Documents** include a reference to a provision of the **Davis-Stirling Act** that was repealed and continued in a new provision of the **Act**, the **Board** may amend the **Governing Documents**, solely to correct the cross-reference, by adopting a **Board** resolution that shows the correction. **Member** approval is not required in order to adopt a resolution pursuant to this authority. A **Declaration** that is corrected under this section may be restated in corrected form and recorded, provided that a

copy of the **Board** resolution authorizing the corrections is recorded along with the restated **Declaration**.

12.12(b) Updating of Preempted Content or Other Statutory Reference in CC&Rs. In addition to the authority in **Section 12.12(a)**, the **Board** shall have authority to update these **CC&Rs** if or when changes in any statutory law preempt the numbering and/or content set forth in these **CC&Rs**. Unless provided for in **Section 12.12(a)**, before the **Board** can approve such an update, the **Board** must have confirmation from counsel of the nature of the statutory preemption and must provide **Members** with at least thirty (30) day notice of the proposed change. The **Board** may then approve revision of these **CC&Rs** to conform to change(s) in the law. A **Declaration** that is updated under this section may be restated and recorded, provided that a copy of the **Board** resolution authorizing the updates is recorded along with the restated **Declaration**.

Section 12.13. Developer Transition. The **Association** was involved in a Civil Code section 6000 (aka SB 800) transition which involved the developer, contractor and **Association** addressing a variety of construction related issues. Known claims were repaired or resolved in an Agreement dated April 22, 2010. Claims unknown at that time are not released by the Agreement.

Section 12.14. Notices. Notices and requests must be in writing and may be delivered by **Individual Notice** or **General Notice** (see **Article VI** in the **Bylaws**). If the notice or request is given by mail, it shall be sent by first-class and/or certified mail.

Section 12.15. Statutory References. To the extent that any statutory reference in the **Governing Documents** cross-references a statute passed but not yet effective, the effective law shall still be operative until the date of preemption by the new statute.¹ To the extent that any statutory reference in the **Governing Documents** cross-references a statute that has been superseded, notwithstanding the outdated reference, the new statute shall apply.

Section 12.16. Variances. The **Board** may, upon unanimous approval of all five (5) **Directors**, allow reasonable variances and adjustments of this **Declaration** in order to overcome difficulties and prevent unnecessary hardships in the application of these provisions. However, such variances shall only be granted which conform to the intent and purposes of this **Declaration**. Further, in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements within the **Property**. The **Board** may, in its sole discretion, impose limitations on any variance granted, including terms, conditions and duration. Where notice of a request for a variance has been given to **Owners** potentially affected and an **Owner** fails to object (according to the terms of the notice), that **Owner** shall be barred from later contesting the decision of the **Association**. A written record must be kept by the **Owner** and any successor of

¹ The reorganized, revised and renumbered version of the **Davis-Stirling Act** will go "on the books" as law in 2013 but to ease the transition from the old to the new **Act**, the new statutes will not take effect until January 1, 2014. Meanwhile, these **CC&Rs** refer to the new statute numbers. This means that during 2013, if there is an issue involving a statutory reference, the text and number in the old **Act** still apply, notwithstanding reference to the new numbers in this document. This footnote shall expire on January 1, 2014 and may be deleted from these **CC&Rs** thereafter.

all such requests, proceedings and approvals. If the **Owner** is unable to produce such evidence, there shall be a presumption that no variance was granted.

Section 12.17. Mortgagees. Included as part of this **Declaration** is **Exhibit D** which addresses **Mortgagee** provisions. As the mortgage industry (i.e., FHA, FNMA, etc.) often revises its requirements with regard to common interest developments, it is the **Association's** desire to reasonably facilitate cooperation with lenders so that **Owners** can procure competitive loans. Therefore, the **Board** has the discretion, without a vote of the **Members**, to revise and update **Exhibit D** solely for the purpose of conforming the **Association's Mortgagee** provisions to current industry minimums or more.

Section 12.18. Transition Provisions. In order to facilitate the transition from the provisions contained under the Former Declaration to those contained in these **Governing Documents**, the **Board** shall have the authority, in its sole discretion, to grandfather certain activities within, uses of, or conditions on the **Property** typically for a period not to exceed eighteen (18) months following the date of recordation of these **CC&Rs**. The granting of any such grandfathered activity, use or condition shall be in writing and made a part of the **Association's** records.

Section 12.19. Developer's Rights. Sections addressing developer rights have been deleted. In the event developer rights not set forth in the **CC&Rs** are determined to be valid, they shall be as set forth in the Former Declaration.


CERTIFICATE OF AMENDMENT

The **Association** desired to make substantial changes to the CC&Rs pursuant to the amendment provisions and Civil Code section 1355, and on May 29, 2013 the **Owners** voted and approved the language of said changes.


This Restated Declaration of Covenants, Conditions and Restrictions supersedes the Former Declaration.

The undersigned declare, under penalty of perjury, under the laws of the State of California, that the matters set forth in this Restated Declaration are true and correct of their own knowledge. Executed at San Francisco, California on June 10, 2013.

200 BRANNAN OWNERS ASSOCIATION



President: John Vashuen



Secretary: Mona Migdal

ATTACH NOTARY CERTIFICATE(S)

Glenn H. Youngling, PLC
1108 Irwin Street, San Rafael, California 94901
(415) 454-1090

ACKNOWLEDGMENT

State of California
County of Contra Costa

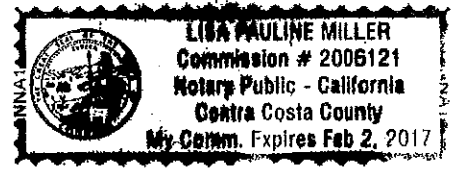
On June 10th, 2013 before me, Lisa Pauline Miller Notary Public
(insert name and title of the officer)

personally appeared John Vashon
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 *Lisa Pauline Miller* (Seal)



ACKNOWLEDGMENT

State of California
County of Contra Costa

On June 10th, 2013 before me, Lisa Pauline Miller Notary Public
(insert name and title of the officer)

personally appeared Mona Migdal
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 Lisa Pauline Miller (Seal)

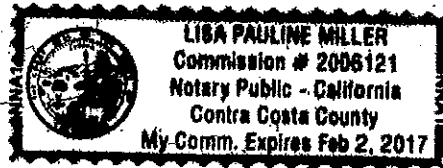


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Brannan Building

All that real property located in the City and County of San Francisco, State of California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SHOWN ON THE MAP ENTITLED "MAP OF 200 BRANNAN STREET, A RESIDENTIAL/COMMERCIAL CONDOMINIUM PROJECT", BEING A SUBDIVISION OF LOT 190 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED MARCH 29, 2002 IN BOOK 45 OF PARCEL MAPS, AT PAGE 71, OFFICIAL RECORDS, BEING A PORTION OF ASSESSOR'S BLOCK NO. 3774, ALSO BEING A PORTION OF 100 VARA BLOCK NO. 351, SAN FRANCISCO, CALIFORNIA, FILED SEPTEMBER 30, 2003, IN BOOK 83 OF CONDOMINIUM MAPS AT PAGES 11 TO 23.

ASSESSOR'S PARCEL NUMBER: Lot 190, Block 3774

Federal Building

All that real property located in the City and County of San Francisco, State of California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SHOWN ON THE MAP ENTITLED "MAP OF 1 FEDERAL STREET, A RESIDENTIAL CONDOMINIUM PROJECT", BEING A SUBDIVISION OF LOT 189 AS SHOWN ON THAT CERTAIN PARCEL MAP FILED MARCH 29, 2002 IN BOOK 45 OF PARCEL MAPS AT PAGE 71, OFFICIAL RECORDS, BEING A PORTION OF ASSESSOR'S BLOCK NO. 3774, ALSO BEING A PORTION OF 100 VARA BLOCK NO. 351, SAN FRANCISCO, CALIFORNIA, FILED SEPTEMBER 30, 2003, IN BOOK 83 OF CONDOMINIUM MAPS AT PAGES 7 TO 10.

ASSESSOR'S. PARCEL NUMBER: Lot 189, Block 3774

200 Brannan Owners Association

Exhibit B to CC&Rs

Common Area Ownership and Assessment Allocation [Per CC&R Article II, Section 2.1 and Article IV, Section 4.2]

Those items in the budget designated as insurance premiums, painting, roof reserves and commonly metered water, gas or electricity shall be allocated and assessed proportionately among the Units as set forth below. All other items in the budget shall be allocated to and assessed among all Units equally.

Unit No.	% Common Area Ownership	Assessment Allocation	Unit No.	% Common Area Ownership	Assessment Allocation	Unit No.	% Common Area Ownership	Assessment Allocation
100	0.41	0.0036	201	0.39	0.0034	301	0.39	0.0034
101	0.36	0.0032	202	0.43	0.0038	302	0.43	0.0038
102	0.47	0.0041	203	0.43	0.0038	303	0.43	0.0038
103	0.47	0.0041	204	0.43	0.0038	304	0.43	0.0038
104	0.47	0.0041	205	0.51	0.0045	305	0.51	0.0045
105	0.55	0.0048	206	0.52	0.0046	306	0.52	0.0046
106	0.56	0.0049	207	0.52	0.0046	307	0.52	0.0046
107	0.56	0.0049	208	0.52	0.0046	308	0.52	0.0046
108	0.56	0.0049	209	0.52	0.0046	309	0.52	0.0046
109	0.56	0.0049	210	0.52	0.0046	310	0.52	0.0046
110	0.56	0.0049	211	0.52	0.0046	311	0.52	0.0046
111	0.56	0.0049	212	0.52	0.0045	312	0.52	0.0045
112	0.55	0.0048	213	0.36	0.0031	313	0.36	0.0031
113	0.36	0.0031	214	0.25	0.0022	314	0.25	0.0022
114	0.49	0.0043	215	0.27	0.0024	315	0.27	0.0024
115	0.36	0.0031	216	0.36	0.0031	316	0.36	0.0031
116	0.34	0.0030	217	0.38	0.0033	317	0.29	0.0025
117	0.30	0.0026	218	0.29	0.0025	318	0.29	0.0025
118	0.66	0.0057	219	0.73	0.0064	319	0.66	0.0058
119	0.32	0.0028	220	0.31	0.0027	320	0.72	0.0063
120	0.64	0.0056	221	0.64	0.0056	321	0.64	0.0056
121	0.30	0.0026	222	0.29	0.0025	322	0.70	0.0061
122	0.30	0.0026	223	0.27	0.0023	323	0.27	0.0023
123	0.30	0.0026	224	0.70	0.0061	324	0.66	0.0058
124	0.30	0.0026	225	0.27	0.0023	325	0.27	0.0023
125	0.30	0.0026	226	0.66	0.0058	326	0.67	0.0059
126	0.69	0.0060	227	0.72	0.0063	327	0.72	0.0063
127	0.32	0.0028	228	0.28	0.0025	328	0.82	0.0072
128	0.30	0.0027	229	0.66	0.0057	329	0.66	0.0057
129	0.75	0.0066	230	0.28	0.0025	330	0.65	0.0057
130	0.52	0.0046	231	0.65	0.0057	331	0.65	0.0057
131	0.66	0.0058	232	0.82	0.0072	332	0.68	0.0059
132	0.30	0.0026	233	0.47	0.0041	333	0.47	0.0041
134	0.65	0.0057	234	0.65	0.0057	334	0.69	0.0060
134	0.32	0.0028	235	0.68	0.0059	335	0.62	0.0055
135	0.32	0.0028	236	0.69	0.0060	336	0.68	0.0060
136	0.30	0.0026	237	0.62	0.0055	337	1.04	0.0091
137	0.30	0.0026	238	0.68	0.0060	338	0.70	0.0061
138	0.30	0.0026	239	0.66	0.0058	339	0.52	0.0046
139	0.28	0.0024	240	0.54	0.0047	340	0.52	0.0046
140	0.55	0.0048	241	0.52	0.0045	341	0.52	0.0046
141	0.55	0.0048	242	0.52	0.0046	342	0.52	0.0046
142	0.55	0.0049	243	0.52	0.0046	343	0.52	0.0046
143	0.55	0.0049	244	0.52	0.0046			
144	0.55	0.0049	245	0.52	0.0046			
145	0.55	0.0049	246	0.52	0.0045			
146	0.55	0.0048						

200 Brannan Owners Association

Exhibit B to CC&Rs

Common Area Ownership and Assessment Allocation [Per CC&R Article II, Section 2.1 and Article IV, Section 4.2]

Unit No.	% Common Area Ownership	Assessment Allocation		Unit No.	% Common Area Ownership	Assessment Allocation		Unit No.	% Common Area Ownership	Assessment Allocation
401	0.39	0.0034		501	0.68	0.0060		<u>One Federal Street</u>		
402	0.43	0.0038		502	0.53	0.0047		30	2.42	0.0030
403	0.43	0.0038		503	0.63	0.0055		31	2.07	0.0026
404	0.43	0.0038		504	0.38	0.0034		32	1.81	0.0022
405	0.51	0.0045		505	0.78	0.0068		33	2.04	0.0025
406	0.52	0.0046		506	0.38	0.0034		34	1.87	0.0023
407	0.52	0.0046		507	0.45	0.0039		35	2.18	0.0027
408	0.52	0.0046		508	0.90	0.0079		36	1.84	0.0023
409	0.52	0.0046		509	0.98	0.0085		37	2.45	0.0030
410	0.52	0.0046		510	0.96	0.0084		38	2.45	0.0030
411	0.52	0.0046		511	1.16	0.0101		39	2.15	0.0027
412	0.52	0.0045		512	0.52	0.0046		40	1.64	0.0020
413	0.36	0.0031		513	0.60	0.0052		41	1.55	0.0019
414	0.31	0.0027						42	1.59	0.0020
415	0.34	0.0030		<u>One Federal Street</u>				43	1.70	0.0021
416	0.36	0.0031		1	2.22	0.0028		44	1.92	0.0024
417	0.36	0.0031		2	2.21	0.0027		45	1.89	0.0024
418	0.34	0.0030		3	2.02	0.0025		46	1.96	0.0024
419	0.61	0.0054		4	1.86	0.0023		47	1.92	0.0024
420	0.67	0.0058		5	1.84	0.0023		48	1.92	0.0024
421	0.64	0.0056		6	1.86	0.0023		49	2.58	0.0032
422	0.66	0.0058		7	2.45	0.0030				
423	0.33	0.0029		8	2.35	0.0029				
424	0.66	0.0058		9	2.43	0.0030				
425	0.33	0.0029		10	2.33	0.0029				
426	0.67	0.0059		11	2.48	0.0031				
427	0.72	0.0063		12	2.10	0.0026				
428	0.82	0.0072		13	1.80	0.0022				
429	0.66	0.0057		14	2.02	0.0025				
430	0.65	0.0057		15	1.86	0.0023				
431	0.65	0.0057		16	1.84	0.0023				
432	0.66	0.0058		17	1.86	0.0023				
433	0.47	0.0041		18	2.45	0.0030				
434	0.63	0.0055		19	2.42	0.0030				
435	0.60	0.0053		20	2.16	0.0027				
436	0.62	0.0055		21	2.08	0.0026				
437	0.99	0.0087		22	2.26	0.0028				
438	0.69	0.0061		23	1.70	0.0021				
439	0.52	0.0046		24	1.92	0.0024				
440	0.52	0.0046		25	1.89	0.0024				
441	0.52	0.0046		26	1.98	0.0025				
442	0.52	0.0046		27	1.91	0.0024				
443	0.52	0.0045		28	1.92	0.0024				
				29	1.83	0.0023				

EXHIBIT C

COMMERCIAL UNIT USE RESTRICTIONS

Section C.1. Commercial Use. The **Commercial Unit** shall not be occupied and used except for commercial purposes by the **Owner** or his or her lessee. For purposes of this **Exhibit C**, "commercial purposes" shall include retail sales and businesses, offices, and food preparation, service and/or sales, any or all of which shall comply with and be permitted by applicable federal, state and local laws and regulations.

Section C.2. Hours of Operation. The hours of daily operation for the **Commercial Unit** shall be limited to the period beginning at 6:00 a.m. and ending at 11:00 p.m.

Section C.3. Advertising and Signs. No **Owner**, or his or her lessee, shall employ an advertising medium which can be heard or experienced outside of the **Commercial Unit**, including, without limiting the generality of the foregoing: flashing lights, searchlights, loudspeakers, phonographs, radios or television. The **Board** may, however, grant exceptions as it deems appropriate. No **Owner**, or his or her lessee, shall distribute, or cause to be distributed, any handbill or other advertising device in the **Common Area** or on the public sidewalks or streets adjacent to the **Community**. All signs displayed for public view on the **Commercial Unit** shall comply with all applicable federal, state and local laws and regulations.

Section C.4. Leasing of a Commercial Unit. Except for the restrictions contained in this **Exhibit C**, there shall be no restriction on the right of an **Owner** to lease his or her **Commercial Unit**. An **Owner** may lease his or her **Commercial Unit** for the uses allowed by **Section 6.23(a)**. Any lease shall provide that it is subject, in all respects, to the provisions of the **Governing Documents**.

Section C.5. Customers, Guests and Lessees; Insurance. An **Owner** shall be responsible for compliance by his or her customers, invitees, guests and lessees, and his or her lessees customers, invitees and guests, with the provisions of the **Governing Documents**. The **Owner** of the **Commercial Unit** or such **Owner's** lessees shall maintain a policy or policies of public liability insurance in an amount which is reasonable for the use, and shall demonstrate proof of such insurance to the **Board** upon request. If the **Owner** of the **Commercial Unit's** (or such **Owner's** lessees') conduct or use of the **Commercial Unit** causes any increase in the premiums of the insurance policies carried by the **Association** pursuant to **CC&R Article VIII**, such **Owner** shall reimburse the **Association** for any such increase promptly upon being billed therefor.

Section C.6. Restrictions on Board. The **Board** may not restrict the reasonable use of the **Commercial Unit** as provided for herein.

Section C.7. Inclusion of Residential Restrictions. With the exception of **CC&R Section 6.1(a)** - *Residential Use*, **CC&R Section 6.4** - *Signs* and **CC&R Section 6.16** - *Restriction on Businesses*, all provisions and restrictions of the **Governing Documents** shall be restrictions on the use of the **Commercial Units** to the extent that they are not in conflict with the foregoing. (See also **CC&R Article X** - *Architectural Control*)

Section C.8. Hazardous Materials. An **Owner** shall not use or keep in a **Commercial Unit** or the **Common Area** any kerosene, gasoline or inflammable or combustible fluid or material or other hazardous materials, other than those required or necessary to operate the business for which the **Commercial Unit** is used and for normal cleaning and landscaping work and provided such business complies with all applicable laws and safety requirements.

Section C.9. Restrictions on Restaurant Use. The **Commercial Unit** may be used for restaurant purposes subject to the following restrictions:

C.9(a) Noise and/or odors caused from the operation of the restaurant shall be sufficiently controlled such that neither would cause a nuisance to the other **Owners** or occupants, or unreasonably disturb any **Owner** or occupant's right to the quiet enjoyment of their premises. The restaurant operator shall undertake all reasonable measures necessary to remove any offensive odors generated by the restaurant, recycling, composting, and/or its garbage.

C.9(b) No wood-burning stove may be used in the **Commercial Unit**.

C.9(c) All utilities serving the restaurant shall be provided independent from the **Community** utilities, except for the sprinkler system and life-safety systems.

C.9(d) No live entertainment may be conducted in the **Commercial Unit**, unless approved by the **Board**.

C.9(e) The grease trap must be cleaned out at least every seven (7) days.

C.9(f) The owner of the restaurant must maintain an effective pest inspection and extermination program.

C.10(g) No exterior lights may be kept on between the hours of 11:00 p.m and 6:00 a.m. daily.

Section C.10. Use of Common Area Amenities. No more than two (2) persons at any one time from the **Commercial Unit**, including **Owners**, tenants or guests, may use **Common Area** amenities, including the fitness center and the community room, if any. **Commercial Unit Owner** shall designate in writing to the **Association** the names of such two (2) persons and provide seven (7) days advance written notice to the **Association** in the event of any changes of such designated persons.

EXHIBIT D **MORTGAGE PROTECTION**

Section D.1. Conflict. Notwithstanding any contrary provision contained elsewhere in the **Governing Documents**, the provisions of this **Exhibit D** shall control with respect to the rights and obligations of **Institutional Mortgagees** specified herein.

Section D.2. Mortgages Permitted. Any **Owner** may encumber his or her **Condominium** with a **Mortgage**.

Section D.3. Conformance to Mortgagee Requirements. It is intended that the **Declaration** shall meet all requirements necessary to purchase, guarantee, insure, or subsidize any **Mortgage** of a **Condominium** in the **Property** by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Corporation or any successor institution(s) serving the same or similar function. By unanimous approval of the sitting **Directors**, the **Board** may amend the terms of this **Exhibit D** to comply with such requirements. The **Board** is also authorized to take any action or shall adopt any resolution required by any **Mortgagee** to conform the **Declaration** or the **Property** to the requirements of any of these entities or agencies.

Section D.4. Subordination of Assessment Lien. **Assessment** liens shall be subordinate to the lien of **First Mortgages** to the extent provided in **Section 4.5(c)** ("Priorities") of the **Declaration**. Upon foreclosure of any **First Mortgage** on a **Condominium**, any lien for **Assessments** which became due prior to such foreclosure shall be extinguished; provided however, that after such foreclosure there shall be a lien on the interest of the purchaser at the foreclosure sale to secure all **Assessments** charged to such **Condominium** after the date of such foreclosure sale, which lien shall have the same effect and shall be enforced in the same manner as provided in this **Declaration**.

Section D.5. Liability for Unpaid Assessments. Any **Institutional Mortgagee** who obtains title to a **Condominium** pursuant to the remedies provided in the **First Mortgage** (except upon a voluntary conveyance to the **Institutional Mortgagee**) or by foreclosure shall take the property free of any claims for unpaid **Assessments** against the **Condominium** which accrue prior to the acquisition of title to the **Condominium** by the **Institutional Mortgagee**, except claims for a pro rata allocation of such **Assessments** or additional charges to all **Condominiums** including the mortgaged **Condominium**, and, except for **Assessment** liens recorded prior to the **Mortgage**.

Section D.6. Management Contracts; Professional Management. Any agreement for professional management of the **Property** shall be for a term not to exceed one (1) year. Any such agreement shall provide that the agreement may be terminated by either party without cause and without payment of a termination fee upon not more than sixty (60) days written notice.

Section D.7. Notices to Eligible Holders. Upon written request, including the name and address of the **Eligible Holder** and the address or **Condominium** number of the **Condominium** on which it holds a **First Mortgage**, an **Eligible Holder** is entitled to timely written notice of:

D.7(a) Any condemnation loss or casualty loss which affects either a material portion of the **Property** or of the **Condominium** on which the **Eligible Holder** holds a **First Mortgage**;

D.7(b) Any delinquency in the payment of **Assessments** or charges owed by the **Owner** of a **Condominium** which is subject to a **First Mortgage** held by the **Eligible Holder** if the delinquency is not cured within sixty (60) days after its due date;

D.7(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the **Association**;

D.7(d) Any default by an **Owner**-mortgagor of a **Condominium** in the performance of his or her obligations under the **Declaration** or the **Bylaws** which is not cured within sixty (60) days.

Section D.8. Inspection of Books and Records. Upon request, any **First Mortgagee** shall be entitled to inspect the books, records, and financial statements of the **Association** and the **Governing Documents** and any amendments thereto during normal business hours or under other reasonable circumstances.

Section D.9. Mortgagees' Right to Pay Taxes and Insurance Premiums. **Institutional Mortgagees** of individual **Condominiums** may, jointly or separately, pay taxes or other charges which are in default and which may or have become a charge against the **Common Area**, or secure new hazard insurance coverage on the lapse of a policy for such **Common Area**. **Institutional Mortgagees** making such payments shall be owed immediate reimbursement therefor from the **Association**.

Section D.10. Mortgagees' Rights to Insurance Proceeds or Condemnation Awards. No **Owner** or other party shall have priority over any right of **Institutional Lenders** in case of a distribution to **Owners** of insurance proceeds or condemnation awards for losses to or taking of a **Condominium**.

Section D.11. Mortgagee Consent for Termination of Property. Any election to terminate the legal status of the **Property** as a **Condominium Project** shall require:

D.11(a) The approval of sixty-seven percent (67%) of the **Eligible Holders**, based on one (1) vote for each **First Mortgage** owned, if the decision to terminate the legal status is a result of substantial destruction or a substantial taking in condemnation of the **Property**; or

D.11(b) The approval of sixty-seven percent (67%) of the **Voting Power** of the **Association** and sixty-seven percent (67%) of the **Eligible Holders**, based on one (1) vote

for each **First Mortgage** owned, if the election to terminate the Condominium Project is for a reason other than that stated in **Section D.11(a)**, above.

Section D.12. Other Actions Requiring Mortgagee Consent. Except as provided by statute in the case of condemnation or substantial loss to **Condominiums**, unless sixty-seven percent (67%) of the **Institutional Mortgagees**, based on one (1) vote for each **First Mortgage** owned, or sixty-seven percent (67%) of the **Owners** have given their prior written approval, the **Association** shall not be entitled to:

D.12(a) By act or omission abandon, partition, subdivide, encumber, sell, or transfer any real property of improvements owned by the **Association** for the benefit of the **Condominiums** and the **Owners**. The granting of easements for public utilities, communications systems, or for other purposes consistent with public purposes or the intended use of the property by the **Association** and the **Owners** shall not be deemed a transfer within the meaning of this **Section D.12(a)**;

D.12(b) By act or omission waive or abandon any scheme of regulations or enforcement thereof pertaining to architectural design or general exterior appearance of the **Condominiums**, the exterior maintenance of the **Condominiums**, or the upkeep of landscaping in the **Property**;

D.12(c) Fail to maintain fire and extended coverage insurance as provided in **Section 8.1(a)** of the **Declaration**.

Section D.13. Mortgage Protection. A breach of any of provisions in the **Declaration** shall not defeat or render invalid the lien of any **First Mortgage** made in good faith and for value as to any **Condominium**; provided, however, that all of the **Governing Documents** shall be binding upon and effective against any **Owner** whose title is derived through foreclosure, trustee's sale or otherwise.

Section D.14. Mortgagee Response. In the event that a holder of a **Mortgage** or Deed of Trust acquires such interest after recordation of this **Declaration** and has a right to participate in or vote on any change in this **Declaration**, any **Board**-recommended change shall be deemed approved if or when an eligible party fails to return such vote within sixty (60) days after the **Association** sends notice of the proposal by certified or registered mail with a return receipt requested and by first-class mail.