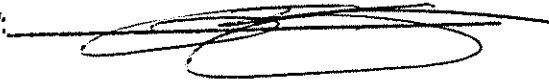


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**DECLARATION OF RESTRICTIONS  
AND CONDOMINIUM PLAN**

**FOR**

**8 OCTAVIA BOULEVARD  
SAN FRANCISCO, CALIFORNIA**

**a Condominium Project**

**IF THIS DOCUMENT CONTAINS ANY RESTRICTIONS BASED ON RACE, COLOR, RELIGION, SEX, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, GENETIC INFORMATION, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SOURCE OF INCOME (AS DEFINED IN CALIFORNIA GOVERNMENT CODE SECTION 12955(P)) OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.1 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.**

**Octavia Gateway Holdings LLC, a Delaware limited liability company**

**Declarant**

#1

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**DECLARATION OF RESTRICTIONS  
FOR  
8 OCTAVIA BOULEVARD  
SAN FRANCISCO, CALIFORNIA  
a Condominium Project**

**Recitals**

**THIS DECLARATION** is made by Octavia Gateway Holdings LLC, a Delaware limited liability company, "Declarant," with reference to the following:

A. Declarant is the Owner of a tract of land more particularly described as follows:

All that real property as shown on that certain map entitled "Final Map No. 7511," which map was filed for record on MAY 29, 2014 Condominium Map Book 123 pages 88 to 190 inclusive, San Francisco County Records.

B. The land has been improved with a building containing 47 Residential Units and three Commercial Units.

C. SECTION 13.1B OF THIS DECLARATION REFERS TO MANDATORY PROCEDURES FOR THE RESOLUTION OF CONSTRUCTION DEFECT DISPUTES, INCLUDING THE WAIVER OF THE RIGHT TO A JURY TRIAL FOR SUCH DISPUTES.

D. By this Declaration, Declarant establishes a condominium project under the provisions of the Davis-Stirling Common Interest Development Act, Division 2, Part 4, Title 6 of the Civil Code (beginning at section 4000), and imposes upon the real property mutually beneficial restrictions under a general plan of improvement for the benefit of all the Condominiums and Owners of Condominiums.

Declarant declares that the real property is held, conveyed, encumbered, leased, occupied and improved subject to the following declarations, limitations, covenants, conditions, restrictions and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Project, in accordance with the plan for the improvement of the real property and the division of it into Condominiums. All of the limitations, covenants, conditions, restrictions and easements constitute equitable servitudes and covenants that run with the land and are binding upon Declarant and all parties having or acquiring any right, title or interest in or to any part of the Project.

**ARTICLE 1**  
**Definitions**

**1.1 "Articles"** means the Articles of Incorporation of the Association as amended from time to time.

**1.2 "Association"** means the 8 Octavia Boulevard Owners' Association, a California non-profit mutual benefit corporation.

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

**1.4 "Bylaws"** means the Bylaws of the Association as amended from time to time.

**1.5 "Commercial Unit"** means a Unit designated for commercial use as described in Article 8. The Commercial Units are labeled Units 102, 307 and 308 on the Condominium Plan.

**1.6 "Common Area"** means the entire Project except for the Units as defined in this Declaration and as shown on the Condominium Plan. Common Area includes, but is not limited to, all of the following elements if located at the Project: the land, parking areas, storage areas, light wells, (except light wells within a Unit), elevator, entrance, courtyards, bearing walls, stairways (except stairs within a Unit), columns, girders, subfloors, unfinished floors, roofs and foundations, central heating system (except the valve and other components located within the Unit), reservoirs, tanks, pumps, motors, ducts, flues and chutes, conduits, pipes, plumbing, wires, and other utility installations (except the outlets located within a Unit) required to provide power, light, telephone, gas, water, sewerage, drainage, and air-conditioning, sprinkler pipes and sprinkler heads which protrude into the Unit.

**1.7 "Condominium"** means an estate in real property consisting of an undivided interest in common in a portion of real property coupled with a separate interest in space called a Unit, the boundaries of which are described on the Condominium Plan. A Condominium includes a Unit, the Exclusive Use Common Areas appurtenant to the Unit, if any, and an undivided interest in the Common Area.

**1.8 "Condominium Plan"** means the three dimensional description of the Project in sufficient detail to identify the Common Area and the Units pursuant to Civil Code Section 4285, and any amendments and corrections to it. The Condominium Plan is attached to this Declaration as Exhibit A and incorporated into it by this reference.

**1.9 "County"** means San Francisco County, California.

**1.10 "Declarant"** means Octavia Gateway Holdings LLC, a Delaware limited liability company and any successors and assigns who acquire Declarant's interest in the Project and expressly assume the rights and duties of the Declarant for purposes of this Declaration by a written instrument recorded

in the County Recorder's office, or who is a Mortgagee that acquired Declarant's interest in the Project through foreclosure or deed in lieu of foreclosure.

**1.11 "Declaration"** means this Declaration of Restrictions and any amendments and supplements to it.

**1.12 "Exclusive Use Common Areas"** mean those portions of the Common Area designated for the exclusive use of the Owners and which are appurtenant to the Units.

**1.13 "Governing Documents"** means this Declaration, the Condominium Plan, the Articles, Bylaws and operating rules of the Association, all as amended from time to time.

**1.14 "Map"** means the subdivision map referred to in Recital A and any amendments and corrections to it.

**1.15 "May", "Must", "May Not"**. As used in the Governing Documents, the word "may" means an action is permitted, but not required, to be taken or performed; the word "must" means that an action is required to be taken or performed; and the words "may not" mean an action is not permitted and cannot be taken or performed.

**1.16 "Member"** means a person who is a member of the Association.

**1.17 "Mortgage, Mortgagee, Mortgagor"** are defined in section 12.1.

**1.18 "Owner"** means the record holder of title to a Condominium in the Project. If a Condominium is sold under a recorded contract of sale to a purchaser, the purchaser rather than the seller is considered the Owner. "Owner" does not include a person who has an interest that is merely a security for the performance of an obligation.

**1.19 "Person"** means a natural person, a corporation, a partnership, a limited liability company, a trustee, or other legal entity.

**1.20 "Project"** means the real property described in Recital A, all structures and improvements erected or to be erected on it, and all easements and rights appurtenant to it.

**1.21 "Residential Unit"** means each of the Units designated for residential use as described in Article 7. The Residential Units are labeled Units 202, 301 - 306, 401-408, 501-509, 601-609, 701-708 and 801-806 on the Condominium Plan.

**1.22 "Unit"** means the elements of a Condominium that are not owned in common with other Owners or by the Association. Each Unit as separately shown, numbered and designated on the Condominium Plan consists of the space bounded by and contained within the interior unfinished perimeter walls, floors, ceilings, windows, window frames, doors and doorframes of the Unit. Each



Unit includes all of the following items, located within it: electrical, heating and plumbing fixtures (including valves and other devices for regulating heat within the Unit), appliances, wall board, sheet rock, interior non-structural walls (except for water and other pipes, electrical wires, conduits, vents and similar improvements within the walls that serve more than one Unit), staircases connecting levels within a Unit, cabinets, interior doors, ventilation fans, and wall, floor and ceiling finishes (as, for example, paint, wall paper, paneling, carpet, hardwood, or tile). Each Unit also includes all of the following items, if any, whether located within the Unit or the Common Area that serve only the Unit: air heating, air conditioning, water heating equipment, ventilation systems, alarm systems, and similar fixtures and systems. A Unit does not include any structural elements.

**1.23 "Vote of the Owners"** means a majority of votes cast by Members entitled to vote either at a meeting of the Members at which a quorum is present or by written consent, as provided in the Bylaws. However, if a vote greater than a majority is required on any matter, a Vote of the Owners means that higher percentage of votes.

## **ARTICLE 2**

### **Easements and Property Rights**

**2.1 CONDOMINIUM.** Each Condominium consists of a Unit, the Exclusive Use Common Areas appurtenant to the Unit, if any, an undivided interest in the Common Area, and any other easements and rights provided for in this Declaration.

**A. Units.** Each Unit includes the elements defined in section 1.22. A Unit does not include those areas and things defined as Common Area in section 1.6. Each Unit is subject to encroachments that now exist or that may be later caused or created in any manner referred to in section 2.3D. In interpreting deeds and plans, the then existing physical boundaries of a Unit, whether in its original state or reconstructed in substantial accordance with the original plans, are conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or Condominium Plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the Plan or deed and those of the building.

**B. Common Area.** Each Owner owns, as appurtenant to his or her Unit, an undivided interest in the Common Area as shown on the Condominium Plan. Each Owner may use the Common Area in accordance with the purposes for which it is intended without hindering the exercise of, or encroaching upon the rights of any other Owners.

**C. Exclusive Use Common Area.** Portions of the Common Area, referred to as Exclusive Use Common Areas, are set aside and allocated for the exclusive use of the Owners. The Exclusive Use Common Areas consist of the parking spaces, handicapped parking spaces, bicycle stalls, decks, and equipment area E-102 as shown on the Condominium Plan. Equipment Area 102 as shown on the Condominium Plan is appurtenant to Unit 102, and

decks as shown on the Condominium Plan are appurtenant to the correspondingly numbered Units. Exclusive Use Common Area parking spaces, handicapped parking spaces and bicycle stalls will be assigned in the deeds to the Units. An easement for the use of each of these Exclusive Use Common Areas will be granted as appurtenant to a Unit in the first deed for each Condominium. Exclusive Use Common Areas also consist of internal and external wiring designed to serve a single Unit, exterior staircases to roof decks, windows, window frames, window boxes, screens, shutters, awnings, doorsteps, stoops, exterior doors, door frames and hardware, if located at the Project.

**2.2 NO SEPARATE CONVEYANCE OF COMMON AREA.** The undivided interest in Common Area appurtenant to each Unit is permanent in character and cannot be altered without the consent of all the Owners affected and their first Mortgagees as expressed in an amended Declaration. The undivided interest in Common Area cannot be separated from the Unit to which it is appurtenant, and is conveyed or encumbered with its respective Unit even though the instrument of conveyance or encumbrance may refer only to the Unit. The foregoing does not prohibit the transfer between Owners of Exclusive Use Common Area that does not directly abut the Unit to which it is appurtenant (as, by way of example, parking spaces).

**2.3 EASEMENTS AND USE RIGHTS.** The following easements, reservations and use rights affect the Project.

**A. Owners' Nonexclusive Easements; Association Rights.** Each Owner has the unrestricted right of ingress and egress to his or her Condominium. Each Owner has, appurtenant to his or her Unit, nonexclusive easements of use, enjoyment, ingress, egress, and support in, to, and throughout the Common Area and any improvements or facilities on the Common Area. The nonexclusive easements are subject to all of the rights and powers of the Association as described in this Declaration. However, the nonexclusive easements are subordinate to and may not interfere with the right to use Exclusive Use Common Areas.

**B. Entry or Use Rights.** Each Condominium is subject to the following rights of entry and use:

(1) The right of Declarant, or its agents, to enter any portion of the Project to construct the improvements Declarant intends to construct, to conduct sales activities, and to make repairs and to remedy construction defects, provided that the entry does not interfere with the use or occupancy of any occupied Unit unless authorized by its Owner, which authorization must not be unreasonably withheld.

(2) The right of the Association, or its agents, to enter any Unit to cure any violation or breach of any of the Governing Documents, provided that the Owner has been given notice and the opportunity to be heard as provided in the Bylaws. The Association may levy a reimbursement assessment against the Owner for its costs in

effecting a cure. The rights of entry and cure are immediate in case of an emergency originating within or threatening any Unit, whether or not its Owner is present.

(3) The right of the Association, or its agents, to enter any Unit or Exclusive Use Common Area to perform its responsibilities under this Declaration, including responsibilities with respect to construction, maintenance, or repair of the Common Area, or for the benefit of the Owners in common. The rights are immediate in case of an emergency originating within or threatening any Unit, whether or not its Owner is present.

(4) The right of any Owner, or Owner's agents, to enter the Unit or Exclusive Use Common Area of any other Owner for purposes of performing installations, alterations or repairs to mechanical, electrical, telecommunication and electronic communication services that are reasonably necessary for the use and enjoyment of his or her Unit, provided requests for entry are made in advance and that entry is at a time convenient to the Owner whose Unit is being entered. In case of emergency, the right of entry is immediate.

(5) The right of the Association to enter Unit 102 for access to the Common Area elevator machine room between the side door on the east side of Unit 102 to the elevator machine room. Nothing may be kept or stored within this area that impedes access to or entry into the elevator machine room.

#### **C. Power to Grant Easements and Exercise Other Property Rights.**

(1) The Association or Declarant (as long as Declarant owns 25% or more of the Condominiums in the Project) has the authority and power in the name of the Association and all of the Owners to convey or otherwise transfer to a third party fee title, easements, leasehold estates, rights-of-way and other interests in the Common Area for the purposes of (a) constructing, erecting, operating or maintaining lines, cables, wires, conduits, or other devices for electricity, power, telecommunications, electronic communications, public sewers, storm water drains and pipes, water systems, sprinkling systems, heating and gas lines or pipes, and similar public or quasi-public improvements or facilities, (b) accommodating encroachments that do not unreasonably interfere with the use and enjoyment of the Common Area, and (c) accomplishing any other reasonable purpose that the Board or Declarant determines is in the interest of the Association and the Owners.

(2) The Association or Declarant (as long as Declarant owns 25% or more of the Condominiums in the Project) has the authority and power in the name of the Association and all of the Owners to convey or otherwise transfer to any Owner fee title, easements, Exclusive Use Common Areas, leasehold estates, rights-of-way and other interests in the Common Area for any of the reasons provided in subsection (1)

above provided that it has first obtained the consent of 67% of the Owners for the conveyance or transfer. However, consent of the Owners is not required for a conveyance or transfer to an Owner for any of the purposes specified in Civil Code section 4600.

(3) Each Owner, in accepting a deed to a Condominium, expressly consents to the foregoing actions and authorizes and appoints the Association and Declarant (as long as Declarant owns 25% or more of the Condominiums in the Project) as attorney-in-fact of the Owner to execute instruments conveying or creating the easements or other rights, and to execute subdivision maps, lot line adjustments, condominium plans, deeds and similar documents in connection with the conveyance.

(4) An easement or other property right may not be granted if it would substantially interfere with the use, occupancy, or enjoyment by an Owner of his or her Unit or Exclusive Use Common Area appurtenant to that Unit without the consent of the affected Owner.

**D. Encroachment Easements.** Each Unit has an easement over all adjoining Units and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause as long as the encroachment exists. However, a valid encroachment is not created in favor of an Owner if it occurred due to the Owner's willful misconduct. If a structure is repaired or rebuilt, minor encroachments over adjoining Units and the Common Area are permitted and there are valid easements for the maintenance of these encroachments as long as they exist.

**2.4 PARTITION; POWER OF ATTORNEY.** Except as provided by Civil Code section 4610 or by sections 11.2 and 11.3 of this Declaration, judicial partition of the Project or any part of it is prohibited. Judicial partition by sale of a single Condominium owned by two or more persons and division of the sale proceeds is not prohibited, but partition of title to a single Condominium is prohibited.

If partition is authorized under Civil Code section 4610 or under sections 11.2 and 11.3 of this Declaration, and subject to obtaining the necessary approval of first Mortgagees and Owners as provided in Article 12, the Association may sell the entire Project, in one or more transactions, for the benefit of all Owners. Each Owner irrevocably appoints the Association as his or her attorney-in-fact to sell the Project under this section.

**2.5 FURTHER SUBDIVISION PROHIBITED.** An Owner may not further subdivide his or her Condominium except with the approval of the Board. An Owner may not convey time-share interests in his or her Condominium.

**2.6 EASEMENTS FOR COMBINATION OF UNITS.** If two or more contiguous Units are owned by the same Person, the partition wall between the Units may be partially or totally removed, subject to prior written approval by the Board in accordance with Article 6 and the procedures for Board approval of improvements to the Common Area set forth in the Bylaws. The Owner then has an easement over and the exclusive right to use the air space where the partition wall between the Units was previously located. The Owner retains the right to one vote for each Unit and remains responsible to pay assessments for each Unit.

### **ARTICLE 3**

#### **Association, Administration, Membership and Voting Rights**

**3.1 ASSOCIATION TO MANAGE PROJECT.** The Project is managed and operated by the Association. Before the Association begins operating the Project, Declarant is responsible to operate the Project.

**3.2 MEMBERSHIP.** Each Owner of a Condominium is automatically a Member of the Association, and remains a Member until that Member's ownership of a Condominium ceases, at which time his or her membership in the Association automatically ceases. If a Condominium is owned by more than one person, each person is a Member. An Owner may not resign, transfer, pledge or alienate his or her membership in any way except by sale of the Condominium to which it is appurtenant and then only to the purchaser. Any prohibited transfer is void.

**3.3 MEMBERSHIP CLASSES.** The Association has two classes of voting membership.

**A. CLASS A.** Each Owner is a Class A Member. Each Class A Member has one vote for each Condominium owned. If a Condominium is owned by more than one Member, the vote for the Condominium will be exercised as those Members determine, but not more than one vote may be cast for any Condominium. If a Member disputes the vote cast for his or her Condominium by a co-owner of the Condominium, the vote for that Condominium will not be counted. Declarant becomes a Class A Member when Class B membership ends.

**B. CLASS B.** Declarant is the Class B Member. The Class B Member has three votes for each Condominium owned. Class B membership ends when the total outstanding votes held by Class A Members equal the total outstanding votes held by the Class B Member or on the second anniversary date of the first conveyance of a Condominium in the Project, whichever occurs first.

**3.4 VOTING RIGHTS.** Unless otherwise provided in the Governing Documents, any action that requires a Vote of the Owners requires the prescribed number of votes cast by Members entitled to vote. The prescribed number of votes is a majority of votes, unless a vote greater than a majority is required elsewhere in the Governing Documents, in which case action on that matter requires a vote of that prescribed percentage.

Any provision in the Governing Documents that requires a Vote of the Owners requires:

- A. where the two class voting structure is in effect, a vote of the Class A Members and a vote of the Class B Member; or
- B. after Class B membership has been converted to Class A membership, a Vote of the Owners and a Vote of the Owners, other than Declarant.

#### **ARTICLE 4** **Assessments**

**4.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.** Each Owner agrees to pay to the Association assessments that are levied under this Declaration. Assessments are payable without deduction or offset for any claim the Owner may have against the Association. Each assessment, together with interest, costs and reasonable attorneys' fees, is the personal obligation of the Owner of the Condominium at the time when the assessment is levied. If more than one person is the Owner, the personal obligation to pay the assessment is joint and several. No Owner may exempt himself or herself from liability for payment of assessments by waiver of use or enjoyment of any of the Common Area or abandonment of his or her Condominium.

**4.2 PURPOSE OF ASSESSMENTS.** As provided in Civil Code Section 5600, the Association must levy regular and special assessments sufficient to perform its obligations, provided that the Association may not levy an assessment that exceeds the amount necessary to defray the costs for which is it levied. Assessments levied by the Association must be used exclusively to promote the health, safety, and welfare of all residents of the Project, for the improvement and maintenance of the Common Area, and for the common good of the Project.

**4.3 REGULAR ASSESSMENTS.** The regular assessment is the total amount of funds necessary to defray the expenses attributable to the ownership and operation of the Common Area for the fiscal year. It must include adequate reserve funds for contingencies and for maintenance, repairs, and replacement of Common Area improvements that must be replaced on a periodic basis, sufficient to satisfy the reasonable requirements of any first Mortgagee and to maintain the Common Area in first-class condition and repair.

At least 30 days and not more than 90 days before the beginning of each fiscal year, the Board must establish the regular assessment for that fiscal year. If at any time during the year the Board decides that the amount of the regular assessment is inadequate or excessive, it may revise the assessment for the balance of the fiscal year, effective on the first day of the month following the date of the revision.

The Board must obtain a Vote of the Owners (1) to increase the regular assessment in an amount that is more than 20 percent greater than the regular assessment for the immediately preceding fiscal year, and (2) to increase the regular assessment in any amount if the Board has not prepared and distributed to the Owners the annual budget report described in Civil Code Section 5300(b) and Section 5.2 of the Bylaws. For purposes of this section, the quorum requirement for a Vote of the Owners is more than 50 percent.

If the Board fails to establish the regular assessment for any fiscal year, the regular assessment will be the same as that of the prior fiscal year.

**4.4 SPECIAL ASSESSMENTS.** In any fiscal year, the Board may levy a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of Common Area, including fixtures and personal property, and for extraordinary expenses incurred by the Association. A special assessment in excess of 5 percent of the budgeted gross expenses of the Association for the fiscal year in which the assessment is levied requires a Vote of the Owners. "Budgeted gross expenses of the Association" does not include any expense paid from the Association's reserve account. For purposes of this section, the quorum requirement for a Vote of the Owners is more than 50% of the Owners.

**4.5 ASSESSMENTS FOR EMERGENCY PURPOSES.** The Board may increase the regular assessment and impose special assessments without a Vote of the Owners if necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:

- A. An extraordinary expense required by an order of a court;
- B. An extraordinary expense necessary to repair or maintain the Common Area where a threat to personal safety is discovered at the Project; or
- C. An extraordinary expense necessary to repair or maintain the Common Area that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget described in the Bylaws. Before imposing or collecting an assessment under this section, the Board must pass a resolution containing written findings as to why the extraordinary expense is necessary and why the expense was not or could not have been reasonably foreseen in the budgeting process.

**4.6 REIMBURSEMENT ASSESSMENTS.** The Board may impose a reimbursement assessment to collect a charge levied to reimburse the Association for costs incurred by it on behalf of an Owner, or in the repair of damage to the Common Area caused by an Owner or occupant of the Owner's Unit, or to collect a fine or penalty levied to bring an Owner and his or her Condominium into compliance with the Governing Documents. The Board may impose a reimbursement assessment on an Owner only after giving the Owner notice and the opportunity to be heard, as provided in the Bylaws. A reimbursement assessment becomes a lien upon a Unit upon the recording of a Notice of Delinquent

Assessment as provided in section 15 of the Bylaws; however, the lien created thereby may not be enforced by sale of the Condominium pursuant to Civil Code sections 2924, 2924b and 2924c.

**4.7 DIVISION OF EXPENSES.** The following provisions apply to the division of assessments among the Units.

**A. Expense Categories.** There are three categories of expenses: General Expenses, Residential Expenses, and Parking Expenses. General and Residential Expenses may be divided either equally among the Units or prorated according to the relative square footage of the Units assessed. Some expenses are allocated to more than one category. Expenses are allocated among the three categories based on the relative benefits conferred. Allocations may be made based on factors such as metering, square footage, or number of components, such as light fixtures or fans.

**(1) General Expenses.** General Expenses are expenses that are allocated to all Units. General Expenses include insurance, administrative expenses, a portion of the cost of general maintenance, a portion of custodial costs, landscaping, security and life safety (excluding electronic entry system and garage gate), a portion of utilities, and reserves for certain components. A detailed list of the items included as General Expenses may be found in the estimated operating budget accepted by the California Bureau of Real Estate in connection with the issuance of the original final public report for the Project (the "Original Budget").

**(2) Residential Expenses.** Residential expenses are expenses that are allocated to Residential Units only. Residential Expenses include a portion of the cost of general maintenance, a portion of custodial costs, electronic entry system, utilities, and reserves for certain components. A detailed list of the items categorized as Residential Expenses may be found in the Original Budget.

**(3) Parking Expenses.** Parking Expenses are expenses are allocated to Owners with a parking space appurtenant to their Units.

**B. Division of Expenses - Regular Assessments.** Expenses for regular assessments are allocated as follows:

**(1) General Expenses.** General Expenses are divided equally among all of the Unit Owners, except for certain General Expenses that are prorated based on the General Assessment Interest set forth in the Original Budget. The following General Expenses are prorated: insurance; a portion of natural gas; reserves for building exteriors, roofing system, boilers, boiler pumps, water pumps, and some fan motors that are part of the HVAC system. A list of prorated General Expenses may be found in the Original Budget.



**(2) Residential Expenses.** Residential Expenses are divided equally among all of the Unit Owners, except for certain Residential Expenses that are prorated based on the Residential Assessment Interest set forth in the Original Budget. The following Residential Expenses are prorated: a portion of natural gas; water and sewer; refuse collection; reserves attributable to heat pumps, fan coils and some small fan motors that are part of the HVAC system; and reserves for all components of the water system. A detailed list of prorated Residential Expenses may be found in the Original Budget.

**(3) Parking Expenses.** Parking expenses are divided equally among the Owners who have Exclusive Use Common Areas appurtenant to their Units.

**(4) Special Allocation to Commercial Units.** If a Commercial Unit is used in a manner that increases the Association's operating, maintenance, reserve, insurance or administrative costs, the Board may specially allocate the amount of the increase to that Unit after notice to the Owner, including a reasonable description of the proposed special allocation and the reasons, and the opportunity to be heard according to the procedures set forth in the Bylaws or otherwise adopted by the Board. If the special allocation is approved, the Owner must pay the Association the amount of the special allocation beginning with the date the cost was actually incurred by the Association, but not more than one year from the date of notice to the Owner of the proposed special allocation.

**(5) Other Items.** The Board may, under its obligation to levy assessments as described in section 4.2, levy and allocate assessments for items and costs other than those set forth above as it deems appropriate and fair, taking into account the relative benefits to the Residential and Commercial Units.

**B. Special Assessments.** Special assessments are divided among the Owners on the same basis as regular assessments, except where the special assessment is levied to raise funds for the rebuilding or major repair of structural Common Area that houses the Units. In that case, the special assessment will be prorated among the Owner's based on each Owner's percentage interest in Common Area.

**C. Prorations.** Prorated expenses are based each Owner's General Assessment Interest or Residential Assessment Interest as shown on the Original Budget. The General Assessment Interest and the Residential Assessment Interest determined based on the ratio of the square footage - as shown on approved building plans for the Project -- of the floor area of each Unit to be assessed to the total square footage of the floor areas of all Units to be assessed. Variability in square footage may exist due to factors use as differing methods for measurements and discrepancies between building plans and the completed Unit. Regardless

of such discrepancies, the square footage used to determine percentage interest in Common Area will control in order to retain a stable and reliable proration schedule.

**D. Parking Expenses.** Expenses, income and reserves attributable to Parking Expenses must be accounted for separately from other assessments levied by the Board, and reviewed annually in the same manner as the Board's annual review of the Association's operating and reserve accounts. Documents prepared by the Board in regard to parking expenses must be distributed only to Owners with parking spaces, but the Board may distribute the documents to other Owners if it wishes to do so. Commingling of parking expense funds with other funds of the Association is not permitted. Parking expense funds may not be used for any purpose other than those for which they are collected. A vote of a quorum of Owners with a parking space (based on one vote per parking space) is required to increase the Parking Expense component of the regular assessment. For purposes of this section, the quorum requirement is more than 50% of the Owners with a parking space.

**4.8 DATE OF COMMENCEMENT AND DUE DATES OF ASSESSMENTS; NOTICE TO OWNERS.** Regular assessments begin for all Units on the first day of the month following the conveyance of the first Condominium from Declarant to an Owner. The regular assessment is payable in equal monthly installments due on the first day of each month, unless the Board adopts some other basis for collection or due date. The due date for payment of a special assessment or a reimbursement assessment is the date specified in the notice of the assessment. The Association must send each Owner notice of an increase in the regular assessment, any special assessment, and any reimbursement assessment not less than 30 and not more than 60 days before the due date of the assessment. If an assessment for emergency purposes is levied under section 4.5, a copy of the resolution required under that section must be distributed with the notice of assessment.

**4.9 EFFECT OF NONPAYMENT OF ASSESSMENT.** An assessment or installment that is not received by the Association within 15 days after its due date is a delinquent payment. A delinquent payment is subject to a late charge of 10 percent of the delinquent assessment or installment or \$10.00, whichever is greater, on all delinquent payments. A late charge may not be imposed more than once on any delinquent payment, does not eliminate or supersede any charges imposed on prior delinquent payments, and constitutes full compensation to the Association for additional bookkeeping, billing, or other administrative costs resulting from the delinquent payment.

Interest accrues on a delinquent payment at the rate of 12 percent per annum, beginning 30 days after the due date of the assessment or installment through and including the date full payment is received by the Association.

**4.10 REMEDIES ON DEFAULT.** In the event of a default in payment of any assessment or installment, and in addition to any other remedies provided by law, the Association may enforce payment of the assessment or installment in any of the following ways.

**A. Personal Obligation.** The Association may bring legal action against the delinquent Owner for the amount of delinquent assessments or installments, the fees and reasonable costs of collection, reasonable attorney's fees, and late charges and interest, if any. A legal action may be maintained without foreclosing or waiving lien rights.

**B. Judicial Foreclosure or Power of Sale.** The Association may bring an action for judicial or nonjudicial foreclosure provided that the amount of delinquent assessments, the duration of the delinquency, or both comply with the requirements of Civil Code section 5720.

**C. Alternative Dispute Resolution.** An assessment dispute may be resolved through internal dispute resolution or alternative dispute resolution according to the procedures set forth in the Bylaws or otherwise adopted by the Association.

**4.11 PRIORITIES.** A Notice of Delinquent Assessment constitutes a lien on the Condominium against which it is recorded prior to all other liens except taxes, bonds, assessments and other liens which by law would be superior to it, and the lien of any first Mortgage of record that was recorded before the delinquent assessment became due. The lien is not affected by the sale or transfer of the Condominium against which it is recorded.

**4.12 MORTGAGEE'S LIABILITY FOR UNPAID ASSESSMENTS.** The holder of a first Mortgage that obtains title to a Condominium pursuant to a foreclosure proceeding is not liable for unpaid assessments and charges that accrued more than six months prior to its acquisition of the Condominium. A first Mortgagee is liable for any assessments becoming due after the date of the transfer. Subsequently levied assessments may include previously unpaid assessments provided all Owners are required to pay their proportionate share of the previously unpaid assessments.

**4.13 SEGREGATION OF FUNDS.** All proceeds paid for reserves or for any special assessment must be segregated and deposited in a special account and, except for a transfer made under section 9.3 of the Bylaws, must be used solely for the purpose for which levied.

**4.14 WAIVER OF EXEMPTIONS.** Each Owner waives the benefit of any homestead or exemption laws of the State of California as to any assessment lien created under this Article.

**4.15 UNSEGREGATED REAL PROPERTY TAX BILL.** If real property taxes have not been segregated by the County Assessor, each Owner must pay a proportionate share of the unsegregated tax bill based on the Owner's percentage ownership interest in the Common Area as shown on the Condominium Plan.

**ARTICLE 5**  
**Duties and Powers of the Association**

**5.1 APPLICABILITY OF THE DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT AND THE NON-PROFIT MUTUAL BENEFIT CORPORATION LAW.**

**A. Davis-Stirling Common Interest Development Act.** The Association must comply with the requirements of the Davis-Stirling Common Interest Development Act (the "Act"). The Act includes comprehensive regulations concerning the management of the affairs of the Association including, without limitation, election procedures, conduct of meetings, enforcement of assessments, resolution of disputes, preparation and distribution of financial documents, notices required to be sent to Members, calculation and maintenance of reserve funds, retention and inspection of Association records, adoption of operating rules, and Board approval of physical improvements to the Project made by Members. The Association must adopt provisions in the Governing Documents as reasonably necessary to implement the Act, and each Owner takes his or her interest in the Project subject to the provisions of the Bylaws, operating rules and policies of the Board in addition to the provisions of this Declaration.

**B. Non-Profit Mutual Benefit Corporation Law.** The Association has all of the powers of a corporation organized under the California Non-Profit Mutual Benefit Corporation law, subject only to the limitations on those powers set forth in the Act and in the Governing Documents. The Association has the power to do any lawful thing required or permitted to be done under the Act and the Governing Documents and necessary, appropriate or incidental to the exercise of the express powers or duties of the Association for the peace, health, comfort, safety and general welfare of the Owners. The affairs of the Association must be conducted by a Board of Directors or committees appointed by the Board, and by the officers of the Association.

**5.2 DUTIES AND POWERS.** The duties and powers of the Association include, but are not limited to, the following.

**A. Maintenance.** The Association must maintain the Project as provided in Article 9.

**B. Insurance.** The Association must maintain the policies of insurance required by section 10.1 of this Declaration. The Association is authorized to negotiate on behalf of the Owners with any insurer, and to settle, enforce by legal action, and execute releases on claims filed with respect to insurance policies obtained by the Association.

**C. Discharge of Liens.** The Association must discharge any lien against the Common Area and levy a reimbursement assessment against the Owner responsible for the existence of the

lien, including attorneys' fees and costs incurred by the Association in the payment and discharge of the lien.

**D. Payment of Expenses and Taxes.** The Association must promptly pay all expenses and obligations incurred by it in the conduct of its business. The Association must pay all real and personal property taxes and assessments levied against the Common Area and any property owned by the Association that is not included in the annual property tax bills of the Owners.

**E. Enforcement.** The Association must enforce the Governing Documents as provided in this Declaration, the Bylaws and any operating rules adopted by the Association. The right to enforce the Governing Documents includes, without limitation, the right to impose fines and penalties and to suspend voting rights.

Notwithstanding anything to the contrary contained in this Declaration, the Board may not cause a forfeiture or abridgement of an Owner's rights to the full use and enjoyment of his or her Unit except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under power of sale for failure of the Owner to pay assessments levied by the Association.

**F. Assessments.** The Association must levy against the Owners and collect assessments in the amount necessary to pay for the cost of maintaining, improving, repairing, rebuilding, operating and managing the Project.

**G. Utility Service.** The Association has the authority to obtain, for the benefit of all of the Condominiums, utility services such as common water, gas and electric service, telephone, television and other telecommunications and electronic access and services, and refuse collection. The Association must maintain all utility installations located in the Common Area, except those installations maintained by utility companies. The Association must pay all charges for utilities supplied to the Project except those metered or charged separately to the Units.

**H. Easements.** The Association has the authority to grant easements where necessary for utilities and sewer facilities over the Common Area to serve the Common Area and the Units, as provided in Article 2.

**I. Manager.** The Association has the authority to employ a manager or other persons, and to contract with independent contractors or managing agents to perform the duties and responsibilities of the Association. A contract with a firm or person appointed as a manager or managing agent cannot exceed a one year term, and must provide for the right of the Association to terminate the contract at the first annual meeting of the Members of the Association, and to terminate the contract for cause on 30 days' written notice or, without cause or payment of a termination fee, on 90 days' written notice.

**J. Operating Rules.** The Association has the authority to adopt reasonable operating rules consistent with this Declaration relating to the use of the Project by the Owners, their tenants, guests and invitees. An operating rule is valid and enforceable only if it is reasonable, in writing, within the authority of the Board conferred by law or by the Declaration, consistent with the Governing Documents, and, if applicable, adopted, amended, or repealed in good faith and in substantial compliance with the provisions of Civil Code sections 4340 through 4370.

**K. Access.** In order to perform maintenance, repairs, or any other of its responsibilities, the Association, its agents and employees may enter any Unit or any portion of the Common Area as provided in Article 2. Entry must be made at reasonable hours and with as little inconvenience to the occupant as possible, and any damage caused must be repaired at the expense of the Association. Except in case of an emergency, 24 hours' advance notice must be given to the occupant prior to entry.

**L. Acquisition and Disposition of Property.** The Association has the power to acquire, own, improve, operate, maintain, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with its affairs.

**M. Loans.** The Association has the authority to borrow money and, with a Vote of the Owners other than Declarant, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

**N. Contracts.** The Association has the authority to contract for goods and services for the Common Area or the Association.

**O. Delegation.** The Association has the authority to delegate its authority and powers to committees, officers, or employees of the Association, except for the powers to:

- (1) make a decision to commence proceedings for mediation and arbitration or to file litigation when permitted under the Governing Documents or applicable law, record a lien, or foreclose upon a lien for default in payment of assessments;
- (2) make a decision to levy assessments;
- (3) make capital expenditures;
- (4) impose discipline and levy fines for violations of the Governing Documents; or
- (5) hold hearings required under the Governing Documents.

**5.3 LIMITATION ON POWERS OF THE BOARD - PROHIBITED ACTS.** The Board may not take any of the following actions without a Vote of the Owners other than Declarant. For purposes of this section, the quorum requirement for a vote is more than 50% of the Owners.

**A.** enter into a contract with a third person for goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:

(1) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

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

(3) prepaid casualty and/or liability insurance policies not to exceed three years duration provided that the policy permits short rate cancellation by the insured;

(4) lease agreements for laundry room fixtures and equipment not to exceed five years duration provided that the lessor under the agreement is not an entity in which Declarant has a direct or indirect ownership interest of ten percent or more;

(5) agreements for cable television services and equipment or satellite dish television services and equipment not to exceed five years duration provided that the supplier is not an entity in which Declarant has a direct or indirect ownership interest of ten percent or more;

(6) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services not to exceed five years duration provided that the supplier or suppliers are not entities in which Declarant has a direct or indirect ownership interest of ten percent or more.

(7) a contract for a term not to exceed three years that is terminable by the Association after no longer than one year without cause, penalty or other obligation upon 90 days' written notice of termination to the other party.

**B.** incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent of the budgeted gross expenses of the Association for that fiscal year;

**C.** sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent of the budgeted gross expenses of the Association for that fiscal year; or

D. pay compensation to directors or to the officers of the Association for services performed in the conduct of the Association's business. However, the Board may reimburse a director or officer for reasonable expenses incurred in carrying on the business of the Association.

## **ARTICLE 6**

### **Architectural Control**

**6.1 APPROVAL REQUIRED.** The prior written approval of the Board obtained in accordance with the procedures set forth in the Bylaws is required before an Owner may make any improvements or modifications ("improvement") to any portion of the Common Area, including Exclusive Use Common Area appurtenant to the Owner's Unit, or make any improvements within his or her Unit that may affect structural Common Area, increase the burden on common building systems, result in an increase in sound transmission between Units, or otherwise adversely affect the Common Area or other Units.

A decision to grant or deny permission to make an improvement is within the discretion of the Board, provided that it is made in good faith and is not unreasonable, arbitrary or capricious. In making its decision, the Board may take into account subjective factors such as the quality of workmanship, design, harmony of external design with existing structures, and location in relation to surrounding structures. Board approval of improvements to the Commercial Units is subject to Section 8.14.

**6.2 PROCEDURES.** The Board must establish procedures that comply with the requirements of Civil Code section 4765(a) regarding application for and review of improvements.

**6.3 IMPROVEMENTS TO FACILITATE ACCESS FOR PHYSICALLY DISABLED PERSONS.** The Board may not deny approval of any improvement to a Unit to facilitate access for persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to these persons, without good cause. The requested improvement may include modifications of the route from the public way to the door of the Unit if the Unit is already accessible by an existing ramp or elevator. The Board may condition its approval of the improvement in accordance with the provisions of Civil Code section 4760. The cost of the improvement must be paid by the requesting Owner.

**6.4 ANTENNAS.** Use of a satellite dish, video or television antenna with a diameter or diagonal measurement of one meter or less is subject to the provisions of federal law, Civil Code section 4725 and any standards set forth in the Bylaws or in operating rules. Approval of the installation or use of any other satellite dish, video or television antenna is within the discretion of the Board.



**6.5 DECLARANT EXEMPT.** Declarant is exempt from the approval requirements of this Article for a period of three years from the date of issuance of the most recent final subdivision public report for the Project.

## **ARTICLE 7**

### **Use Restrictions for Residential Units**

The Common Area and each Residential Unit is subject to the following restrictions on use. The Board may promulgate operating rules interpreting the use restrictions set forth in this Article and imposing additional use restrictions that, in its judgement, are appropriate to providing for the peace, health, comfort, safety and general welfare of the Owners.

**7.1 CONDOMINIUM USE.** All Residential Units must be used for residential purposes. No trade or business may be conducted in any Residential Unit except for administrative and professional practice allowed by local ordinance.

**7.2 SALES ACTIVITIES.** Declarant may use any Units in the Project owned by Declarant to conduct sales activities and as sales models until all Units have been sold. Declarant may maintain displays and conduct activities within the Common Area related to sales of Condominiums so long as the displays and activities do not materially or unreasonably interfere with the use of the Common Area by the Owners.

**7.3 USE OF PARKING SPACES.** Parking spaces may be used solely for parking of bicycles and non-commercial passenger motor vehicles -- such as automobiles, station wagons, pickup trucks, SUVs, motorcycles and light vans -- that fit entirely within the boundaries of the Owner's designated parking space and allow space to enter and exit the vehicle. A van customized for a handicapped driver may be parked in a handicap parking space. No person may park a motor vehicle anywhere on the Project other than his or her designated parking space or parking areas designated by the Board for temporary parking. An Owner may not lease a parking space to any person who is not an Owner or a resident at the Project.

Repair or washing of a motor vehicle is not permitted anywhere on the Project, except an emergency repair. Each Owner must keep his or her designated parking space neat and clean and immediately remove any oil, grease or other waste emitted from his or her vehicle. Vehicles that emit offensive levels of exhaust pollution, oil, grease or noise, as such levels are determined by the Board, may not be operated at the Project. The Association may cause any vehicle that is in violation of this section to be towed and stored at the Owner's expense in compliance with Vehicle Code section 22658. Each Owner, on his or her own behalf and on behalf of each resident in the Owner's Unit and each invitee of Owner, agrees to indemnify, defend and hold the Association, its Board members, officers, manager and employees harmless for any damage to person or property that may result from the towing.

Parking spaces HCP-18 and HCP-19 are handicap parking spaces. A non-handicapped Owner of a Unit to which a handicap parking space is appurtenant is referred to in this paragraph as the "the affected Owner," and the Owner of a Unit to which a non-handicap space is appurtenant who becomes handicapped or who is handicapped at the time of purchase of the Unit is referred to in this paragraph as "the handicapped Owner." Upon written request from the handicapped Owner, the Board temporarily must reassign a handicap parking space to the handicapped Owner and the affected Owner will be reassigned the parking space that the handicapped Owner has the right to use. The right of the handicapped Owner to use the handicap parking space terminates when the handicapped Owner ceases to be handicapped or when the handicapped Owner ceases to occupy a Condominium at the Project. In either of these events, the affected Owner may reoccupy the handicap space deeded as an appurtenance to the Owner's Unit. Evidence of handicap status must be by license plate or placard issued by the California Department of Motor Vehicles.

The Board may adopt rules with respect to the use and exchange of parking spaces between a handicapped Owner and an affected Owner, including, upon written request by the affected Owner to the Board, a hearing and the opportunity for the affected Owner to be heard regarding fees the handicapped Owner should pay the affected Owner, review of the evidence of handicap, or any other pertinent issues. The right to exchange a non-handicap parking space for a handicap parking space is available to any handicapped Owner on a first-come, first-served basis. The Owners of the Units to which HCP-18 and HCP-19 are appurtenant must alternate the assignment of use of their respective parking spaces to a handicapped Owner.

**7.4 NUISANCE.** No person may interfere with the quiet enjoyment of any other resident of the Project, or carry on any activity in any part of the Project that is noxious, illegal, seriously annoying or offensive to a person of reasonable sensibility, that is detrimental to the health, safety or welfare of the residents or that interferes with their peaceful possession or proper use of their Units. No activity may be carried on that increases the rate of insurance for the Project, or causes any insurance policy to be canceled or not renewed, or that will impair the structural integrity of any building. No use is allowed which creates conditions that are hazardous, noxious or offensive through the emission of odor, fumes, smoke, cinders, dust, gas, vibration, glare, refuse, water-carried waste or excessive noise. To the extent storage of hazardous materials is permitted, such storage must be in accordance with building, fire, health and safety requirements as set forth by governmental authorities and insurance carriers. Notwithstanding the foregoing, any commercial use or operation permitted under Section 8.1 and in compliance with applicable ordinances of the City and County of San Francisco does not constitute a nuisance. This section may not be amended without the consent of the Owner of the Commercial Unit.

**7.5 SIGNS.** The following signs may be posted within the Common Area: (1) project identification signs and other signs approved by the Board, (2) signs maintained by Declarant in connection with Declarant's sales activities, and (3) "For Sale" or "For Rent" signs provided they do not exceed five square feet in size. "For Sale" or "For Rent" signs may be posted only on those parts of the Common Area easily viewed by the general public and designated by the Board. All other signs are prohibited in the Common Area.

An Owner may post non-commercial signs, posters, flags and banners made of paper, cardboard, cloth, plastic, or fabric, within his or her Unit. Signs and posters may not exceed 9 square feet in size and banners and flags may not exceed 15 square feet in size. An Owner may display a flag of the United States of any size made of fabric, cloth or paper on or in the Owner's Unit or Exclusive Use Common Area appurtenant to the Unit. All other signs, posters, flags and banners are prohibited.

**7.6 ANIMALS.** Animals may not be kept in any Unit or Common Area except for domestic dogs or cats (not to exceed a total of two per Unit), domestic rodents (for example, hamsters and mice), and a reasonable number of fish and turtles in aquariums and birds inside bird cages. Pure or mixed breed dog from the following breeds may not be kept at the Project: Pit Bull, Presa Canaria, Rottweiler, Doberman Pinscher, Mastiff, and any other fighting breed. Permitted animals may not be kept, bred, or raised for commercial purposes.

Any dog in the Common Area (other than an Exclusive Use Common Area deck, patio, balcony or yard area appurtenant to its Owner's Unit) must be leashed. After making a reasonable attempt to notify the Owner, the Board or another Owner may cause an unleashed animal found within the Common Area to be removed to a pound or animal shelter by calling the appropriate authorities. The pet's owner may, upon payment of all expenses, repossess the animal. Residents must clean up after their pets immediately.

Owners must comply with all operating rules for the keeping and control of pets in the Units and Common Area. The Board may prohibit the keeping of any animal that it determines, after notice to the Owner the Unit in which the pet is kept and the opportunity to be heard according to the procedures set forth in the Bylaws, is a nuisance or danger to any other Owner, occupant or person coming onto the Property, or interferes with the quiet enjoyment of the resident of any Condominium. Each person bringing or keeping a pet upon the Project is liable for damage to persons or property proximately caused by the pet.

**7.7 GARBAGE DISPOSAL.** All garbage, recycling and other waste must be kept in sanitary containers and regularly removed from the Project. Equipment for the storage or disposal of waste must be kept in a clean and sanitary condition and must be kept only on those portions of the Project designated by the Board.

**7.8 RIGHT TO LEASE.** No Owner may rent a Residential Unit for transient or hotel purposes, which are defined as rental for any period less than 30 days, or any rental if the occupants are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Subject to these restrictions, an Owner may lease his or her Condominium, provided the lease is in writing, is made subject to the Governing Documents, and a copy of the lease is sent to the Board. An Owner is responsible for a tenant's compliance with the Governing Documents. An Owner who rents his or her Condominium must

provide the Association with his or her address and telephone number, as well as the name and telephone number of the tenant.

**7.9 CLOTHES LINES.** Outside laundering or drying of clothes is not permitted.

**7.10 ANTENNAS AND SATELLITE DISHES.** Antennas, satellite dishes and cables for the reception of television, radio and other signals may be installed within the Common Area as provided in Article 6.

**7.11 STORAGE.** Any obstruction of the Common Area is prohibited. Nothing may be kept or stored in the Common Area without the prior consent of the Board, except in designated storage areas.

**7.12 WINDOW COVERING.** In order to maintain the integrity of the building design, all window coverings visible from the street or Common Area must meet criteria specified in the Operating Rules. An Owner who has installed window covering that comply with the criteria specified in the Operating Rules in effect as of the date of installation is not required to change those coverings in the event of a change in the Operating Rules.

**7.13 EXCLUSIVE USE COMMON AREA DECKS.** Use of Exclusive Use Common Area decks is subject to view rights of adjacent Owners. Therefore, Exclusive Use Common Area decks must be maintained in neat and clean condition at all times. Nothing may be stored on decks, nor may clothing, towels and laundry be left anywhere on a deck or the deck rails. Except as provided in Section 8.10, the Board may promulgate operating rules with respect to the number and types of items that may be kept on a deck, including, without limitation, the quantity, size, color, and design of furniture or other items that may be kept on decks. Grilling, barbecuing or any type of cooking is not permitted on decks.

Sharp objects and other items that may penetrate or damage any waterproof membrane may not be used or placed on Exclusive Use Common Area decks.

An Owner or resident may not use any portion of an area shown and described as an Exclusive Use Common Area deck on the Condominium Plan if that area has not been improved for use as a recreational area with appropriate coating or other surface materials, railings, and other legally required components. An Owner may improve any unimproved portion of an area mapped as an Exclusive Use Common Area deck appurtenant to the Owner's Unit at the Owner's sole expense using the same type and quality of materials used on the finished portions of the deck, and subject to reasonable restrictions uniformly imposed by the Board in connection with improvements to be made by an Owner. Decks areas improved by an Owner must thereafter be maintained by the Association.

**7.14 SOUND TRANSMISSION.** The Project has been designed to meet the acoustical building code standards in effect at the time the Project was constructed. The standards establish minimum

performance criteria and do not eliminate all noise transmissions from other Units, the Common Area, or from outside of the Project. In order to help reduce noise transmission, the following provisions apply.

**A. Floor Covering.** Each hallway and room (other than the kitchen and bathrooms) in a Unit must have carpet or area rug of ½ inch pile or more over porous padding with weight of approximately 40 oz. per square foot, or other noise deadening materials approved by the Board in 60 percent of its square footage. Except for replacing existing flooring with materials of equal or greater acoustical insulation value as that being removed, an Owner must obtain the prior approval of the Board, according to the procedures set forth in the Bylaws or otherwise established by the Board for review of improvements prior to removing existing flooring materials.

**B. Audio Equipment.** Speakers and other audio equipment may not be attached to any wall or ceiling, or placed on the floor, in a manner that would cause or increase sound transmission between the Units.

**C. Wheeled Recreational Vehicles.** Wheeled recreational vehicles such as bicycles, tricycles, scooters, wagons, roller skates and roller blades, may not be used within any Unit or interior Common Area. The Board may promulgate operating rules limiting or prohibiting use of those items in exterior Common Areas.

**7.15 MIXED-USE PROJECT.** The Residential Units are part of a mixed-use project. Nonresidential uses may include, without limitation, repair, retail, office, restaurant, and cafe uses, as such uses are more particularly described in the San Francisco Planning Code and section 8.1. Use of the Residential Units may be affected by the commercial uses conducted in the Project and by other activities related to the commercial uses, including, without limitation, the following: (1) non-residential uses attract customers, clients, guests, vendors, employees, delivery services, garbage and recycling services, and other persons and services to the Project; (2) non-residential uses may generate noise, vibrations, and odors which may be experienced from the Residential Units and the Common Area; and (3) commercial uses may have outdoor seating areas.

**7.16 SMOKING PROHIBITED IN COMMON AREAS.** In order to engender a healthy and environmentally friendly atmosphere, and to reduce second-hand smoke that may be experienced by the occupants of the Project, smoking is not permitted in any portion of the Common Area, including Exclusive Use Common Areas, by the Owners or their tenants, guests or visitors.

**ARTICLE 8**  
**Use Restrictions for a Commercial Unit**

In addition to all other restrictions contained in this Declaration, the use of a Commercial Unit and Common Area used in connection with a Commercial Unit is subject to the following provisions. The Board may promulgate operating rules interpreting the use restrictions set forth in this Article and imposing additional use restrictions that, in its judgment, are appropriate to providing for the peace, health, comfort, safety and general welfare of the Owners. However, no operating rule or use restriction shall abridge the rights of the Owners of the Commercial Units as set forth in this Article.

**8.1 COMMERCIAL USE.** A Commercial Unit may be occupied and used for any use permitted by the San Francisco Planning Code for the use district in which the Project is located, except that the following uses are not permitted in a Commercial Unit: (1) bar or liquor store, (2) nightclub, (3) disco or dance hall, (4) billiard parlor, (5) amusement game arcade, bowling alley, billiard parlor, shooting gallery, skating rink or other commercial recreational activities (6) theater of any kind, (7) adult book store, (8) any facility selling or displaying pornographic materials or having such displays; (9) tobacco or drug paraphernalia establishment, (10) blood bank, (11) cannabis dispensary, (12) drug rehabilitation center, (13) massage parlor, (14) bingo hall, (15) mortuary, (16) fringe financial services, or (17) automobile, sale, rental, repair or cleaning establishment. A day spa providing first class services such as facials, hair styling, manicures, pedicures, and professional massage therapy, is not considered a massage parlor and is permitted.

The following restrictions apply if either or both of Units 307 and 308 are used as a limited restaurant or restaurant (as defined in the San Francisco Planning Code effective as of the date of recording of this Declaration): (1) only food that does not require a cooking vent may be prepared in the Unit, and (2) liquor sales are limited to the sale of wine and beer.

If a use is permitted under this Declaration and is conditionally permitted in the zoning district in which the Project is located, the use is permitted provided the required conditional use permit has been obtained. A Commercial Unit and individual commercial spaces contained in it must be used in strict conformity with applicable ordinances of the City and County of San Francisco and the Governing Documents. If there is any disagreement as to whether a use is prohibited under this section, reference shall be made to the San Francisco Planning Code in effect as of the date this Declaration was recorded.

The Commercial Units may be open to the public all days during the hours of 6:00 a.m. to midnight. The Association, Board or Residential Unit Owners shall not further restrict the use, hours of operation or leasing of a Commercial Unit or any individual commercial space contained in it. A Commercial Unit and individual commercial spaces contained in it shall be used in strict conformity with applicable ordinances of the City and County of San Francisco.

**8.2 LEASING OF A COMMERCIAL UNIT.** The Owner of a Commercial Unit may lease the Unit subject to the limitations of this Article. Each lease and assignment and sublease must provide

that it is subject to all provisions of the Governing Documents. A copy of the lease, assignment or sublease must be given to the Board.

**8.3 SIGNS.** The provisions of section 7.5 apply to a Commercial Unit, as well as the following. All signs and awnings must comply with the provisions of any applicable local ordinance, have a professional and business-like appearance, and be installed and maintained in first-class condition and repair at the sole expense of the occupant of the Commercial Unit that is displaying the sign. Signs must be approved by the Board in accordance with the procedures set forth in the Bylaws for Board review of physical changes.

**8.4 CUSTOMERS, GUESTS AND LESSEES.** The Owner of a Commercial Unit is responsible for compliance with the provisions of the Governing Documents by all occupants of the Units and their employees, customers, guests, agents and invitees.

**8.5 ANIMALS.** The restrictions set forth in section 7.6 with respect to the keeping of animals apply to a Commercial Unit, except that pet stores and pet grooming facilities are permitted in a Commercial Unit if those facilities are permitted in the zoning district in which the Project is located and are not expressly prohibited in section 8.1. In addition, no cat or dog may be kept in a Commercial Unit unattended.

**8.6 ADVERTISING.** The occupant of a Commercial Unit may not employ an advertising medium which can be heard or seen outside the Unit, including, without limitation, flashing lights, searchlights, loudspeakers, phonographs, radios or televisions.

**8.7 MACHINERY.** No machinery, apparatus or appliance may be used or operated in a Commercial Unit that will vibrate or shake the adjoining Units or Common Area of the Project, or cause an unreasonable amount of noise.

**8.8 LIMITATION ON USE OF PORTIONS OF COMMON AREA.** The occupant of a Commercial Unit and its customers and guests may not use the following portions of the Common Area: garage, walkways, corridors, elevator, and outdoor common area, except for Exclusive Use Common Areas appurtenant to the Unit, and except that the Owner of Unit 102 may use the portion of the Common Area corridor on the east side of the building from the northeasterly boundary of the Unit to the sidewalk on Market Street and Exclusive Use Common Area E-102 as shown on the Condominium Plan.

**8.9 USE OF EXCLUSIVE USE COMMON AREA E-102.** Use of Exclusive Use Common Area E-102 is subject to the following.

A. The Owner of Unit 102 may install, maintain, repair and replace equipment required in connection with use of the Unit ("Roof Equipment") within Exclusive Use Common Area E-102, and may enter through the Common Area, including use of the elevator, for access to E-102. Roof Equipment must be screened in a manner consistent with the building design.

Plans for the screen design must be approved by the Board in accordance with Article 6 and the provisions of the Bylaws. All costs of installation of Roof Equipment and screen must be paid by the Owner of Unit 102.

**B.** Except in an emergency, entry onto the Common Area for access to E-102 requires the prior written approval of the Board, which may be conditioned upon a reasonable plan for protection of Common Area during entry and repair of damage to the Common Area caused by such entry.

**C.** The Owner of Unit 102 must maintain, repair and replace the Roof Equipment owned by it in good condition and repair at its sole expense, in a manner that does not damage the roof or other portions of the Common Area, and must promptly remove all inoperable Roof Equipment it no longer intends to use. If the Owner of Unit 102 fails to maintain or repair Roof Equipment, or remove inoperable Roof Equipment, the Board may, after notice and hearing, perform the work on behalf of the Owner of Unit 102 and recover the cost from the Owner of the Unit, including the imposition of a Reimbursement Assessment if necessary.

**8.10 USE OF EXCLUSIVE USE COMMON AREA D-308.** The Owner of Unit 308 may use deck D-108 for any purpose reasonably related to the business being conducted in the Unit. If the Unit is used as a café or other use that serves refreshments, tables, chairs and benches may be placed on the deck as seating for customers.

**8.11 REFUSE DISPOSAL.** All refuse generated by a Commercial Unit must be stored in sanitary containers within that Unit and in a manner that prevents any odors permeating into the Residential Units. Use by the Owners of the Commercial Units of the area where garbage and recycling containers are kept for the Residential Units is prohibited. Each Commercial Unit Owner is responsible for the thorough cleaning of any trash, spills or leaks over the Project or any public sidewalk that is caused by that Commercial Parcel Owner. The Owner of Unit 102 may use the portion of the Common Area corridor described in section 8.8 to bring trash out to Market Street; provided however, that the Board has the authority to suspend use of this corridor by the Owner of Unit 102 if the Owner fails to keep the corridor clean of spills, leaks or trash.

**8.12 "OCCUPANT" DEFINED.** For purposes of this Article 8, the term "occupant" includes the Owner of a Commercial Unit, and any tenant, subtenant, assignee or other party that is occupying a Commercial Unit with the consent of the Owner of the Unit.

**8.13 INCLUSION OF RESIDENTIAL RESTRICTIONS.** The provisions of sections 7.2, 7.4, 7.5, 7.6, 7.7, 7.9, 7.10, 7.11, 7.13 and 7.3, with respect to a Commercial Unit to which a parking space is appurtenant, are incorporated into this Article 8 and are restrictions on the use of a Commercial Unit. In the case of any conflict between the provisions of this Article 8 and the incorporated provisions of Article 7, the provisions of this Article 8 will control.



**8.14 ALTERATIONS TO COMMERCIAL UNITS.** The Board may not deny approval of any improvements within a Commercial Unit that are reasonably necessary to carry out the intended use of the Commercial Unit, or deny construction of a mezzanine in Unit 102; provided, however, that the Board may impose conditions on the construction reasonably necessary to mitigate effects on Common Areas or common building systems that may arise from the proposed construction.

**8.15 OPERATING RULES; AMENDMENT.** The Board may promulgate operating rules interpreting the use restrictions set forth in this Article and imposing additional use restrictions that, in its judgment, are appropriate to providing for the peace, health, comfort, safety and general welfare of the Owners. However, neither the Board nor the Residential Owners may enact any operating rule or policy that restricts the use, hours of operation, or leasing of a Commercial Unit or any individual commercial space contained in it, and any operating rule or policy which has such an effect is not binding on the Owner of a Commercial Unit. Any amendment to this Article requires the approval of the Owner of Unit 101 and the Owner of either Unit 307 or Unit 308 as well as the vote of a majority of the Owners.

## **ARTICLE 9**

### **Maintenance and Repair Obligations**

**9.1 OWNER'S MAINTENANCE AND REPAIR OBLIGATIONS.** An Owner's maintenance and repair obligations include, without limitation, performance of all maintenance and repair obligations assigned to the Owner in any maintenance manual, manufacturer's manual, or other schedule of maintenance and repair obligations provided to the Owner by Declarant or another party who has provided labor or materials at the Project. Maintenance and repair obligations also include the obligation to perform regular inspections of those portions of the Project for which the Owner is responsible.

**A. Unit.** Each Owner must maintain his or her Unit in good condition and repair at his or her own expense. Each Owner must perform commonly accepted homeowners' maintenance and repair responsibilities within his or her Unit. Each Owner must comply with maintenance standards and guidelines provided by the Association or by Declarant upon initial sale of the Unit, and with manufacturers' instructions for all improvements and fixtures that are part of the Unit, such as appliances, counter tops, cabinets, and wall and floor coverings.

**B. Exclusive Use Common Areas.** Each Owner must keep all Exclusive Use Common Areas appurtenant to his or her Unit clean and neat. Each Owner must repair and replace window glass in the windows of the Owner's Unit.

**C. Obligation to Inspect and Notify.** Each Owner must promptly report to the Association any evidence of water intrusion and any other defective condition the Association is responsible for maintaining that is evident from within the Owner's Unit or from an

Exclusive Use Common Area appurtenant to the Owner's Unit, including problems with automatic fire sprinkler heads within the Owner's Unit. An Owner is responsible for the cost of any work required because of his or her delay in reporting the evidence of water intrusion or other defective condition. An Owner must reimburse the Association for the cost of work that is not covered by insurance, or, if repair of the condition is covered by insurance, that portion of the cost that is not paid by the Association's insurance carrier. The Association may levy a reimbursement assessment against the Owner if the Owner fails to reimburse the Association for any amount owed by the Owner to the Association under this section.

**D. Failure to Maintain and Repair.** If an Owner fails to maintain the interior of his or her Unit or the Exclusive Use Common Areas appurtenant to his or her Unit as required by the Governing Documents, the Association may, after notice and the opportunity to be heard according to the procedures set forth in the Bylaws or otherwise adopted by the Board, enter the Unit and perform the necessary work. The Owner must reimburse the Association for the cost of work that is not covered by insurance, or, if repair of the condition is covered by insurance, that portion of the cost that is not paid by the Association's insurance carrier. The Association may levy a reimbursement assessment against the Owner if the Owner fails to reimburse the Association for any amount owed by Owner to the Association under this section.

**E. Maintenance Recommendations.** Each Owner is subject to all maintenance recommendations provided by Declarant, including, without limitation, all guides and other documents and maintenance schedules, as they pertain to the Owner's Unit and those portions of the Common Area that an Owner is required to maintain and repair. Civil Code sections 907 and 945.5 provide that Owners and the Association have an affirmative duty to maintain the Project pursuant to written maintenance recommendations.

**9.2 ASSOCIATION'S MAINTENANCE AND REPAIR OBLIGATIONS.** The Association must maintain all portions of the Project that are not maintained by the Owners. The Association's maintenance and repair obligations include, without limitation, performance of all maintenance and repair obligations assigned to the Association in any maintenance manual, manufacturer's manual, or other schedule of maintenance and repair obligations provided to the Association by Declarant or another party who has provided labor or materials at the Project. Maintenance and repair obligations also include the obligation to perform regular inspections of those portions of the Project for which the Association is responsible.

**A. In General.** The Association must maintain in good condition, repair and replace the Common Area, all Exclusive Use Common Areas except for those to be maintained by Owners under section 9.1B, and all landscaping.

**B. Wood-Destroying Pests.** The Association is responsible for the repair and maintenance of Common Area occasioned by the presence of wood-destroying pests and organisms in accordance with the procedure set forth in Civil Code section 4785.

**C. Water Intrusion and Defective Conditions.** The Association has the authority to inspect the Common Area, including Exclusive Use Common Areas, and the Units for evidence of water intrusion or other defective conditions that the Association is required to repair. The Association must repair any water damage or other defective condition found during an inspection.

**D. Utility Installations.** The Association must maintain all utility installations except those maintained by utility companies. If a utility installation exclusively serves one Unit but is located in the Common Area, the Association is responsible for maintenance, repair and replacement of the installation, but the cost of the work must be paid by the Owner of the Unit of which that installation is a part. If the Owner fails to reimburse the Association, the Association may levy a reimbursement assessment against the Owner for the cost of the work that is not covered by insurance, including that portion of the cost not paid by the Association's insurance carrier if the condition is covered by insurance. Alternately, the Association may require that, before it performs the work, the Owner pay to the Association the cost of the work, or that portion of the cost that will not be paid by the Association's insurance carrier if the condition is covered by insurance, unless delay in performing the work would be detrimental to the health, safety or welfare of the Owners or result in damage to the Common Area or any Unit.

**E. Common Area Damages Caused by an Owner.** If damage to the Common Area is caused by the willful or negligent act or omission of an Owner, or his or her guests or tenants, the Association must repair the damage and may levy a reimbursement assessment against the Owner for the cost of the work that is not covered by insurance, or that is not paid by the Association's insurance carrier if the condition is covered by insurance.

**F. Maintenance Recommendations.** The Association is subject to all maintenance recommendations provided by Declarant, including, without limitation, all guides and other documents and maintenance schedules, as they pertain to the Common Area and those portions, if any, of the Units that the Association is required to maintain and repair. Civil Code sections 907 and 945.5 provide that Owners and the Association have an affirmative duty to maintain the Project pursuant to written maintenance recommendations.

**9.3 MAINTENANCE RESPONSIBILITY LIST.** The types of items to be maintained by the Association and the individual Owners are set forth on the Maintenance List attached to this Declaration as Exhibit B. The Board has the sole authority to determine whether the Association or the Owners are responsible for maintenance of any item not included on the Maintenance List.

**ARTICLE 10**  
**Insurance Coverage**

**10.1 REQUIRED COVERAGE.** The Association must acquire and maintain the following insurance coverage:

**A. Fire and Casualty.** The Association must maintain a master policy of fire and casualty insurance.

(1) The policy must include coverage for:

a. all Common Area improvements described in section 1.6 and landscaping located within the Common Area, but excluding land, foundations, excavations and other items typically excluded from property insurance coverage,

b. the Residential Units: standard components of the Unit as described in section 1.22 that were originally installed by the Declarant, and any equivalent replacements to them. However, any upgrades installed by an Owner are excluded to the extent the replacement cost of the upgraded improvements exceeds the insurable replacement value of the original Unit improvements, as determined on the date that immediately precedes the date of the damage or destruction. Personal property located in a Unit is also excluded, and,

c. the Commercial Unit: load bearing structural components of the Unit, the walls located between the adjoining Units or between a Unit and the Common Area and Sheetrock on those walls.

(2) The policy must provide coverage against losses due to fire and other casualties normally covered by a "special form" policy or its equivalent. Coverage must be in an amount equal to the full insurable replacement cost of the covered property and include an agreed amount endorsement or its equivalent and a building laws endorsement or its equivalent.

(3) The policy must be in a form and from an insurance carrier satisfactory to the Board and to any first Mortgagee that inquires of the Association as to the terms of the policy. The policy must be primary and noncontributing with any other insurance policy covering the same loss. The policy must waive all subrogation rights against any Owner or occupant and his or her family members and invitees and provide that coverage may not be canceled or substantially changed without at least thirty days' prior written notice to the Association, each Owner, and his or her first Mortgagee

**B. Commercial General Liability.** The Association must obtain and maintain commercial general liability insurance insuring the Association, any managing agent, and the Owners and occupants of the Condominiums, and their respective family members, guests, invitees, and the agents and employees of each of them, against any liability incident to the ownership or use of the Common Area or any other real or personal property owned or maintained by the Association, and including, if obtainable on commercially reasonable terms, a cross-liability or severability-of-interest clause or endorsement insuring the liability of each insured against claims by each other insured. The limits of the insurance may not be less than \$2,000,000, or any greater amount required by Civil Code section 5805, covering all claims for death, personal injury, and property damage arising from a single occurrence. This insurance must include coverage against water damage liability, liability for non-owned and hired automobiles, liability for the property of others, and any other liability or risk customarily covered with respect to developments similar in construction, location and use.

**C. Director and Officer Liability Insurance.** The Association must purchase and maintain insurance on behalf of any director, officer or member of a committee of the Association against any liability asserted against or incurred by any of these persons in their capacity or arising out of their status as agents of the Association, regardless of whether the Association has the power to indemnify these persons against liability under applicable law. The insurance must be in an amount of not less than \$1,000,000, or any greater amount required by Civil Code section 5800 and must include a “duty to defend” provision and a “pay on behalf of” clause.

**D. Fidelity Bond.** If required by any institutional lender or at the discretion of the Board, a fidelity bond or policy of insurance against dishonest acts on the part of any person entrusted with or permitted to handle funds belonging to or administered by the Association, including a professional manager and its employees, naming the Association as the insured.

**E. Workers’ Compensation Insurance.** Workers’ compensation insurance to the extent necessary to comply with any applicable law, including Employer’s Liability of not less than \$1,000,000.

**10.2 INSURANCE REQUIRED BY CERTAIN LENDERS.** When FNMA or FHLMC is a Mortgagee, an insurer or guarantor of a Mortgage, or an Owner of a Condominium within the Project, a policy required under this Declaration must satisfy the minimum requirements imposed for this type of Project by FNMA or FHLMC with respect to amount, term coverage, deductible, named insureds, loss payees, standard mortgage clauses, notices of change and cancellation, and insurance company rating. However, to the extent that coverage is not available upon reasonable terms and at a reasonable cost, or has been modified or waived in writing by FNMA or FHLMC, it need not be obtained.

**10.3 REVIEW OF POLICIES; ADDITIONAL INSURANCE.** All policies of insurance must be licensed to do business in California and obtained from an insurance company with an A.M. Best

rating of no less than A-VIII. All policies of insurance must be reviewed at least annually and adjusted, if necessary, to provide coverage and protection as the Board deems prudent or as reasonably required by any first Mortgagee. The Board may obtain additional policies of insurance other than those required by this article as it deems necessary or prudent.

**10.4 OWNER'S INSURANCE.** Each Owner must maintain property insurance insuring against losses to the Owner's personal property located within the Unit and Exclusive Use Common Area appurtenant to the Unit, and to upgrades and fixtures installed by the Owner that are part of the Unit and are not covered by the Association's property insurance described in section 10.1. Each Owner must maintain general liability insurance insuring against any liability to persons or property arising from any act or omission occurring within the Owner's Unit. The Board may establish reasonable minimum liability insurance amounts for the Units. A reasonable minimum general liability insurance amount established for a Commercial Unit must take into account the use conducted in that Unit.

All individually owned insurance must contain a waiver of subrogation, and all Owners are deemed to have waived subrogation rights as to the Association and other Owners and occupants and their family members and invitees whether or not their policies so provide. An Owner may not separately insure any property covered by the Association's property insurance, and is liable to the Association to the extent of any diminution in insurance proceeds payable to the Association resulting from doing so. The Association is not liable for damages incurred by an Owner on account of injuries to person or property where the Owner fails to carry the required insurance.

**10.5 INSURANCE PREMIUMS.** The cost of the Association's insurance premiums must be included in the regular assessment levied by the Association.

**10.6 NOTICE OF LAPSE, CANCELLATION OR NON-RENEWAL OF INSURANCE POLICIES.** The Association must, as soon as reasonably practical, notify the Owners by first-class mail if any of the insurance policies required to be maintained by it have lapsed or been canceled and not immediately replaced, or if there is a significant change in the terms of any insurance policy, such as a reduction in coverage or limits or an increase in the deductible. If the Association receives any notice of non-renewal of an insurance policy, it must immediately notify the Owners if replacement coverage will not be in effect by the date the existing coverage will lapse.

**10.7 SETTLEMENT OF INSURANCE CLAIMS.** The Association is authorized to negotiate and agree on the value and extent of any loss under any policy carried by the Association. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise, and to execute releases in favor of any insurer on behalf of the Owners and itself with respect to any policy carried by the Association.

**ARTICLE 11**  
**Damage or Destruction; Condemnation**

**11.1 DAMAGE TO A SINGLE UNIT.** If a single Unit within the Project is damaged by a casualty that is covered by insurance, the insurance proceeds must be paid to the Owner of the Unit and his or her Mortgagee according to their respective interests in the Condominium. The insurance proceeds must be used to rebuild and repair the Unit. If the proceeds are insufficient to complete the work, the Owner must pay all additional sums necessary to complete the rebuilding and repair. If a single Unit within the Project is damaged by a casualty that is not covered by insurance, the entire cost of repairing and rebuilding the Unit must be paid by the Owner.

**11.2 DAMAGE TO TWO OR MORE UNITS OR COMMON AREA.** If the damage extends to two or more Units or any part of the Common Area, the following apply:

**A. Insurance Proceeds.** All insurance proceeds and proceeds from a special assessment levied to provide sufficient funds to complete the repair and rebuilding of damaged improvements must be held by the Association for the benefit of the Owners and their Mortgagees according to their respective interests in the Condominiums. All insurance proceeds must be deposited with a third-party depository that supervises disbursement of funds, such as an insurance trustee or a commercial lending institution experienced in the disbursement of construction loan funds. However, if the Board determines that the amount of proceeds required to complete the repair and rebuilding is so small that the cost of a third party depository is excessive in relation to that amount, the proceeds may be deposited into an Association bank account established for the sole purpose of holding monies for the repair and rebuilding and disbursed by the Board.

**B. Bids for Reconstruction.** The Board must retain a construction consultant, who is a licensed general contractor, architect, or engineer with at least 5 years experience in repair and rebuilding of property damaged through fire or other casualty. In conjunction with the consultant, the Board must obtain firm bids from two or more responsible contractors to rebuild the Project, and may also obtain an estimate from the insurance carrier of the work it will perform for the amount of available insurance proceeds. The Board must accept the bid or insurance estimate it considers most favorable, conditional upon the levy of a special assessment if funds in excess of available insurance proceeds plus Association reserve funds are required to complete the reconstruction. If the Board determines that the amount of proceeds required to complete the repair and rebuilding is so small that the cost of a construction consultant is excessive in relation to the cost of the work, the Board may waive the requirement.

**C. Obligation to Rebuild; Special Assessment.** The Board must contract to repair and rebuild the damaged portions of all Units and the Common Area if:

(1) the insurance carrier offers the full amount required to repair and restore all of the damage;

(2) the difference between (a) total insurance proceeds plus the amount of Association reserves and (b) the cost of the repairs or rebuilding does not require a special assessment approved by a Vote of the Owners under section 4.4; or,

(3) the difference between (a) total insurance proceeds plus the amount of Association reserves and (b) the cost of the repairs or rebuilding requires a special assessment approved by a Vote of the Owners under section 4.4 and the Board has obtained the vote. Failure of the Owners to approve the special assessment will be deemed an election not to repair and rebuild.

**D. Election Not to Rebuild.** Upon an election not to rebuild, the Association, as agent for the Owners, must promptly sell the entire Project, in its then condition, on terms satisfactory to the Board. For the purpose of effecting a sale under this section, each Owner grants to the Association an irrevocable power of attorney to sell the entire Project for the benefit of the Owners, to terminate the Declaration and to dissolve the Association. The net proceeds and all funds held by the third party depository described in subsection A. must be distributed to the Owners and their respective Mortgagees proportionately, according to the respective fair market values of the Units at the time of the destruction as determined by a qualified independent appraiser, with an M.A.I. certificate or the equivalent, selected by the Board. The Association must pay the cost of the appraisal. If the Association fails to sell the Project promptly, any Owner may bring an action for judicial partition of the tenancy in common ownership of the Project.

Upon distribution of proceeds from the sale of the Project, this Declaration terminates.

**E. Standards for Rebuilding and Repair.** The Project must be rebuilt to its existing condition immediately prior to the damage, modified to comply with building codes and construction standards in effect at the time of the rebuilding.

**F. Emergency Repairs.** Without waiting to obtain insurance settlements or bids, the Board may undertake emergency repair work as it deems necessary.

**G. Notice of Damage or Destruction.** Within 60 days after damage or destruction occurs, the Board must, and if it does not, any Owner, Mortgagee, the insurer or the third party depository described in subsection A. may record in the County Recorder's Office a sworn declaration setting forth a description of the damage or destruction, the name of the insurer against whom the claim is made, the name of the third party depository and a statement that the sworn declaration is recorded pursuant to this section of the Declaration.



**11.3 CONDEMNATION.** The Association is the representative of the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of all or part of the Common Area. In the event of a taking or acquisition of all or part of the Common Area by a condemning authority, the award or proceeds of settlement is payable to the Association, or a trustee appointed by the Association, for the use and benefit of the Owners and their mortgagees as their interests may appear. In the event of a taking of any Condominium in the Project by eminent domain, the Owner is entitled to receive the award. An award for a taking that extends to two or more Condominiums or the Common Area must be apportioned among the Owners according to a court judgment or agreement between the condemning authority and each of the Owners. In the absence of such an apportionment, the award must be distributed among the Owners and their respective Mortgagees according to the relative values of the Condominiums affected as determined by independent appraisal in accordance with the procedure set forth in section 11.2D.

## **ARTICLE 12**

### **Mortgage Protection Provisions**

**12.1 "MORTGAGE, MORTGAGEE, MORTGAGOR" DEFINED.** "Mortgage" includes a deed of trust as well as a mortgage, and means a conveyance of a security interest in real property made in good faith and for value. "Mortgagee" includes a beneficiary or a holder of a deed of trust as well as a mortgage. "Mortgagor" includes the trustor of a deed of trust as well as a mortgagor.

**12.2 MORTGAGE PERMITTED; VALIDITY OF MORTGAGE LIEN.** Any Owner may encumber his or her Condominium with a Mortgage. A breach of any of the provisions of this Declaration does not invalidate the lien of a first Mortgage made in good faith and for value. This Declaration is binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

### **12.3 REQUIRED CONSENT OF ELIGIBLE MORTGAGE HOLDERS.**

**A. Eligible Mortgage Holder.** As used in this section 11.3, "eligible mortgage holder" means a first Mortgagee, or the insurer or governmental guarantor of a first Mortgage.

**B. Amendments of a Material Nature.** Amendments to the provisions of the Governing Documents of a material adverse nature to mortgagees require the approval of eligible mortgage holders that represent at least 51% of the votes of Units that are subject to mortgages held by eligible mortgage holders.

**C. Termination of Legal Status of Project.** Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs or for other reasons requires the approval by eligible mortgage holders that represent at least 51% of the votes of Units that are subject to mortgages held by eligible mortgage holders.

**D. Implied Consent.** An eligible mortgage holder is assumed to have approved a written proposal if it fails to submit a response to the proposal within 60 days after it has received proper notice of the proposal, provided the notice was delivered by certified or registered mail, "return receipt" requested.

**12.4 NOTICE TO MORTGAGE HOLDERS, INSURERS AND GUARANTORS.** A mortgage holder, insurer or guarantor is entitled to timely written notice of the following:

- A. Any condemnation loss or any casualty loss that affects a material portion of the Project or the Unit securing its mortgage;
- B. Any 60 day delinquency in the payment of assessments owed by the Owner of any Unit on which it holds the mortgage;
- C. Any lapse, cancellation or material modification of an insurance policy maintained by the Association; or
- D. Any proposed action that requires the consent of eligible mortgage holders, as specified in section 12.3.

**12.5 RIGHTS TO INSPECT, RECEIVE STATEMENTS, ATTEND MEETINGS.**

- A. All Owners and lenders, and all holders, insurers or guarantors of any first Mortgage are entitled to inspect current copies of the Declaration, Bylaws, the Association rules and any other rules concerning the Project and the books, records and financial statements of the Association. Inspection may be made upon request, during normal business hours or under other reasonable circumstances.
- B. If the Association has not prepared an audited financial statement, the holder, insurer or guarantor of any first Mortgage may have an audited financial statement for the immediately preceding fiscal year prepared at its own expense.
- C. Upon written request to the Association, a first Mortgagee is entitled to receive written notice of, and may appear (but not vote) at meetings of the Owners and the Board.

**12.6 LIMITATION ON RIGHT OF FIRST REFUSAL.** The Governing Documents contain no provision creating a "right of first refusal," but if any of these rights is created in the future, they must not impair the rights of any first Mortgagee to foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage, accept a deed (or assignment) in lieu of foreclosure in the event of a default by the Mortgagor, or sell or lease a Condominium acquired by the Mortgagee.

**12.7 PRIORITY AS TO PROCEEDS AND AWARDS.** No Owner or other party has priority over the rights of a Mortgagee pursuant to its Mortgage in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units or the Common Area.

**12.8 SUBORDINATION.** Any lien created or claimed under the provisions of this Declaration is subject and subordinate to the rights of any first Mortgagee with a first Mortgage that encumbers a Condominium, and will not defeat, invalidate or impair the obligation or priority of a first Mortgage unless the Mortgagee expressly subordinates its interest in writing.

**12.9 LIEN ON INDIVIDUAL UNIT.** All taxes, assessments and charges which may become liens prior to a first Mortgage under local law relate only to the individual Units and not to the Project as a whole.

### **ARTICLE 13 General Provisions**

#### **13.1 ENFORCEMENT.**

**A. ACTIONS BY THE ASSOCIATION OR AN OWNER TO ENFORCE GOVERNING DOCUMENTS.** The Association or any Owner may enforce the Governing Documents. The parties to a dispute between the Association and an Owner must, in all cases, use good faith efforts to resolve the dispute through alternative dispute resolution according to the procedures set forth in the Bylaws or operating rules adopted by the Board. Neither the Association nor an Owner may file an action in the superior court for enforcement of the Governing Documents that includes a request for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional amount of the Small Claims Court unless the parties have endeavored to submit their dispute to alternative dispute resolution as required by sections 5925 through 5960 of the Civil Code and according to the procedures set forth in the Bylaws or operating rules adopted by the Board. An Owner may not seek to enforce this Declaration until the Owner has delivered a written request to the Association for enforcement and the Association has refused to perform or has not responded to the request within 60 days from the date of delivery. The foregoing does not apply to a small claims action or an assessment dispute.

This provision applies to any dispute between the Association and Declarant acting in its capacity as an Owner of a Unit and that does not arise out of defects in design or construction of the Project.

**B. DISPUTES REGARDING DEFECTS IN DESIGN OR CONSTRUCTION, INCLUDING MANDATORY BINDING ARBITRATION.** The following provisions apply to any disputes, claims, issues or controversies for defects in the design and construction of the Project between any Owner and/or the Association and Declarant and/or any other party

defined as a "builder" in Civil Code Section 911, or who may otherwise be liable for defects in design or construction of the Project ("other Builder").

**(1) Civil Code Sections 910-938 Prelitigation Requirements.** No proceeding may be filed against Declarant or any other Builder for any claimed defects in the design and construction of the Project or for a violation of the functionality standards set forth in Civil Code sections 896-897 ("functionality standards"), until the Owner and/or the Association has complied with the procedures found in Title 7 of Part 2 of Division 2 of the California Civil Code, beginning at section 910. These procedures impact the legal rights of the Association and the Owners.

It is Declarant's intent to relinquish control over the Association's ability to decide whether to initiate a claim for violation of the functionality standards from and after the date of substantial completion of the Project. Therefore, a director appointed by Declarant or elected by votes cast by Declarant has no power or authority to participate in or vote on any action taken by the Association to initiate a claim for violation of the functionality standards. A decision by the Board to initiate a claim for violation of the functionality standards, including an action for arbitration under subsection (3) below, also requires a Vote of the Class A Owners only, or where the two class voting structure is no longer in effect, a Vote of the Owners other than Declarant. This section becomes effective automatically on the date that the first director is elected to the Board without the vote of Declarant.

**(2) Notice to Owners.** At least 30 days before filing any proceeding against Declarant and/or other Builder for alleged damage to the Common Area or portions of Units that the Association is obligated to maintain or repair, or alleged damage to a Unit that arises from, or is integrally related to, damage to the Common Area or portions of Units that the Association is obligated to maintain or repair, the Board must provide written notice that complies with Civil Code section 6150 to each Owner who appears on the records of the Association when the notice is provided. However, if the Association has reasons to believe that the applicable statute of limitations will expire before the Association files the civil action, the Association may give notice, as described above, within 30 days after filing the action.

**(3) Mandatory Binding Arbitration.** If an Owner or the Association is unable to resolve a dispute with Declarant or other Builder under the Civil Code procedures described in section 13.1 B.(1) above, the dispute must be resolved through neutral, binding arbitration and not by any court action except as provided for review of arbitration proceedings by the Federal Arbitration Act and California law, to the extent that it does not conflict with the Federal Arbitration Act. The decision of the arbitrator shall be final and binding, except to the extent it may be vacated, modified or corrected as permitted by the Federal Arbitration Act. The Federal Arbitration Act shall govern the interpretation and enforcement of the arbitration provisions of this

Article. The arbitration proceedings must be conducted by and in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (AAA ) in effect at the time of the arbitration or any successor to it, subject to the following:

(a) Any fee to initiate the arbitration must be paid by Declarant, but the arbitration costs and fees, including any initiation fee, ultimately must be borne as determined by the arbitrator.

(b) The venue of the arbitration proceedings will be in the County, unless the parties agree to a different location.

(c) The arbitrator must be appointed within sixty days of the receipt of a written request to arbitrate the dispute by AAA. In selecting the arbitrator, the provisions of Section 1297.121 of the Code of Civil Procedure will apply. The arbitrator must be a retired judge or an attorney with at least ten years' real estate and construction law experience. An arbitrator may be challenged for any of the grounds listed in that Sections 1297.121 or 1297.124 of the Code of Civil Procedure.

(d) The arbitrator is authorized to provide all recognized remedies available in law or equity in resolution of any dispute between the parties.

(e) The arbitrator must follow California substantive law (but may receive hearsay evidence). The arbitrator is authorized to provide all recognized remedies available at law or in equity for any cause of action.

(f) The arbitrator must issue a written decision within thirty (30) days after the hearing is closed. If any of the parties so requests, the arbitrator must also issue a reasoned award.

(g) Each party must bear its own attorney's fees and costs, including expert witness costs.

(h) A petition to confirm an award may be filed in any court of competent jurisdiction in the County.

**(4) WAIVER OF JURY TRIAL AND RIGHT TO APPEAL. DECLARANT, AND BY ACCEPTING A DEED FOR ANY PORTION OF PROPERTY, THE ASSOCIATION AND EACH OWNER, AGREE (a) TO HAVE ANY CONSTRUCTION DISPUTE DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL**

**ARBITRATION ACT; (b) TO GIVE UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE CONSTRUCTION DISPUTE LITIGATED IN A COURT OR JURY TRIAL; (c) TO GIVE UP THEIR RESPECTIVE RIGHTS TO APPEAL. IF ANY PARTY REFUSES TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, AS SUCH ACTS ARE IN EFFECT AS OF THE DATE OF THE FILING OF THE ARBITRATION.**

**(5) No Amendment Without Declarant's Consent.** No amendment may be made to this section 13.1B. without the written consent of Declarant.

**(6) Conflicts.** In the event of a conflict between this section 13.1 B. and any other alternative dispute resolution procedures, this subsection shall prevail.

**(7) Disputes with Third Parties.** In the event that Declarant becomes involved in a dispute with one or more third parties that is in any way related to the construction of the Project, Declarant may, in its sole and exclusive discretion, consolidate the resolution of those disputes with the resolution of any disputes between Declarant and the Association or any Owner arising under this section 13.1B. The Association and each individual Owner agree to make reasonable accommodation to facilitate the consolidation and to be bound by any decision or award given in the consolidated action. Any consolidated action is subject to the requirements of this subsection 13.1B.

**13.2 TERM.** The initial term of this Declaration is 50 years from the date it is recorded, unless it is terminated earlier because of damage and destruction or condemnation as provided in sections 11.2 and 11.3 or by partition as permitted by Civil Code section 4610. After that 50 year period, this Declaration will extend automatically for successive periods of 10 years, unless by a vote of 67% of all Owners, the Owners vote to terminate it, and an instrument in writing to that effect is recorded within the year preceding the beginning of the next period of 10 years.

**13.3 AMENDMENTS.** Prior to close of escrow on the sale of the first Condominium, this Declaration may be amended by Declarant. Thereafter, this Declaration may be amended by an instrument in writing signed and acknowledged by the president or the secretary of the Association certifying under penalty of perjury that the amendment was adopted with the consent of Members as provided in this section. Except as provided elsewhere in this Declaration, this Declaration may be amended only by a vote of more than 50% of all of the Members and the vote of more than 50% of all of the Members other than Declarant. Any provision of this Declaration that confers rights and benefits on Declarant may not be amended or rescinded without the prior written consent of Declarant, except as permitted by Civil Code section 4230. Where a greater percentage than a majority is required to amend any provision of this Declaration, amendment of that provision requires the approval of the prescribed percentage of all of the Owners, and the prescribed percentage of all of the Owners other than Declarant. An amendment must be recorded and becomes effective only

upon being recorded in the County Recorder's Office. An amendment does not adversely affect the rights of the holder of any Mortgage of record recorded prior to the amendment. This Declaration may also be amended in accordance with the provisions of Civil Code section 4275.

**13.4 OWNER'S COMPLIANCE.** Each Owner must comply with the provisions of this Declaration, the Articles, the Bylaws, the operating rules, and the decisions and resolutions of the Board. All agreements and determinations lawfully made by the Board in accordance with the voting percentages established in this Declaration or the Bylaws are binding on Declarant, all Owners, their successors and assigns.

**13.5 POWER OF ATTORNEY.** Any power of attorney exercisable by the Board on behalf of the Owners under this Declaration may be exercised only after the recording with the County Recorder of a certificate, executed by a majority of the Board, that the power of attorney is being exercised under the authority of this Declaration. The certificate is conclusive evidence of proper exercise in favor of any person relying on it in good faith.

**13.6 NOTICES.** Any notice permitted or required by the Governing Documents must be in writing and given in compliance with the requirements of the Act. Any notice required to be given to an Owner by the Association must be given by individual delivery by either of the following means:

- A. first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document must be addressed to the recipient at the address last shown on the books of the Association; or
- B. e-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

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.

**13.7 INDEMNIFICATION.** Each Owner is liable to the Association for damage to the Common Area caused by the willful misconduct or negligence of the Owner, members of the Owners' family, and a contract purchaser, tenant, guest or invitee of the Owner, to the extent that the damage is not covered by insurance. Each Owner must indemnify and defend each other Owner and the Association against any claim of personal injury or property damage that occurred in the Owner's Unit and was caused by the willful or negligent act or omission of the Owner, his or her family members, contract purchasers, tenants, guests and invitees to the extent the injury or damage is not covered by insurance.

**13.8 STANDING OF ASSOCIATION.** The Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the individual Owners in matters pertaining to the following: (a) enforcement of the Governing Documents; (b) damage to the Common Area; (c) damage to a Unit that the Association is obligated to maintain or repair, and (d) damage to a Unit that arises out of, or is integrally related to, damage to the Common Area or a Unit that the Association is obligated to maintain or repair.

**13.9 NOTICE OF NEW OWNERSHIP.** No later than five days after close of escrow on the purchase of a Condominium, the new Owner must inform the Association of his or her name and address, the number of the Unit purchased, and the date of close of escrow on the purchase.

**13.10 CORRECTIONS.** Notwithstanding anything in this Declaration to the contrary, Declarant reserves the right as the attorney-in-fact for each Owner to record an amendment or appropriate instrument of correction to correct any errors in this Declaration or any exhibits to it, including the Condominium Plan, and the consent of neither the Association nor any Owner is required, provided that if the correction affects the size, location or access or use rights to any Unit or any Exclusive Use Common Area appurtenant to a Unit, the consent of the affected Owner is required.

**13.11 FAIR HOUSING.** No Owner may, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, or occupancy of his or her Unit to any person of a specified race, color, religion, ancestry, national origin, sex, marital status, sexual orientation or physical disability.

**13.12 SINGULAR AND PLURAL.** The singular and plural number and masculine, feminine and neuter gender each include the other where the context requires.

**13.13 STATUTORY REFERENCES.** References to particular statutes of the State of California include any amendment of the statute. If a particular statute is repealed, reference to the statute will include any other statute that thereafter governs the same subject.

**13.14 SEVERABILITY OF PROVISIONS.** The provisions of this Declaration are independent and severable, and the invalidity or unenforceability of one does not affect the validity or enforceability of the others.

**13.15 CONFLICTS IN DOCUMENTS.** Conflicts between laws and documents that apply to the Project will be resolved as follows.

A. To the extent of any conflict between the Governing Documents and the law, the law controls. In the event of a conflict between the Act and the provisions of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code) relating to elections, the provisions the Act prevail.

B. To the extent of any conflict between the Articles of Incorporation and the Declaration, the Declaration controls. To the extent of any conflict between the Bylaws and the Articles of Incorporation or Declaration, the Articles of Incorporation or Declaration control. To the extent of any conflict between the operating rules and the Bylaws, Articles of Incorporation, or Declaration, the Bylaws, Articles of Incorporation, or Declaration control.

C. If there are any conflicts in the definitions contained in the Declaration and any notes on the Map or the Condominium Plan, the definitions contained in the Declaration control.

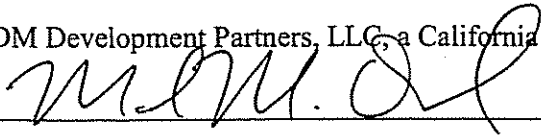
**13.16 NO WAIVER.** The failure of the Association or an Owner to enforce any rights under the Governing Documents does not constitute a waiver of the right during the term of this Declaration or the waiver of any other right.



Declarant has executed this Declaration on 7/16, 2014.

Octavia Gateway Holdings LLC, a Delaware limited liability company

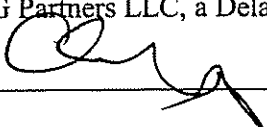
By: DM Development Partners, LLC, a California limited liability company, Its Manager

By: 

MARK MACDONALD

By: DDG California LLC, a Delaware limited liability company, Its Manager

By: DDG Partners LLC, a Delaware limited liability company, Its Member

By: 

CHRISTOPHER J. PROKOP

STATE OF CALIFORNIA  
COUNTY OF

San Francisco }  
}SS.

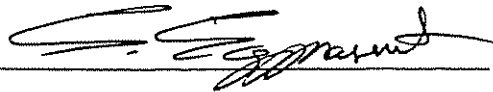
On 07/16/2014, before me, S. SAPPRASERT, a notary public, personally  
appeared Mark MacDonald and Christopher J. Prokop w

ho 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



# EXHIBIT A

## MIXED-USE CONDOMINIUM PLAN FOR 8 OCTAVIA BOULEVARD SAN FRANCISCO, CALIFORNIA

BEING ALL THAT CERTAIN REAL PROPERTY ("PROPERTY") IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, SHOWN AS PARCEL "A" ON "FINAL MAP NO. 7511" FILED MAY 29, 2014, IN BOOK 123 OF CONDOMINIUM MAPS, PAGES 188 THROUGH 190, INCLUSIVE, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

---

WE CERTIFY THAT WE ARE THE OWNERS OF, OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED IN THE ATTACHED DESCRIPTION OF THE CONDOMINIUM PLAN HEREIN; THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY TO PASS CLEAR TITLE TO SAID PROPERTY AND WE CONSENT TO THE MAKING AND RECORDING OF SAID PLAN AND DESCRIPTION AS SHOWN.

**OWNER:** OCTAVIA GATEWAY HOLDINGS LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: DM DEVELOPMENT PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, ITS MANAGER

BY: 

NAME: Mark MacDonald

TITLE: Principal

BY: DDG CALIFORNIA LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS MANAGER

BY: DDG PARTNERS LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS MEMBER

BY: 

NAME: Christopher J. Prokop

TITLE: Authorized Signatory

**OWNER'S ACKNOWLEDGEMENT:**

STATE OF California )

COUNTY OF San Francisco )

ON July 16<sup>th</sup> 2014, BEFORE ME, S. SAPPRASERT A

NOTARY PUBLIC, PERSONALLY APPEARED Mark MacDonald, 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 [Signature]



**OWNER'S ACKNOWLEDGEMENT:**

STATE OF California )

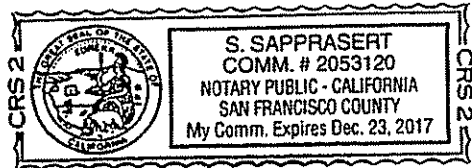
COUNTY OF San Francisco )

ON July 16<sup>th</sup> 2014, BEFORE ME, S. SAPPRASERT A

NOTARY PUBLIC, PERSONALLY APPEARED Christopher J. Prokop, 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 [Signature]



**SURVEYOR'S STATEMENT**

I, THE UNDERSIGNED, HEREBY STATE THAT I AM A LICENSED LAND SURVEYOR IN THE STATE OF CALIFORNIA, AND THIS CONDOMINIUM PLAN CONSISTING OF 23 SHEETS WAS PREPARED UNDER MY SUPERVISION AND THAT THIS PLAN TRULY REPRESENTS THE BOUNDARIES AND ELEVATIONS OF THE PARCELS AND COMMON AREA.

DATED 7/21/14

BY: B. B. R.  
BENJAMIN B. RON  
LICENSED LAND SURVEYOR NO. 5015



**GENERAL NOTES**

THIS IS A PLAN OF A "CONDOMINIUM PROJECT" AS THAT TERM IS DEFINED IN SECTION 4125 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, AND THE SUBDIVISION DEPICTED HEREON IS SUBJECT TO THE PROVISIONS OF THE DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT, PART 5, OF THE CIVIL CODE OF THE STATE OF CALIFORNIA. SHEET 5 HEREOF IS A PORTION OF THE SURVEY MAP OF THE SURFACE OF THE LAND INCLUDED WITHIN THE PROJECT AND SHEETS 6 THROUGH 22 SHOW THE DIAGRAMMATIC FLOOR PLANS OF THE BUILDING AS PROVIDED IN SECTION 4285 OF THE CIVIL CODE.

1. THE TERMS "UNIT" AND "COMMON AREA" ARE DEFINED IN THE DECLARATION OF RESTRICTIONS TO WHICH THIS CONDOMINIUM PLAN IS ATTACHED.
2. ALL DIMENSIONS SHOWN AND ELEVATIONS NOTED ON SHEETS 6 THROUGH 22 ARE INTENDED TO BE THE UNFINISHED INTERIOR SURFACES OF THE WALLS, FLOORS AND CEILINGS.
3. ALL BUILDING WALLS OF UNITS ARE AT NINETY DEGREES, EXCEPT AS SHOWN. DISTANCES ARE SHOWN IN FEET AND DECIMALS OF A FOOT.
4. BASIS OF SURVEY IS MONUMENT MAP 26 ON FILE IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.
5. ELEVATIONS SHOWN HEREON ARE BASED ON A "+" CUT TOP SOUTHEAST BOLT OF GATE AT THE NORTHWEST INTERSECTION (13' EAST & 3' WEST) OF WALLER AND LAGUNA STREETS, ELEVATION 93.98 FEET, SAN FRANCISCO CITY DATUM.
6. THE AREAS ENTITLED "P-1", "P-2", "P-3", ETC., ARE PARKING AREAS. PARKING AREAS "P-1" THROUGH "P-17" INCLUDE FACILITIES FOR STORAGE AND BICYCLE PARKING. AN EASEMENT FOR THE EXCLUSIVE USE OF EACH PARKING AREA MAY BE GRANTED AS AN APPURTENANCE TO A UNIT.
7. THE AREAS ENTITLED "HCP-18" AND "HCP-19" ARE HANDICAP PARKING AREAS. AN EASEMENT FOR THE EXCLUSIVE USE OF EACH HANDICAP PARKING AREA MAY BE GRANTED AS AN APPURTENANCE TO A UNIT.
8. THE AREAS ENTITLED "B-1", "B-2", "B-3", ETC., ARE BIKE STALL AREAS. AN EASEMENT FOR THE EXCLUSIVE USE OF EACH BIKE STALL AREA MAY BE GRANTED AS AN APPURTENANCE TO A UNIT.

**GENERAL NOTES**  
CONTINUED FROM PREVIOUS SHEET

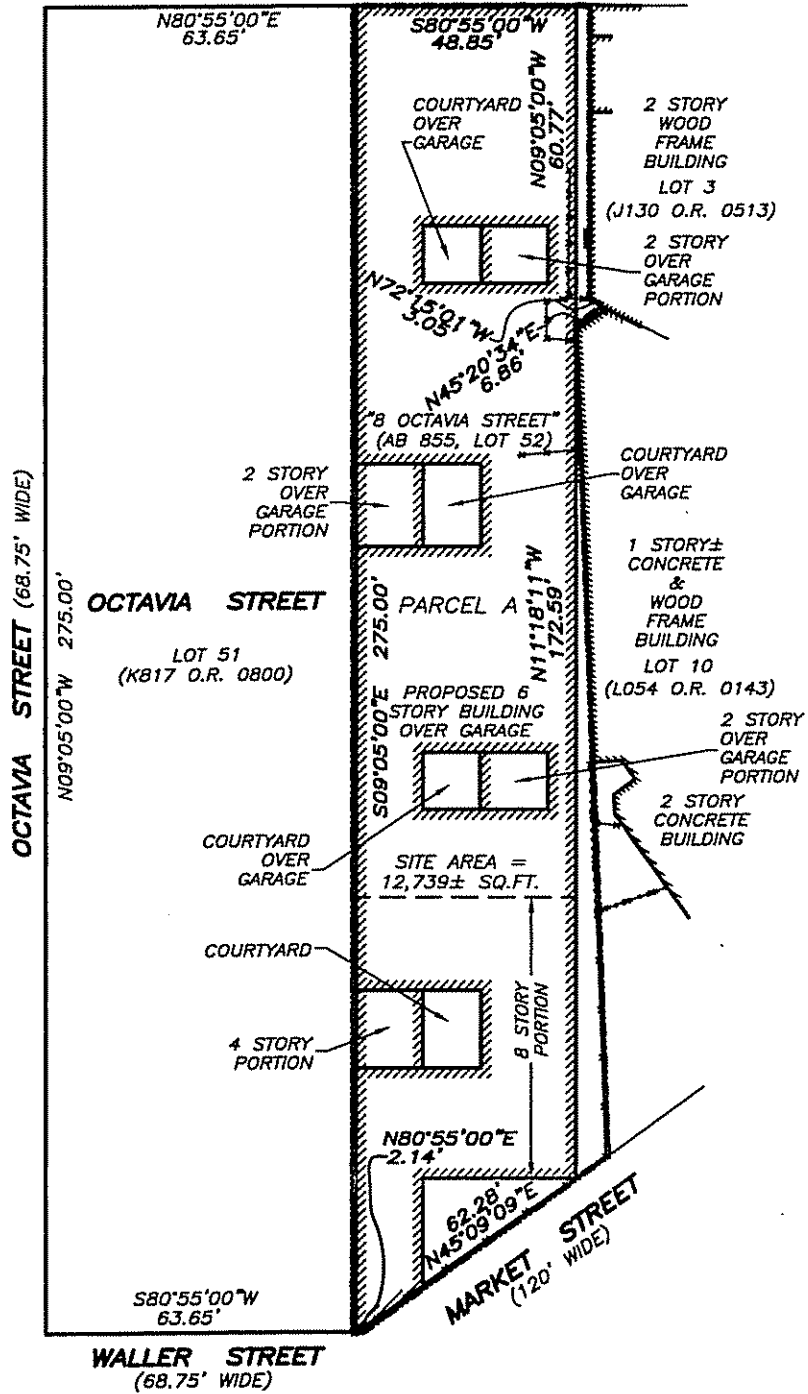
9. THE AREAS ENTITLED "D-202", "D-302", "D-304", ETC., ARE DECK AREAS. AN EASEMENT FOR THE EXCLUSIVE USE OF EACH DECK AREA SHALL BE GRANTED AS AN APPURTENANCE TO THE CORRESPONDING NUMBERED UNIT.
10. THE AREA ENTITLED "E-102" IS AN ROOF EQUIPMENT AREA. AN EASEMENT FOR THE EXCLUSIVE USE OF THE ROOF EQUIPMENT AREA SHALL BE GRANTED AS AN APPURTENANCE TO UNIT 102.
11. BAY WINDOWS, FIRE ESCAPES AND OTHER ENCROACHMENTS (IF ANY SHOWN HEREON, THAT EXIST, OR THAT MAY BE CONSTRUCTED) ONTO OR OVER MARKET, WALLER, OCTAVIA OR HAIGHT STREET, ARE PERMITTED THROUGH AND ARE SUBJECT TO THE RESTRICTIONS SET FORTH IN THE BUILDING CODE AND PLANNING CODE OF THE CITY AND COUNTY OF SAN FRANCISCO. THIS MAP DOES NOT CONVEY ANY OWNERSHIP INTEREST IN SUCH ENCROACHMENT AREAS TO THE CONDOMINIUM UNIT OWNER(S).
12. THIS CONDOMINIUM PLAN IS BASED SOLELY ON THE ARCHITECTURAL DRAWINGS BY STANLEY SAITOWITZ OFFICE / NATOMA ARCHITECTS, INC., ENTITLED "OCTAVIA GATEWAY, 8 OCTAVIA BLVD, SAN FRANCISCO, CA" DATED MARCH 1, 2013 AND IS NOT BASED UPON AS-BUILT DIMENSIONS. THE EXISTING PHYSICAL BOUNDARIES OF THE UNITS AS CONSTRUCTED SHALL BE CONCLUSIVELY PRESUMED TO BE ITS BOUNDARIES RATHER THAN THE UNIT DIAGRAMS SHOWN HEREIN. THE SQUARE FOOTAGES ARE APPROXIMATE AND WERE CALCULATED ON THE BASIS OF DIMENSIONS IN ARCHITECTURAL DRAWINGS, NOT ON THE DIMENSIONS OF A COMPLETED STRUCTURE. THE AS-BUILT DIMENSIONS WILL DETERMINE THE ACTUAL BOUNDARIES OF A UNIT AND THE TOTAL SQUARE FOOTAGE OF A UNIT MAY VARY FROM THE ESTIMATES.
13. FOR THE PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON AREA FOR THE UNITS, SEE TABLE ON SHEET 23.

**LEGEND**

AB	ASSESSOR'S BLOCK
L.E.	LOWER ELEVATION
U.E.	UPPER ELEVATION
O.R.	OFFICIAL RECORDS
PL	PROPERTY LINE



**HAIGHT STREET**  
(68.75' WIDE)



**BOUNDARY**

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=40' SHEET 5 JOB NO. S-8311

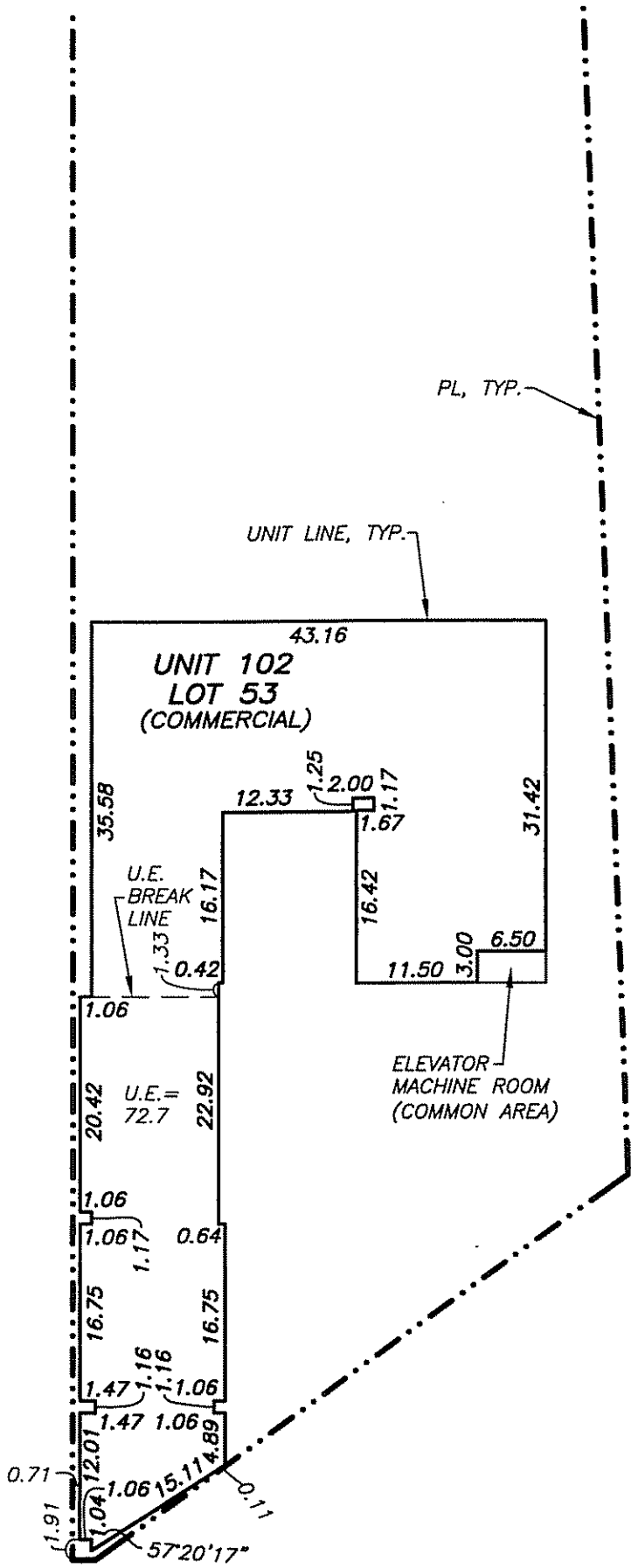
**MARTIN M. RON ASSOCIATES, INC.**  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500



**LEVEL 1**

UPPER ELEVATION = 63.6 (EXCEPT AS SHOWN)  
LOWER ELEVATION = 52.4



BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=10' SHEET 6 JOB NO. S-8311

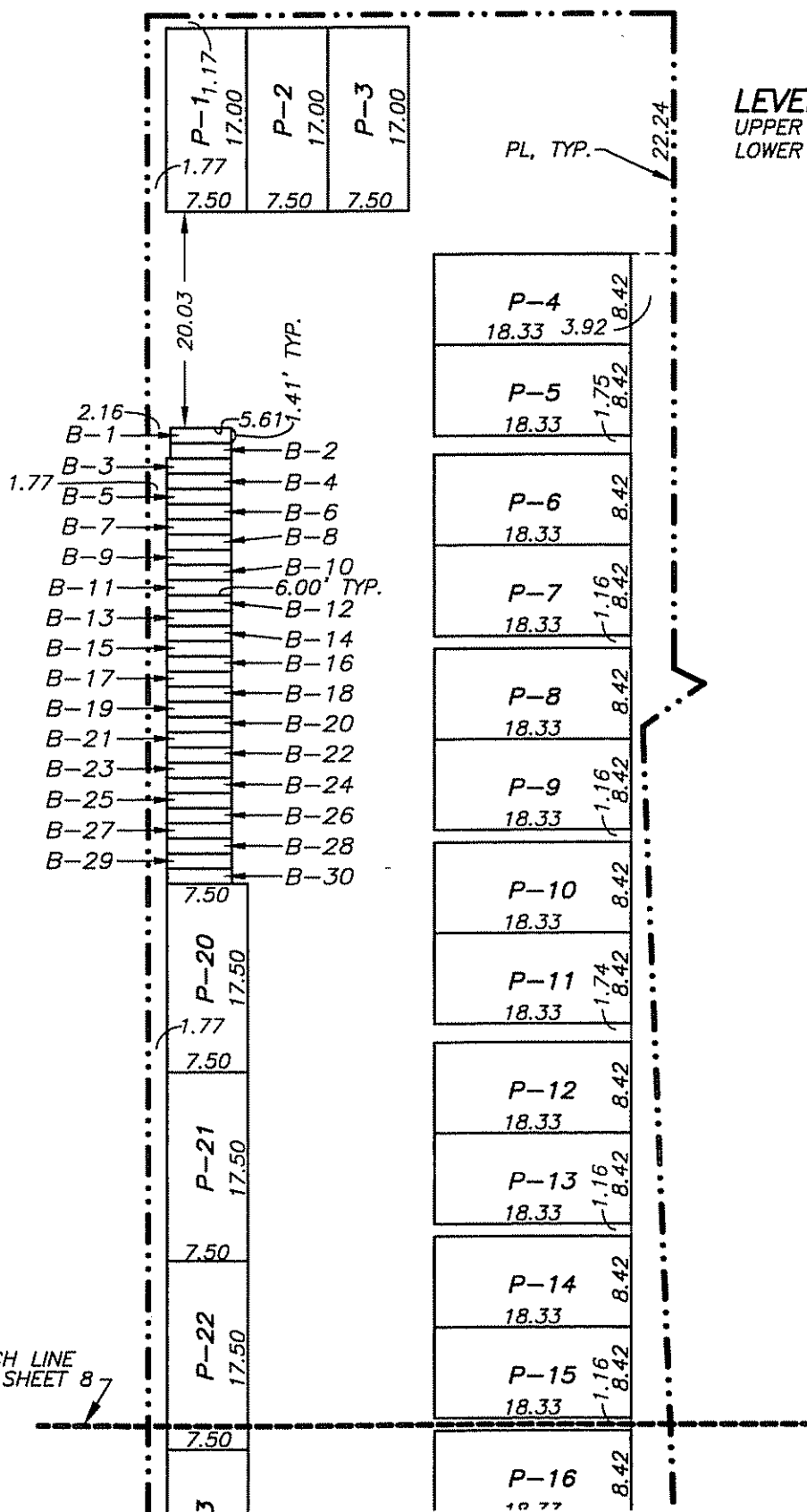
**MARTIN M. RON ASSOCIATES, INC.**  
LAND SURVEYORS

859 HARRISON STREET  
SAN FRANCISCO, CA. 94107  
(415) 543-4500





**LEVEL 2**  
 UPPER ELEVATION = 72.7  
 LOWER ELEVATION = 63.4



BY RW CHKD. DATE 7/16/2014 SCALE 1"=16' SHEET 7 JOB NO. S-8311

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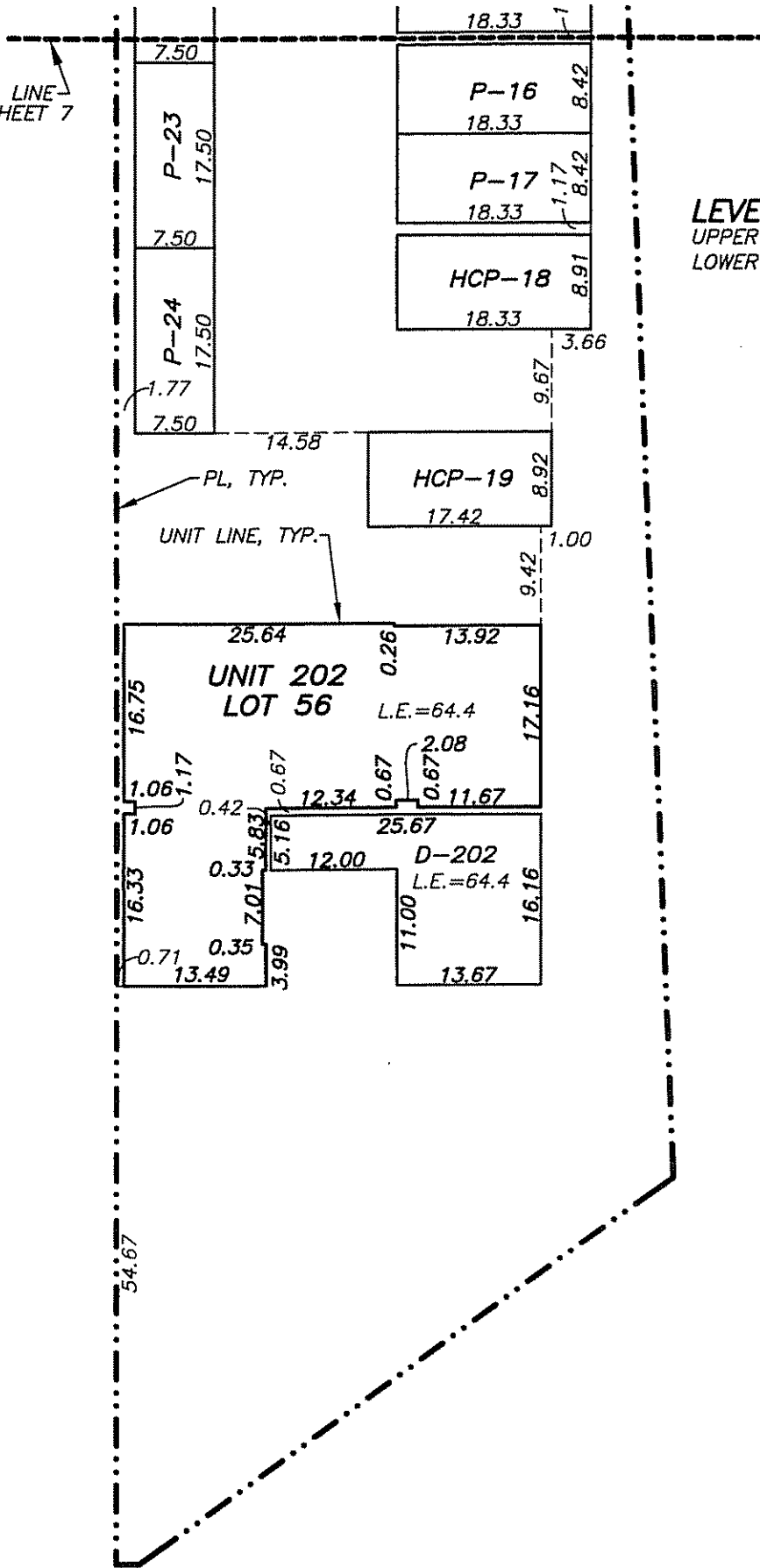
MATCH LINE  
SEE SHEET 7



**LEVEL 2**

UPPER ELEVATION = 72.7

LOWER ELEVATION = 63.4 (EXCEPT AS SHOWN)



BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 8 JOB NO. S-8311

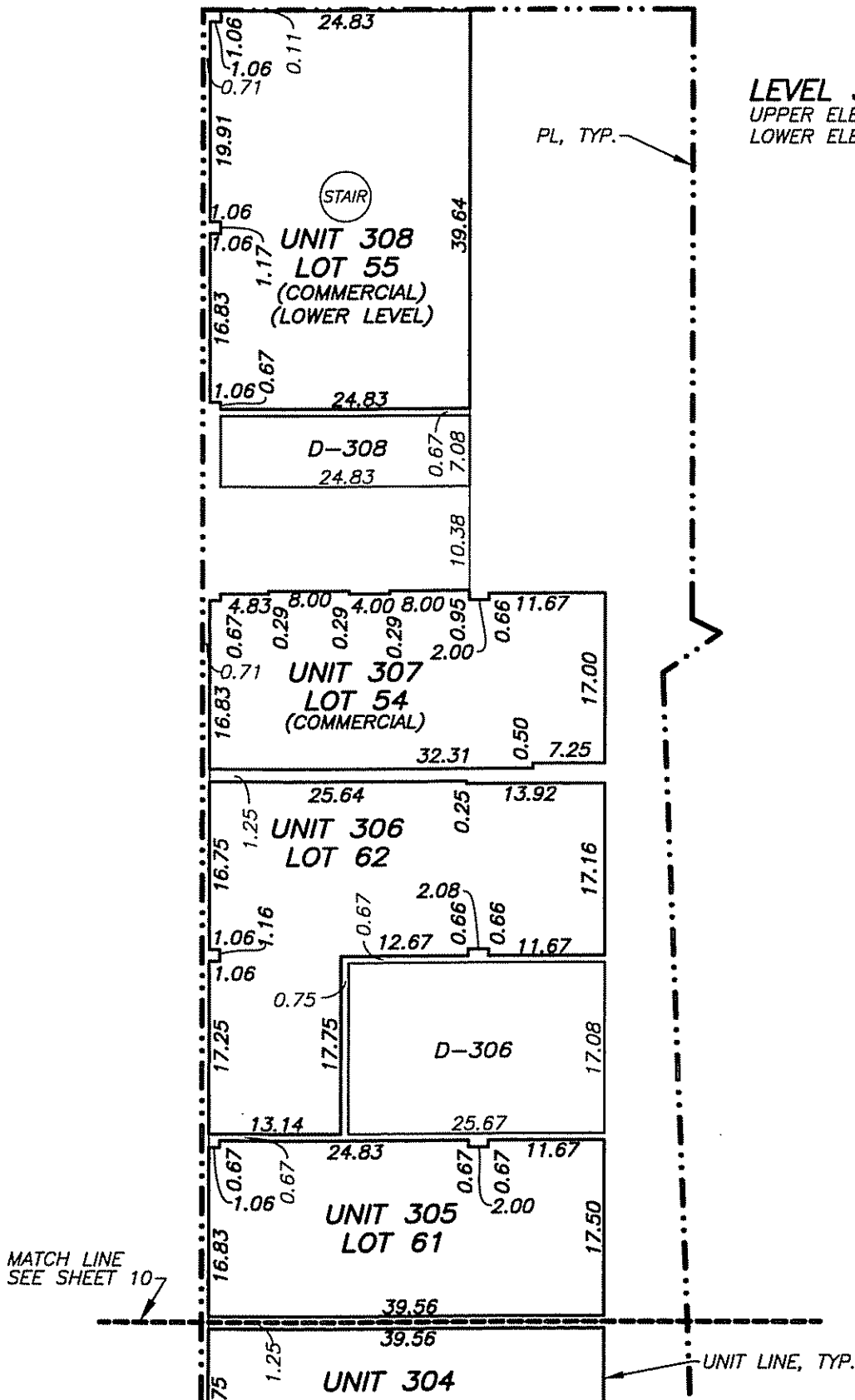
**MARTIN M. RON ASSOCIATES, INC.**  
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SAN FRANCISCO, CA. 94107  
(415) 543-4500



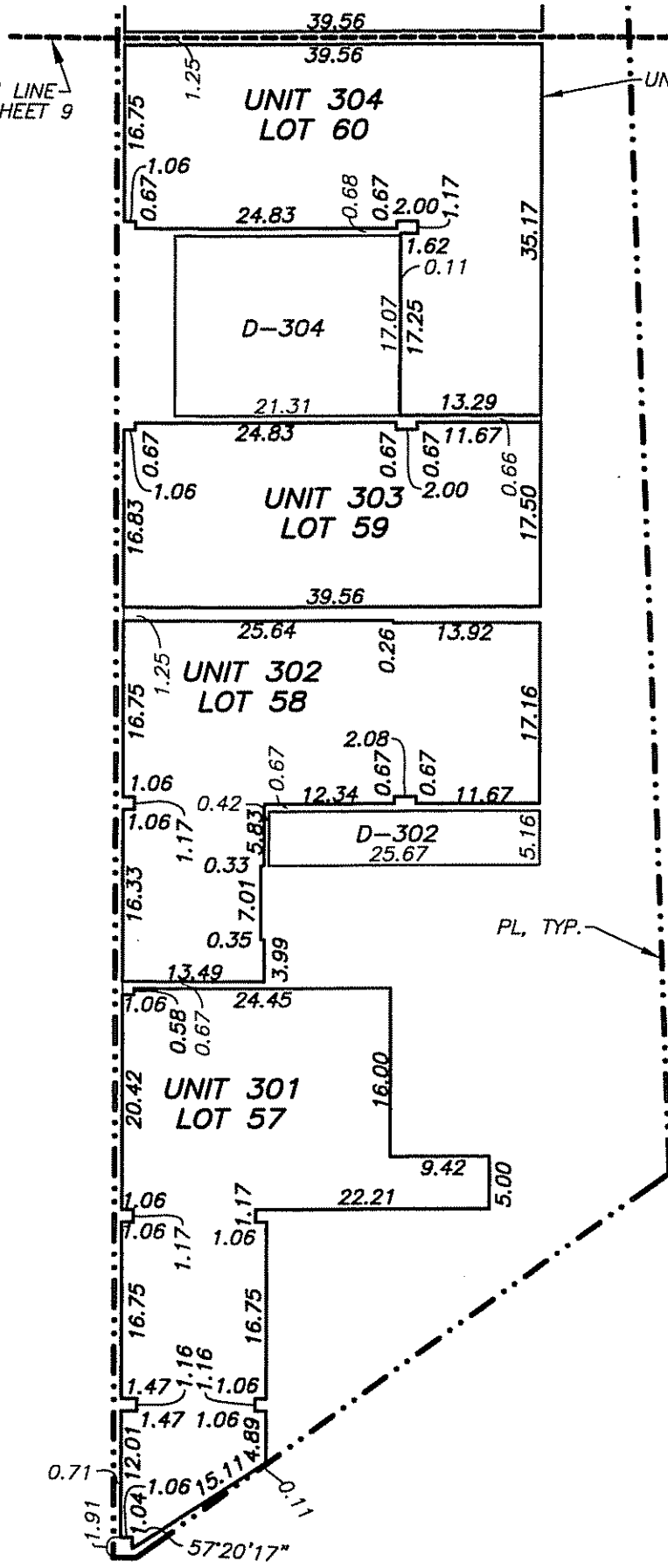
**LEVEL 3**

UPPER ELEVATION = 81.7  
LOWER ELEVATION = 73.4



BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 9 JOB NO. S-8311

MATCH LINE  
SEE SHEET 9



**LEVEL 3**  
UPPER ELEVATION = 81.7  
LOWER ELEVATION = 73.4

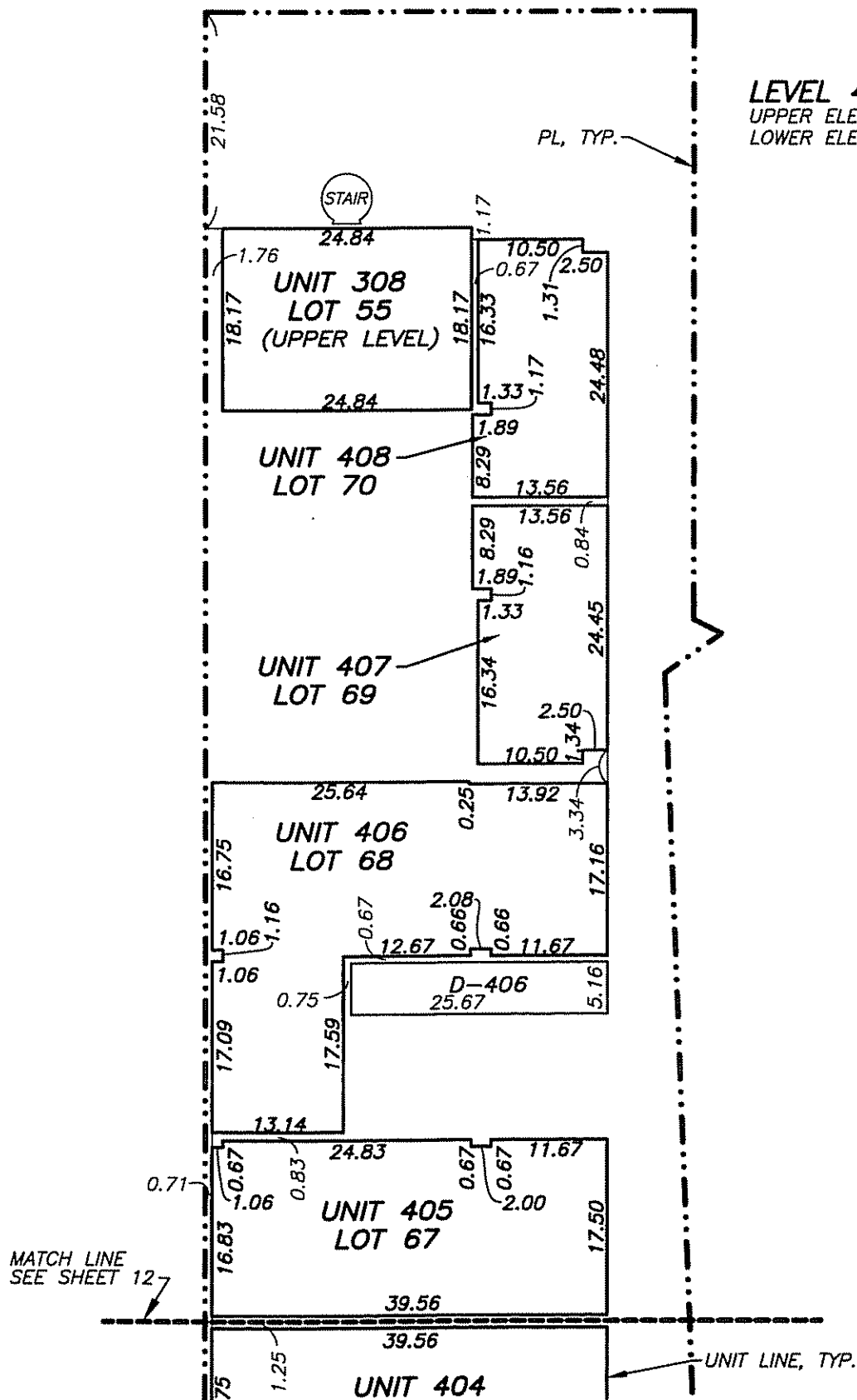
BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 10 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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**LEVEL 4**  
UPPER ELEVATION = 90.7  
LOWER ELEVATION = 82.4



BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 11 JOB NO. S-8311

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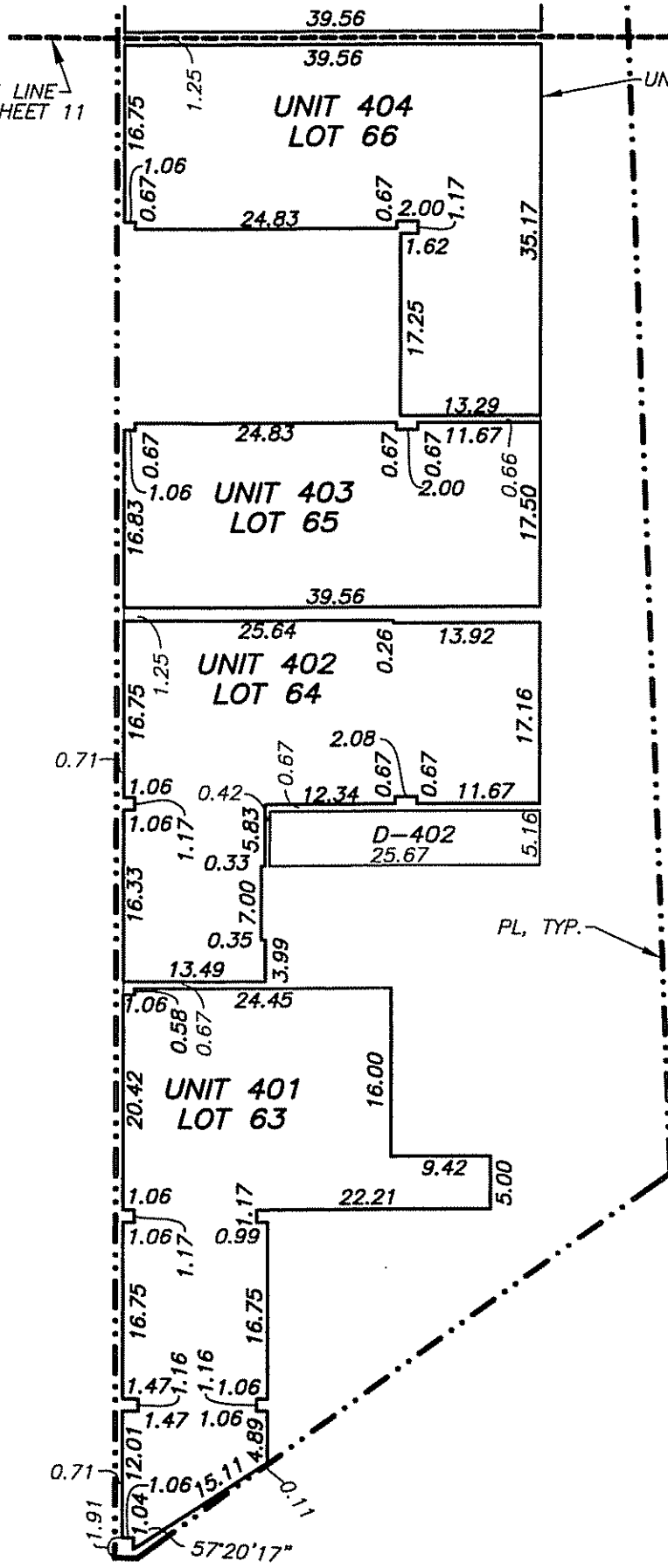
MATCH LINE  
SEE SHEET 11

UNIT LINE, TYP.



**LEVEL 4**

UPPER ELEVATION = 90.7  
LOWER ELEVATION = 82.4



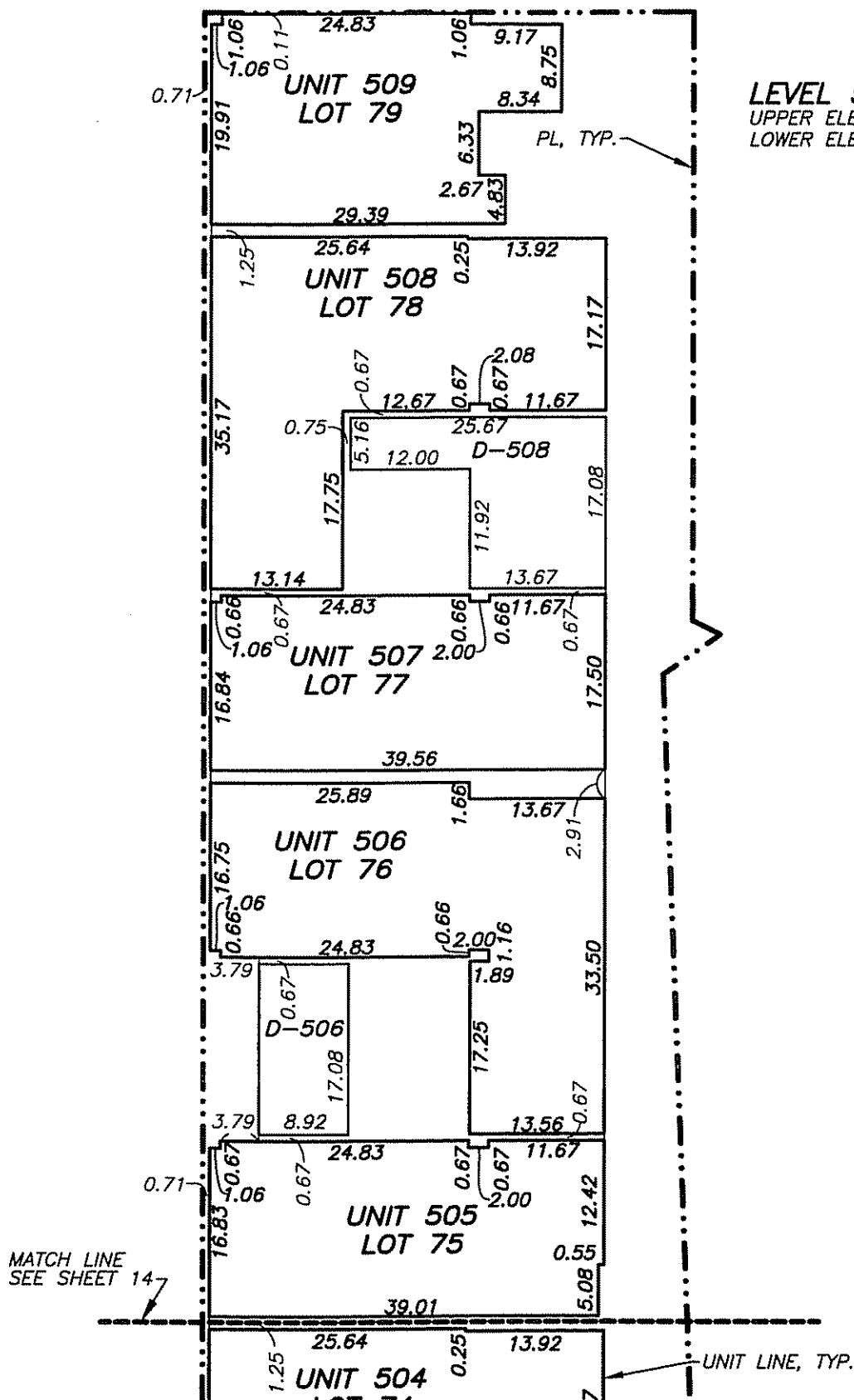
BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 12 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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**LEVEL 5**  
UPPER ELEVATION = 99.7  
LOWER ELEVATION = 91.4

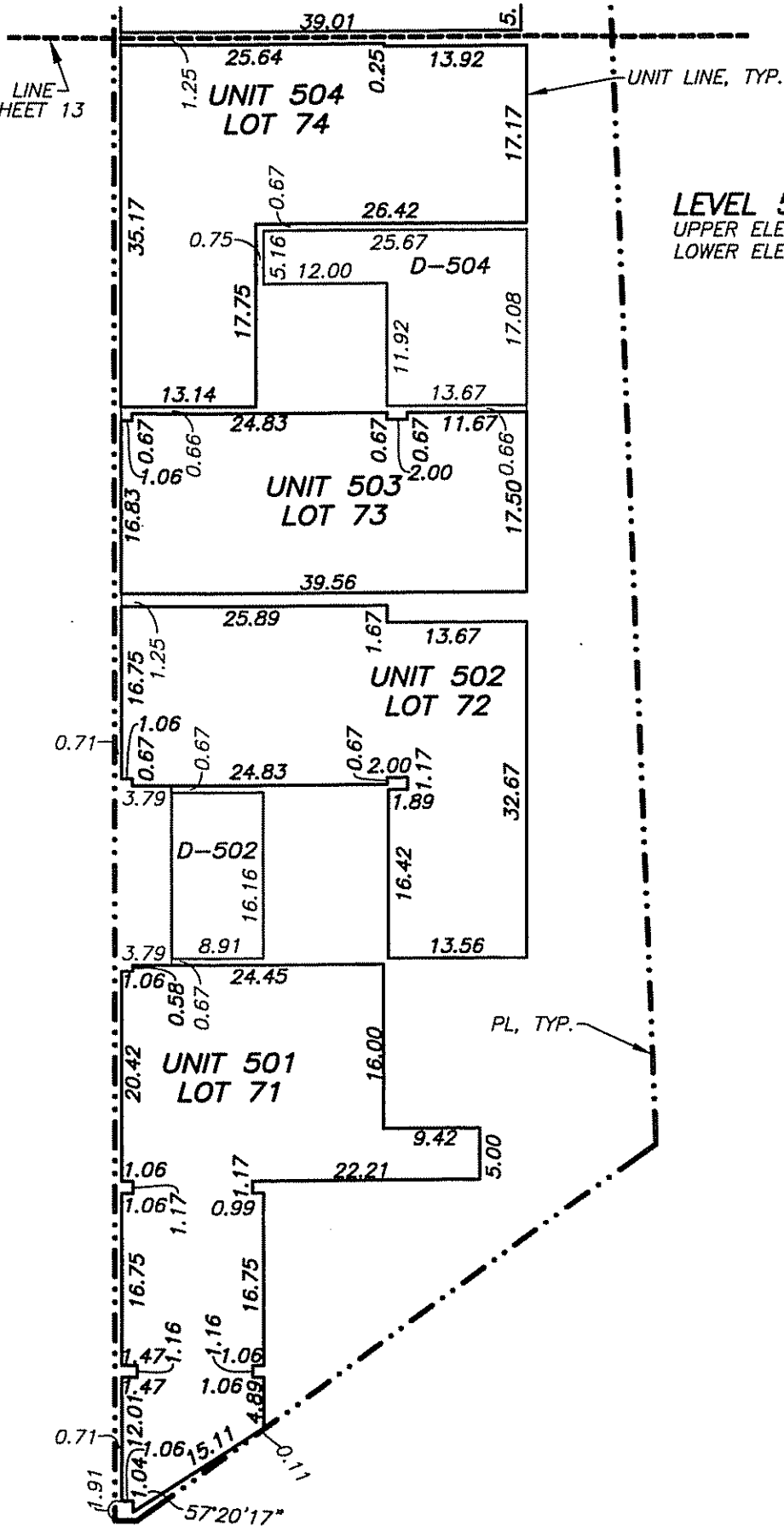


BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 13 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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MATCH LINE  
SEE SHEET 13



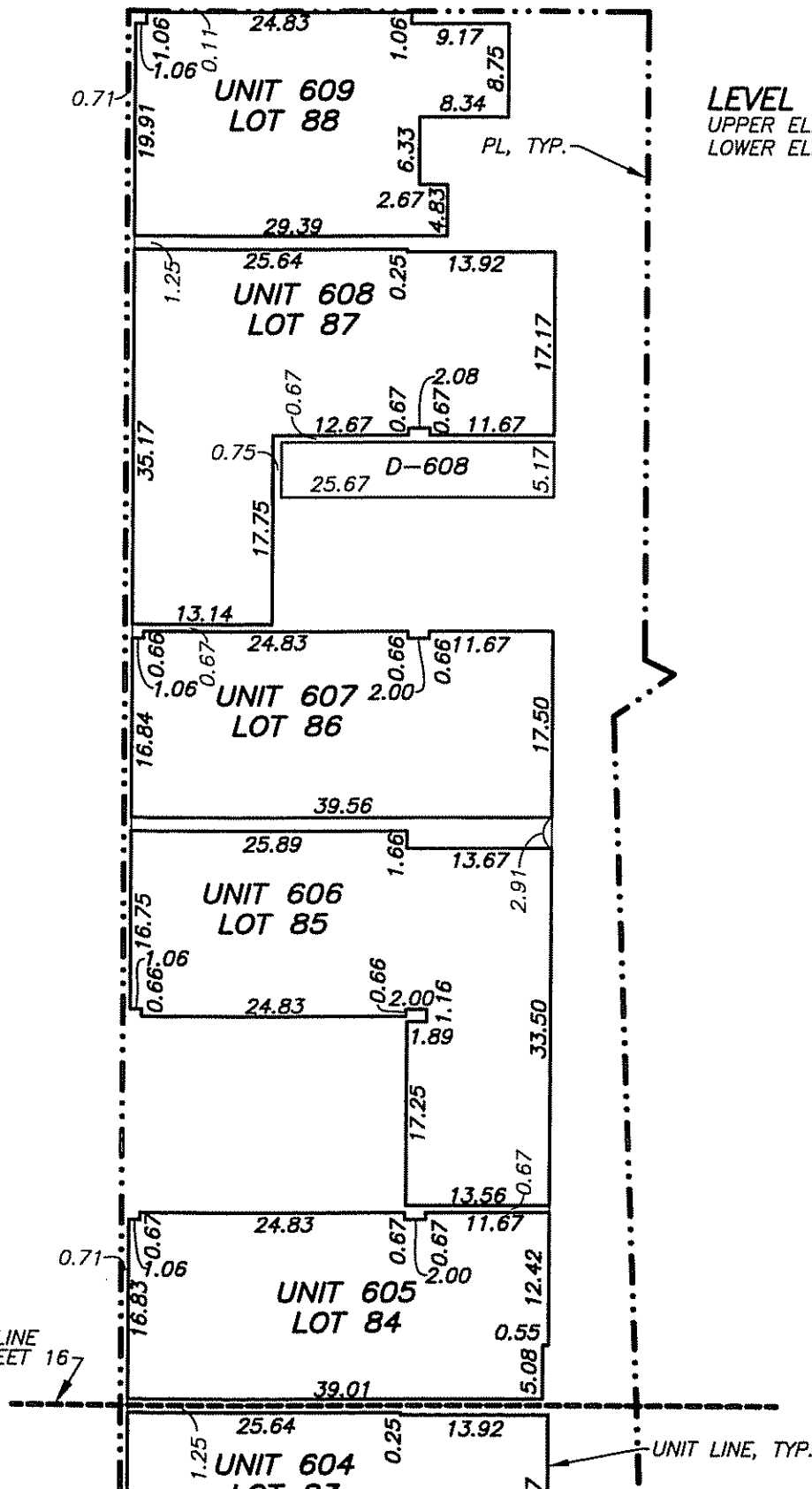
**LEVEL 5**  
UPPER ELEVATION = 99.7  
LOWER ELEVATION = 91.4

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 14 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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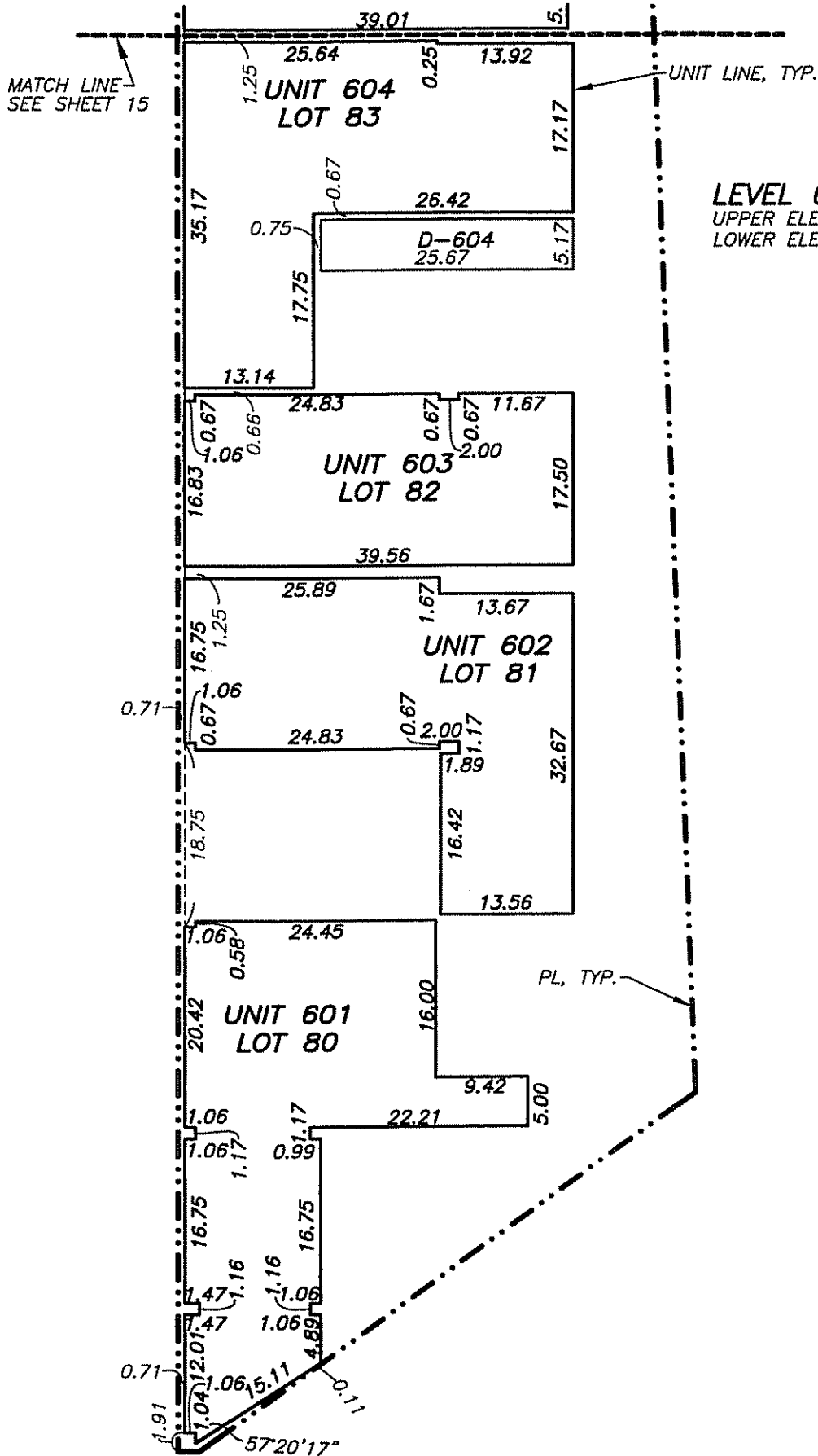


**LEVEL 6**  
 UPPER ELEVATION = 108.7  
 LOWER ELEVATION = 100.4

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 15 JOB NO. S-8311

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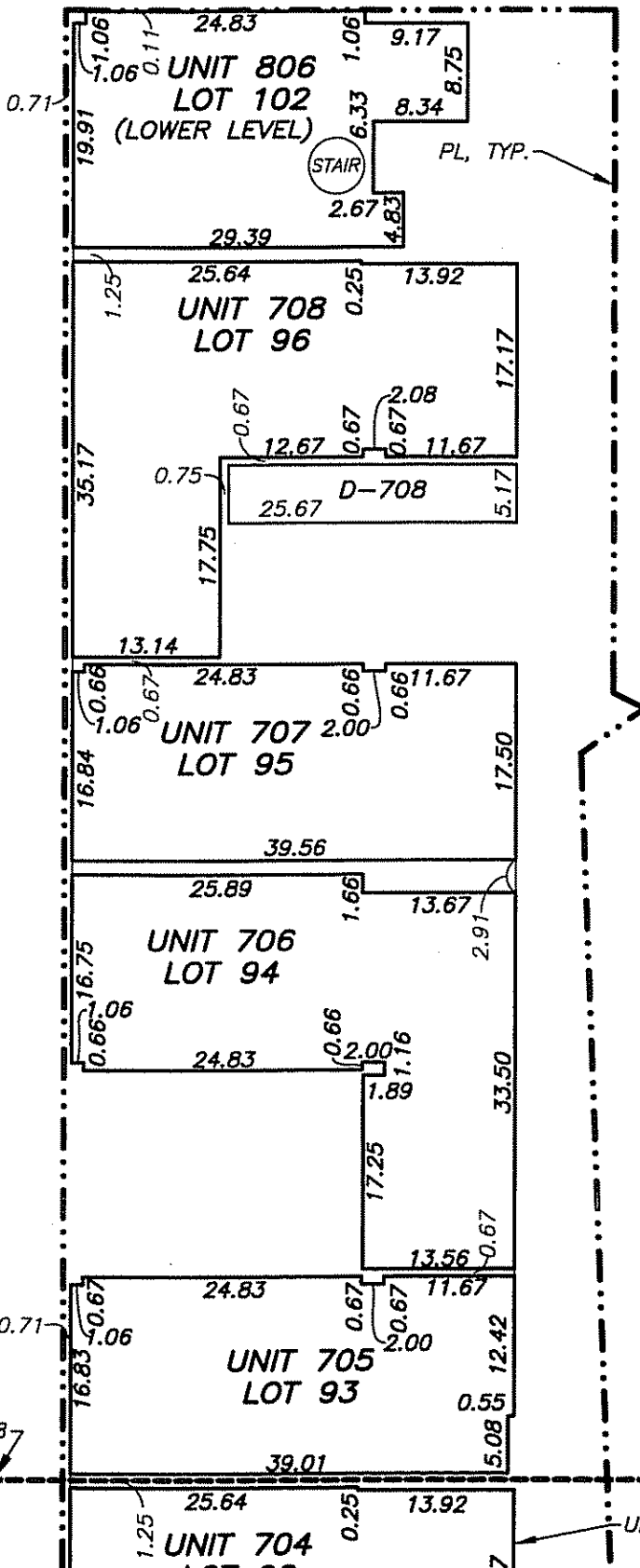


**LEVEL 6**  
 UPPER ELEVATION = 108.7  
 LOWER ELEVATION = 100.4

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 16 JOB NO. S-8311

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**LEVEL 7**  
UPPER ELEVATION = 117.7  
LOWER ELEVATION = 109.4

MATCH LINE  
SEE SHEET 18

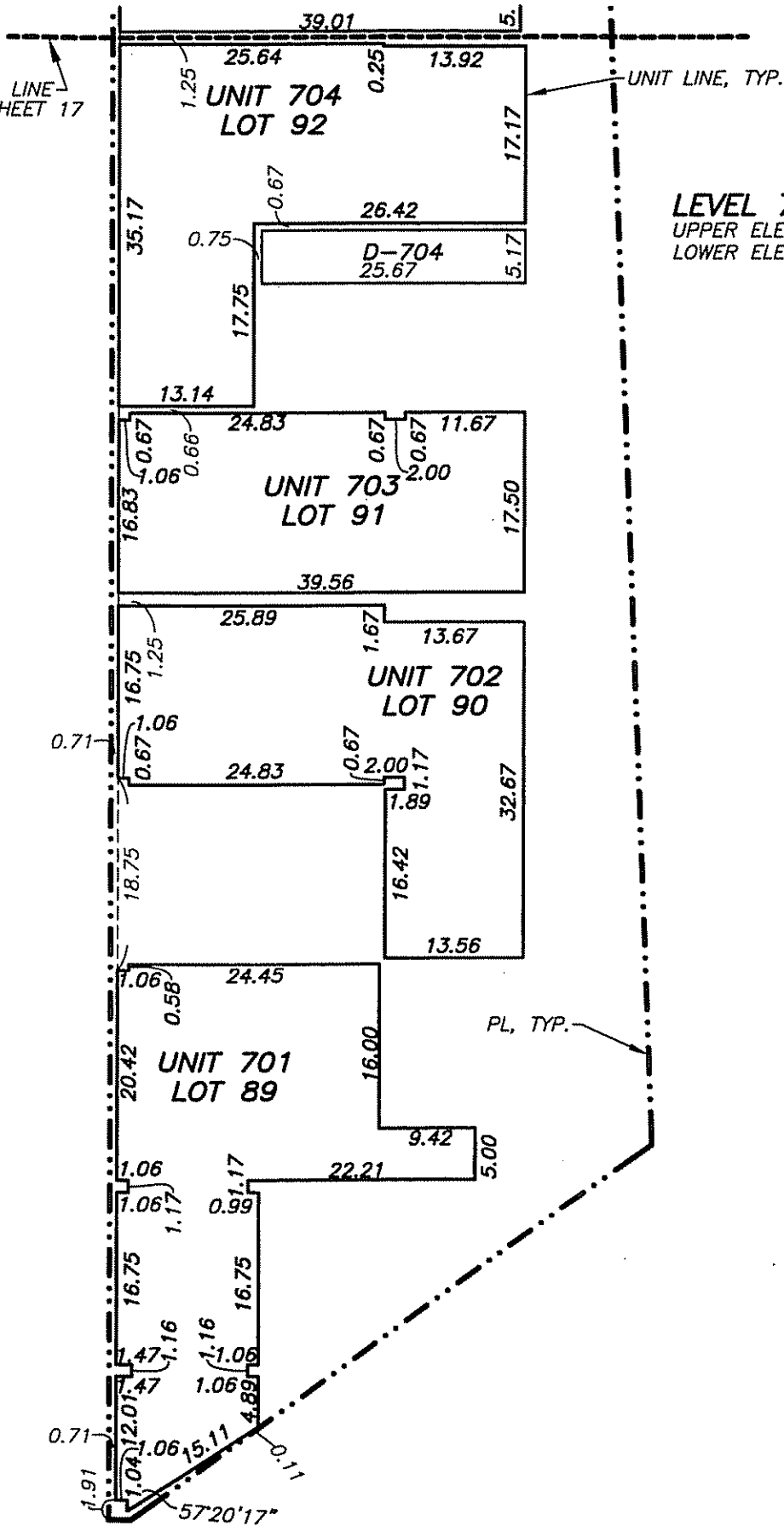
UNIT LINE, TYP.

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 17 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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MATCH LINE  
SEE SHEET 17

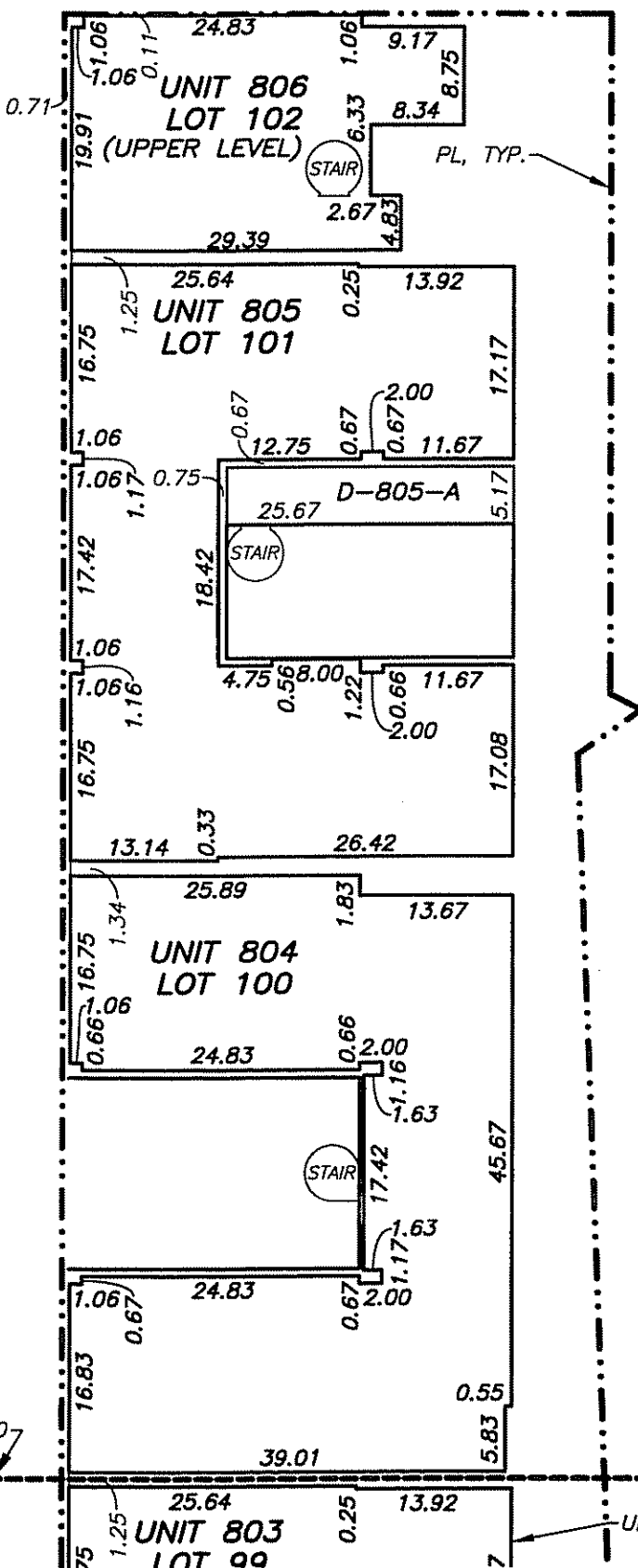


**LEVEL 7**  
UPPER ELEVATION = 117.7  
LOWER ELEVATION = 109.4

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 18 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
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**LEVEL 8**  
 UPPER ELEVATION = 126.7  
 LOWER ELEVATION = 118.4

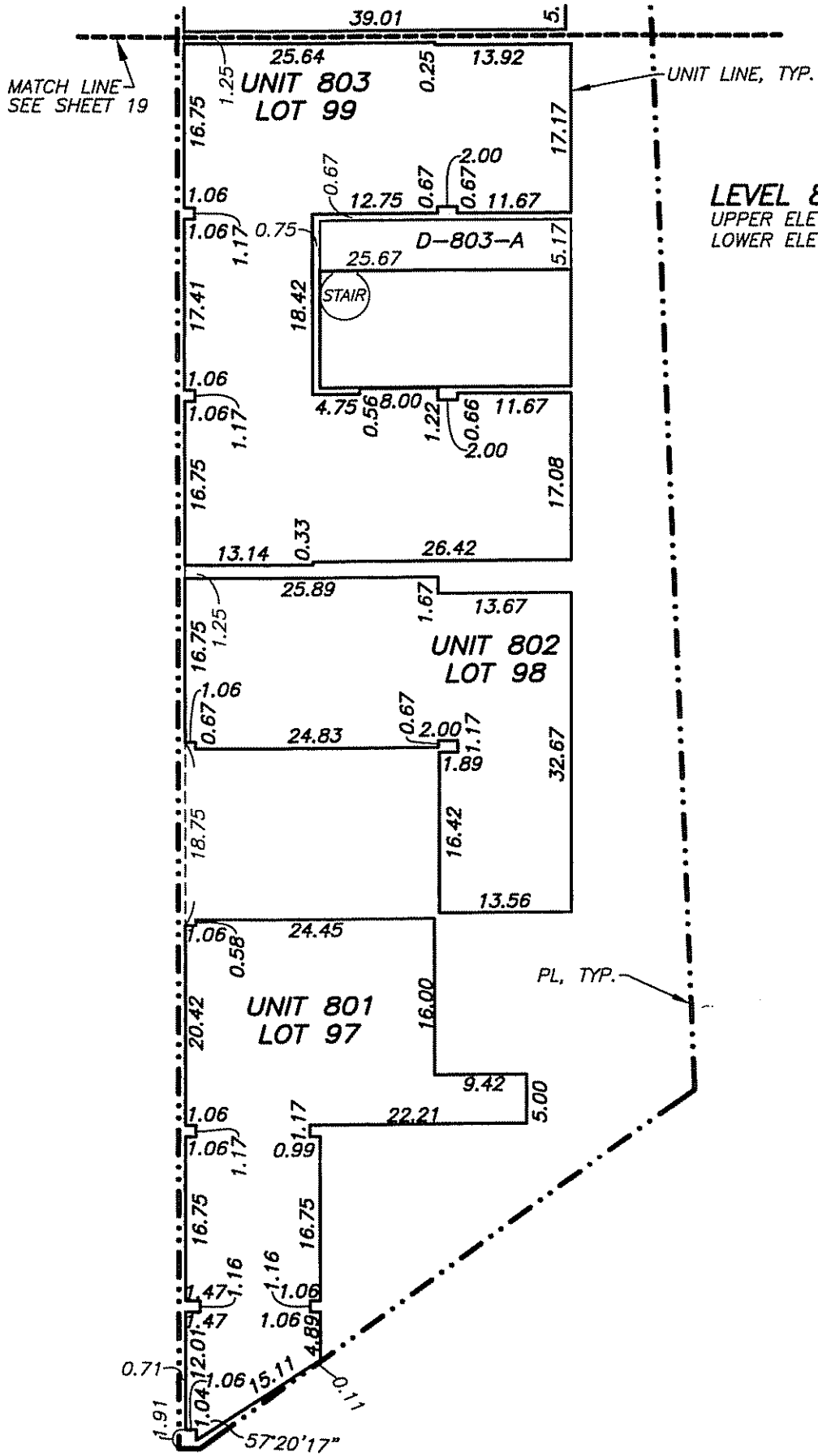
MATCH LINE  
 SEE SHEET 20

UNIT LINE, TYP.

BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 19 JOB NO. S-8311

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 LAND SURVEYORS

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**LEVEL 8**  
 UPPER ELEVATION = 126.7  
 LOWER ELEVATION = 118.4

BY RW CHKD.        DATE 7/16/2014 SCALE 1"=16' SHEET 20 JOB NO. S-8311

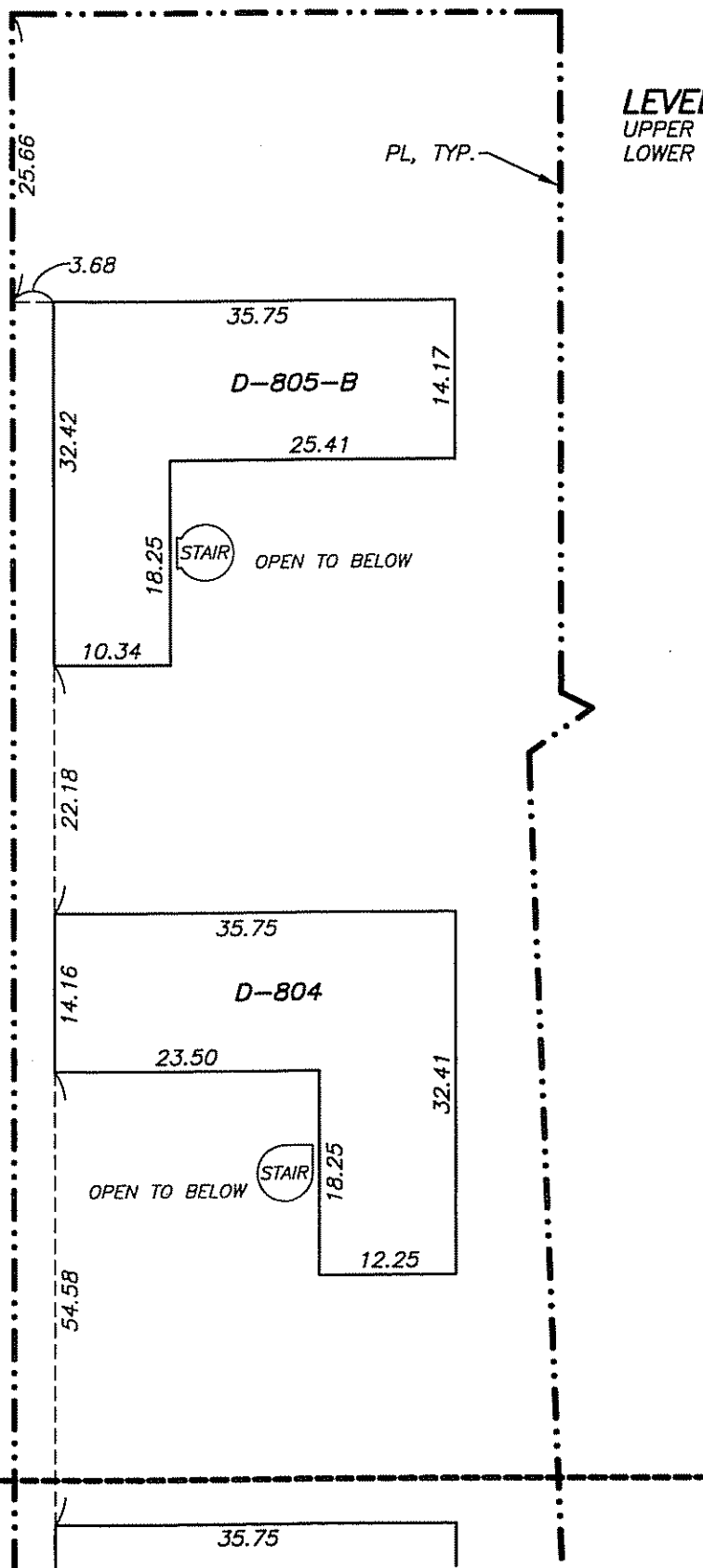
**MARTIN M. RON ASSOCIATES, INC.**  
 LAND SURVEYORS

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 SAN FRANCISCO, CA. 94107  
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**LEVEL 9**

UPPER ELEVATION = 135.4  
LOWER ELEVATION = 127.4

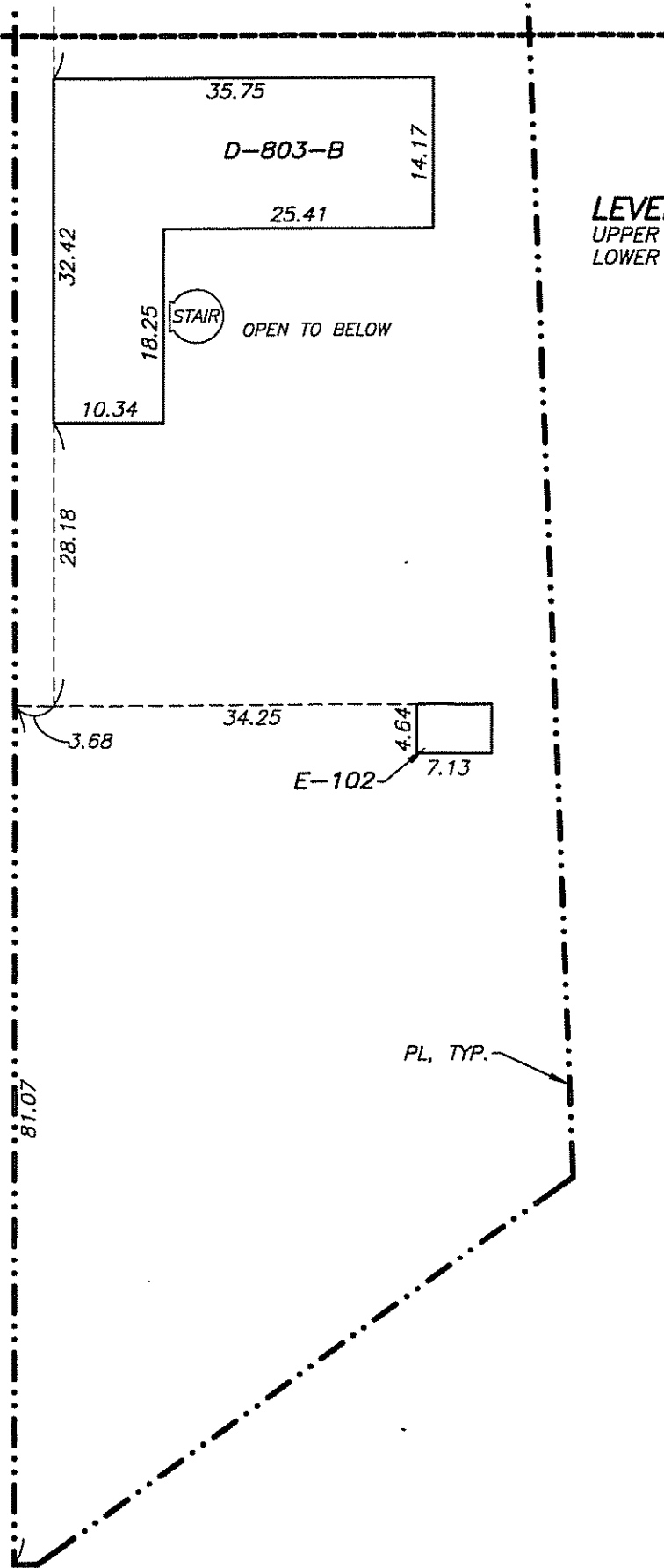


BY RW CHKD.        DATE 7/16/2014 SCALE 1"=16' SHEET 21 JOB NO. S-8311

MATCH LINE  
SEE SHEET 21



**LEVEL 9**  
UPPER ELEVATION = 135.4  
LOWER ELEVATION = 127.4



BY RW CHKD. \_\_\_\_\_ DATE 7/16/2014 SCALE 1"=16' SHEET 22 JOB NO. S-8311

**MARTIN M. RON ASSOCIATES, INC.**  
LAND SURVEYORS

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# 8 OCTAVIA BOULEVARD

## COMMERCIAL UNITS:

#	UNIT NO.	LOT	%
1	102	53	4.2669%
2	307	54	1.5325%
3	308	55	3.2689%
<b>COMMERCIAL TOTAL:</b>			<b>9.0683%</b>

## RESIDENTIAL UNITS:

#	UNIT NO.	LOT	%
4	202	56	2.0115%
5	301	57	2.1446%
6	302	58	2.0115%
7	303	59	1.5302%
8	304	60	2.0448%
9	305	61	1.5302%
10	306	62	2.0314%
11	401	63	2.1446%
12	402	64	2.0115%
13	403	65	1.5302%
14	404	66	2.0448%
15	405	67	1.5302%
16	406	68	2.0270%
17	407	69	0.7429%
18	408	70	0.7429%
19	501	71	2.1446%
20	502	72	1.9805%
21	503	73	1.5302%
22	504	74	2.0381%
23	505	75	1.5236%
24	506	76	2.0048%
25	507	77	1.5302%
26	508	78	2.0337%
27	509	79	1.4282%
28	601	80	2.1446%
29	602	81	1.9805%
30	603	82	1.5302%
31	604	83	2.0381%
32	605	84	1.5236%
33	606	85	2.0048%
34	607	86	1.5302%
35	608	87	2.0337%
36	609	88	1.4282%

#	UNIT NO.	LOT	%
37	701	89	2.1446%
38	702	90	1.9805%
39	703	91	1.5302%
40	704	92	2.0381%
41	705	93	1.5236%
42	706	94	2.0048%
43	707	95	1.5302%
44	708	96	2.0337%
45	801	97	2.1446%
46	802	98	1.9805%
47	803	99	3.5639%
48	804	100	3.5306%
49	805	101	3.5639%
50	806	102	2.8564%
<b>RESIDENTIAL TOTAL:</b>			<b>90.9317%</b>
<b>TOTAL:</b>			<b>100.0000%</b>

**EXHIBIT B**  
**Maintenance Responsibilities**

This Exhibit describes the respective maintenance responsibilities of the Owners and the Association. It may include some improvements not found at the Project, and may omit some improvements found at the Project. It is the sole responsibility of the Board to determine whether maintenance of an improvement not mentioned below is the responsibility of the Owner or the Association.

If there is a conflict between this Exhibit and the Declaration, the provisions of the Declaration control.

**Owner maintenance responsibilities include:**

Appliances  
Cabinets and other fixtures  
Drains in the Exclusive Use Common Area decks - the Owner should maintain and clean all drains in the deck before the beginning of each rainy season.  
Drywall and sheet rock  
Exclusive Use Common Areas specified in Section 9.1B  
Exterior Doors - see below  
Exterior light fixtures at entry, deck, patio and yard, and other fixtures and bulbs where fixture is connected to Unit's electrical system  
Heat pumps and thermostats within the Unit  
Interior Doors and hardware  
Interior Light fixtures  
Outlets and plugs for electrical and telecommunications wiring  
Keys and garage door openers required for entry into the Project or the Owner's Unit  
Operation switch for louvers located within the Unit  
Partition walls within a Unit  
Plumbing fixtures (sinks, toilets, etc.)  
Smoke detectors - battery operated  
Wall, floor and ceiling surfaces (e.g. paint, wallpaper, carpet and other flooring materials)  
Window coverings  
Windows - see below

**Association maintenance responsibilities include:**

Owners are reminded that they are obligated to notify the Association of any evidence of leaks or other defective condition that it is the responsibility of the Association to repair.

Boiler  
Central Heat (except for heat pumps, thermostats and other components located within a Unit)  
Drains in the Common Area roof deck - the Association should maintain and clean all drains in the Common Area deck before the beginning of each rainy season.  
Electrical fixtures and outlets serving the Common Area (except those maintained by an Owner)  
Elevator  
Exclusive Use Common Areas specified in Section 9.2A

Fences  
Fire sprinkler heads  
Floor, wall and ceiling surfaces in common areas - clean, paint, repair, replace  
Irrigation System  
Landscaping  
Life Safety Systems - fire sprinkler system, including sprinkler heads within a Unit, hard-wired smoke alarms, fire alarm  
Louvers (except for controls located within a Unit)  
Mailboxes  
Retaining walls  
Structural elements  
Water proofing - roof, exterior paint, siding, waterproof membrane beneath decks

**Exterior Doors and Windows:** Responsibility for maintenance of exterior doors and windows is assigned as follows. Exterior doors include front doors, and doors to patios, balconies and decks, screen doors, and garage doors that serve a single Unit.

**Exterior Doors.**

Residential Units. The Association is responsible for maintenance, repair and replacement of the door frame, door casing and door, and repair, refinishing and painting of door exterior. The Owner is responsible for repair and replacement of those portions of the door accessible from inside the Unit, including, repairing and painting the interior of the door, hardware, seals, weather stripping, and any other portion of the door assembly accessible from inside the Unit.

Commercial Units. The Owner of the Commercial Unit is responsible for the exterior doors to the Unit, including frame, casing and doors.

**Windows.** The Association is responsible for maintenance, repair and replacement of the window frame, exterior trim, and repair, refinishing and painting of window exterior. The Owner is responsible for repair and replacement of those portions of the window accessible from inside the Unit, including, repairing and painting the interior of the window frame and interior window trim, hardware, seals, weather stripping, glass and any other portion of the window assembly accessible from inside the Unit.

**Window Washing.** Each Owner is responsible for washing the interiors of windows and those exterior windows that are accessible from a balcony, patio, or yard area or the interior of the Unit. The Association is responsible to wash exterior windows for the Residential Units not accessible as just described. A Commercial Unit Owner must wash the interior and exterior of the windows of its Unit.