

CC&Rs (Required Civil Code Sec. 4525)
83 McAllister Street Condominium Association

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FIDELITY NATIONAL TITLE INSURANCE COMPANY
 By [Signature]

RECORDING AND RETURN REQUESTED BY:

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83 MCALLISTER STREET

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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CC&R RECITALS

THIS DECLARATION is made by Downtown Living, Inc., a California corporation ("Declarant"), with reference to the following:

- A. Declarant is the Owner of a tract of land located in the County of San Francisco, California, more particularly described in Exhibit A attached to this Declaration (the "Property"). The physical boundaries of the Property are shown on the Map recorded on July 20, 2006 in Book 96 of Condominium Maps at Pages 43 to 44, inclusive, of the Official Records of the County of San Francisco, State of California. The individual ownership interests are shown on the Condominium Plan attached to this Declaration as Exhibit B.
- B. There exists on the land one (1) building which contains sixty (60) residential dwelling unit and two (2) commercial stores.
- C. Declarant intends by this Declaration to create a Condominium Project and to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of the owners. Declarant intends by this Declaration to establish a Condominium Project under the provisions of California Civil Code sections 1350 et seq., the Davis-Stirling Common Interest Development Act.
- D. Declarant establishes by this Declaration a plan for the individual ownership of real property estates, consisting of an undivided interest in common in a portion of real property referred to as the Common Area, coupled with a separate interest in space, referred to as a Unit, the boundaries of which are described on the Condominium Plan.
- E. The entire common interest development is subject to the covenants, conditions, and restrictions in this Declaration. They are established for the purpose of protecting, preserving and enhancing the value and attractiveness of the Property for the mutual benefit of all Owners. The covenants, conditions and restrictions are enforceable as equitable servitudes, and legally bind and inure to the benefit of all present and future Owners.

CC&R ARTICLE 1. DEFINITIONS

The following initially capitalized nouns have the meanings set forth below whenever used in the Governing Documents:

1.1 "Assessment" means the proportionate costs of operating, maintaining and managing the Property assessed against each Owner. There are three types of assessments: Regular Annual Assessments, Special Assessments and Personal Reimbursement Assessments. The characteristics of each are described in CC&R Article 5. All such Assessments shall be collectively referred to as "Assessments."

1.2 "Association" means the 83 MCALLISTER STREET CONDOMINIUM ASSOCIATION. In general, when the Governing Documents provide for a decision or an

action by the "Association", the authority to make the decision, or to initiate and supervise the action, resides with the Board and not with the Owners as described in Section 4.1.

1.3 "Board" means the Board of Directors of the Association.

1.4 "Commercial Unit" refers to 87 McAllister Street and 91 McAllister Street.

1.5 "Common Area" means the entire Property except for the Units.

1.6 "Condominium" means a Unit and an undivided interest in the Common Area together with all associated rights and responsibilities.

1.7 "Condominium Plan" means the drawing attached to this Declaration as Exhibit B showing how the Property is divided into Units and Common Area. The approximate location and physical boundaries of Units and Common Area are shown on the Condominium Plan. The actual, as-built dimensions of the structures, either as originally constructed, or as reconstructed in accordance with the Governing Documents, shall be presumed the true boundaries and take priority over any legal description in a document, regardless of minor encroachments resulting from constructions, settlement, lateral movement or other causes.

1.8 "Emergency" means an event or condition that threatens imminent peril to the health or welfare of persons, or damage to property, or an emergency situation as defined in Civil Code § 1366 (b).

1.9 "Governing Documents" means this Declaration, the Bylaws, Articles of Incorporation and Rules of the Association.

1.10 "Governmental Regulations" means all applicable laws, ordinances, resolutions, procedures, orders, standards, conditions, approvals, rules and regulations of any governmental entity with authority over the Property.

1.11 "Mortgage" means the conveyance of any interest in a Condominium to secure the performance of an obligation. "Mortgage" is synonymous with "deed of trust" for the purposes of the Governing Documents.

1.12 "Mortgagee" means a person or entity who holds the beneficial interest in a Mortgage. "Mortgagee" is synonymous with "beneficiary" under a deed of trust.

1.13 "Occupant" means (i) with regard to a Commercial Unit, any person entitled to possession of the Unit, and (ii) with regard to a Residential Unit, a person who sleeps in a Unit during more than fourteen (14) days within any thirty (30)-day period.

1.14 "Owner" means the record owner of a Condominium or a contract buyer under an installment land contract with equitable title. "Owner" shall not include those who hold an interest in a Condominium merely as security for the performance of an obligation.

1.15 "Percentage Interest" means the interest in the Common Area conveyed with each Unit as shown on the Condominium Plan. Except as specifically provided in the Condominium Plan or this Declaration, each Owner is equally entitled to use of all Common Area regardless of his/her Percentage Interest.

1.16 "Property" means the entirety of the common interest development described in the Recitals to this Declaration.

1.17 "Reasonable Entry Notice", under non-Emergency circumstances, means seventy-two (72) hours prior written notice to one of the Occupants of the area to be entered; no notice is required for entry in the case of an Emergency.

1.18 "Residential Unit", refers to any Unit other than 87 McAllister Street and 91 McAllister Street.

1.19 "Rules" means the rules adopted by the Board or the Association pursuant to this Declaration.

1.20 "Unit" means the areas so designated on the Condominium Plan. Except as otherwise provided on the Condominium Plan, each Unit consists of the area bounded by the interior unfinished surfaces of its perimeter walls, bearing walls, floors, fireplaces, ceilings, windows and interior portions of window frames and trim, doors (including windows in doors) and interior portions of door frames and trim, and includes both the portions of the building so described and the airspace so encompassed. A Unit includes (i) the wallboard, plaster and paint on all interior surfaces located or exposed within the Unit, (ii) window sashes or other elements that directly contact the glass portion of the window, (iii) door and window hardware and all mechanical elements of doors and windows, (iv) plumbing, heating, air conditioning and electrical fixtures and appliances located or exposed within the Unit and serving only that Unit, and (v) water heaters, furnaces and air conditioners serving only the Unit. A Unit does not include (i) structural component of walls, ceilings, and floors', (ii) any portion of the frames of windows or exterior doors which is not exposed within a Unit interior, or (iii) portions of plumbing, heating, air conditioning or electrical systems serving more than one Unit.

1.21 "Utilities" means services or systems related to electricity, water, sewer, HVAC, communications, scavenger, recycling, elevator, and fire detection and suppression, and all incidental pipes, conduits, ducts, wiring, equipment and enclosures.

CC&R ARTICLE 2. OWNER'S PROPERTY RIGHTS

2.1 OWNER'S EASEMENTS. The following are reserved for the benefit of each Owner and Unit: (i) a nonexclusive easement for ingress, egress and support through the Common Area, (ii) a nonexclusive easement for Utilities at reasonable places through the Common Area, (iii) a nonexclusive easement for the full use and enjoyment of those portions of any shared Utility which serves the Unit, and (iv) an easement for minor encroachments resulting from construction, repair, shifting, settlement or movement upon any portion of the Property.

2.2 SEVERANCE AND SUBDIVISION OF CONDOMINIUMS. There shall be no further subdivision of a Condominium into different interests than provided in this Declaration. This section prohibits timeshare ownership. No Owner shall transfer an ownership interest in a Condominium which does not include all associated rights, title and interests described in the Governing Documents. Any transfer in violation of this section is void. Except as specifically provided by California Civil Code § 1359 and Section 9.1C of this Declaration, there shall be no judicial partition of the Property or any part of it.

CC&R ARTICLE 3. ASSOCIATION POWERS AND DUTIES

3.1 GENERAL POWERS OF ASSOCIATION. The Association shall have the power to do any lawful thing required or permitted to be done under 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, subject only to the limitations on those powers set forth in the Governing Documents. The duties and powers of the Association shall include, but are not limited to, those specifically enumerated in this Declaration. The activities of the Association shall be conducted, and all powers exercised, by and under the direction of the Board.

3.2 ENFORCEMENT. The Association shall exercise prudent business judgment in determining whether, when and how to enforce the Governing Documents. The Association is authorized to impose fines, suspend voting rights, and impose any other disciplinary action for violation of the Governing Documents to the fullest extent permitted by California law. Before a policy involving the imposition of monetary penalties takes effect, and any time such penalties are revised, the Association shall provide each Owner with a written schedule of penalties. When the Board is to meet to consider discipline of an Owner, it shall so notify the Owner in a writing delivered personally or by first class mail at least fifteen (15) days before the meeting. The notice shall contain the date, time and place of the meeting, a description of the alleged violation, and a statement that the Owner may attend and address the Board either in open session or in executive session. If the Board imposes discipline, it shall so notify the Owner in a writing delivered personally or by first class mail within ten (10) days following the action. A disciplinary action shall not be effective against an Owner unless the Board fulfills the procedural requirements of this Section. The Association may not impair an Owner's right to use and enjoy his/her Unit as part of any disciplinary action. Each Owner shall have a right of action against another Owner or the Association for failure to comply with the Governing Documents or with a decision of the Association. A failure by the Association to enforce any provision of the Governing Documents on one or more occasions shall not be deemed a waiver or estoppel of the Association's right to enforce a similar or other violation of the Governing Documents.

3.3 ADOPTION OF RULES. To the fullest extent permitted by law, the Association may adopt reasonable Rules related to the management and use of the Property and the implementation of the Governing Documents. The Association shall follow the procedure for adopting and changing Rules described in Civil Code Sections 1357.100 et. seq.

3.4 LEGAL ACTIONS. The Association may institute, defend, settle or intervene in litigation, mediation, arbitration or administrative proceedings in any matter relating to the Property including but not limited to (i) enforcement of the Governing Documents, (ii) damage to the Common Area, (iii) damage to other parts of the Property which the Association is obligated to maintain or repair, or (iv) damage to Units which arises out of, or is integrally related to, damage to the Common Areas or other parts of the Property which the Association is obligated to maintain or repair. The Association shall not be required to conduct inspections, maintain inspection records, exhaust any applicable casualty insurance coverage, or provide an opportunity to cure prior to initiating a civil action.

3.5 MECHANICS LIENS. When a mechanics lien against the Common Area arises from work for which an Owner has contracted, the Association may discharge it and charge any associated cost to the responsible Owner as a Personal Reimbursement Assessment. When a mechanics lien against the Common Area arises from work for which the Association has contracted and there is no dispute with the entity that filed the lien, the Association shall promptly discharge the lien. When a mechanics lien against a Unit arises from work for which the Association has contracted and the Unit Owner so requests, the Association shall promptly discharge it.

3.6 UTILITY SERVICE. The Association shall obtain Utility service for the Common Area. In addition, when a particular Utility cannot reasonably be obtained by a Unit independently, the Association shall obtain it and, to the extent possible, allocate any associated cost according to usage.

3.7 ASSOCIATION'S EASEMENT FOR ACCESS. The Association shall have an easement for access through every part of the Property, including the Units, after Reasonable Entry Notice, to perform its duties under the Governing Documents. Entry by the Association shall be made with as little inconvenience as possible to the Occupants. Any damage caused by the entry shall be promptly repaired at the expense of the Association.

3.8 QUARTERLY REVIEW OF FINANCIAL STATUS. Quarterly or more frequently the Association shall (i) review the latest bank statements and reconciliations for its operating and reserve accounts, (ii) review income and expense statements for its operating and reserve accounts, and (iii) compare the current year's actual operating and reserve revenues and expenses to the budget.

3.9 ANNUAL BUDGETING AND REPORTING.

- A. Operating Budget.** Not less than thirty (30) nor more than ninety (90) days before the beginning of each fiscal year, the Association shall prepare and distribute to each Owner a *pro forma* operating budget for the next fiscal year in compliance with Civil Code Section 1365, including an Assessment And Reserve Funding Disclosure Summary in the form required by Civil Code Section 1365.2.
- B. Dispute Resolution Reminder.** Along with the operating budget, the Association shall distribute (i) a description of the Association's internal dispute resolution process (Section 11.4A of this Declaration), and (ii) a copy or summary of Civil Code Section 1369.510 et. seq. along with the following statement: "Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."
- C. Insurance Summary.** Along with the operating budget, the Association shall distribute a summary of the information regarding the Association's insurance coverage for property damage, general liability, earthquake (if any) and flood (if any), in compliance with Civil Code Section 1365(e).
- D. Assessment and Foreclosure Policy.** Along with the operating budget, the Association shall distribute the notices required by Civil Code Section 1365.1 relating to collections, foreclosures, payment plans, and Association meetings regarding these matters.
- E. Alteration Approval Policy.** Along with the operating budget, the Association shall distribute a summary of requirements for Association approval of physical changes to property. The summary shall describe the types of changes that require Association approval and shall include a copy of the procedure used to review and approve or disapprove a proposed change.
- F. Annual Report.** Within one hundred and twenty (120) days after the close of the fiscal year, the Association shall prepare and distribute to each Owner an

annual report for the previous year which includes an operating statement, a year-end balance sheet, a statement of changes in financial position from the close of the prior year, and any information required by Corporations Code §8322 relating to Association transactions in which a Director of the Association personally benefits. If the Association's gross income exceeds seventy-five thousand dollars (\$75,000.00), the annual report shall be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy. If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an Officer of the Association that the statements were prepared without audit from the books and records of the Association.

3.10 RESERVE STUDY. If the replacement cost of the major components of those portions of the Property which the Association is obligated to maintain exceeds one-half (1/2) of the Association's gross annual income excluding reserves, at least once every three (3) years the Association shall conduct a competent and diligent visual inspection of the accessible areas of such major components and obtain a study of its reserve requirements. The reserve study shall be conducted by a qualified individual or entity, and shall contain the following information:

- A. Identification of the major components of the Property which the Association is obligated to maintain and which have a remaining useful life of less than thirty (30) years;
- B. An estimate of the remaining useful life of such components;
- C. An estimate of the cost of repair or replacement of such components at the end of their useful life; and
- D. An estimate of the total annual contribution necessary to defray such cost after subtracting currently available reserve funds.

The Association shall annually review the study and implement necessary adjustments to the reserve component of the Assessments.

3.11 RESERVE FUND ADMINISTRATION.

- A. **Reserve Fund Account.** The Association shall deposit operating funds and reserve funds in segregated accounts. Withdrawal of funds from the reserve account shall require the signatures of either two (2) Directors or one (1) Director and one (1) Officer.
- B. **Using Reserve Funds.** The Association shall not expend reserve funds for any purpose other than maintenance, repair or replacement, or litigation or arbitration involving maintenance, repair or replacement, of items which the Association is obligated to maintain, repair or replace. When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation or arbitration, the Association shall notify the Owners of the decision and the availability of an accounting with the next available mailing, and thereafter prepare an accounting of the litigation or arbitration-related expenses at least quarterly and make the accounting available for inspection by Owners at the Association office.

- C. Borrowing Reserve Funds.** Reserve funds may be transferred to the operating account to meet short-term cash flow requirements or other expenses if the Board has provided notice of the intent to consider the transfer in a properly prepared and transmitted Board meeting notice which included the reasons the transfer is needed, some of the options for repayment, and whether a Special Assessment may be considered. If the Board authorizes the transfer, it shall issue a written finding, recorded in its minutes, explaining the reasons that the transfer is needed, and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one (1) year of the date it is initially transferred out, except that the Board may, after giving the same notice required for considering a transfer, and making a written finding, supported by documentation, that a temporary delay would be in the best interest of the Association, temporarily delay the restoration. The Association shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a Special Assessment to recover the full amount of the transferred funds within the time limits required by this Section.

3.12 DOCUMENTS PROVIDED AT OWNER REQUEST. Within ten (10) days of the mailing or personal delivery of a written request, the Association shall provide an Owner with a copy of the following:

- A.** The Declaration, Bylaws, Articles of Incorporation, and Rules;
- B.** A copy of the most recent documents distributed under Section 3.9;
- C.** A statement of the current Regular and Special Assessments and fees, any change in such Assessments and fees which have been approved but not yet become due and payable, and a Status Certificate regarding the requesting Owner's delinquencies as described in CC&R Article 5;
- D.** A copy or summary of any notice previously sent to the requesting Owner regarding any alleged violation of the governing documents; and
- E.** If the Association is contemplating, or has commenced, construction defect litigation, a copy of the notices to Owners required by Civil Code Section 1375 and 1375.1.

The Association may charge a reasonable fee for these documents which shall not exceed the actual administrative cost.

3.13 MANAGER. The Association shall employ, or retain as independent contractor, a manager to perform all or any part of the Association's delegable duties. Any management contract shall be in writing and provide (i) for the right of termination without a termination fee by either party with immediate notice if for cause, or with contract-specified advance notice of if without cause, and (ii) if the contract provides for the manager to be responsible for fulfilling Association maintenance requirements, a specific reference to Section 6.2 of this Declaration outlining the unique maintenance requirements associated with the Property. The Association shall not delegate the following powers: (i) to borrow money; (ii) to use Association property as security for a debt; (iii) to levy Assessments; (iv) to begin litigation; (v) to make capital expenditures in excess of budgeted amounts; (vi) to impose discipline for violation of the Governing Documents; or (vii) to hold disciplinary hearings.

3.14 ENFORCEMENT OF BONDED OBLIGATIONS. The following provisions shall

apply whenever the Association is the obligee under a bond or other arrangement (the "Bond") provided by Declarant to secure completion of Common Area improvements.

- A. If any Common Area improvement for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified within the Planned Construction Statement appended to the Bond, or within thirty (30) days after the expiration of any written extension given by the Association, the Board shall consider and vote on whether to enforce the Bond.
- B. If the Board fails to consider and vote on Bond enforcement within the required time frames, or if the Board votes against enforcement, a Special Owner Meeting shall be held not less than thirty five (35) days nor more than forty five (45) days following receipt by the Board of a petition requesting the meeting and signed by Owners representing at least five percent (5%) of the total voting power of the Association.
- C. At the Special Owner Meeting, the Owners other than Declarant shall vote on Bond enforcement. If a majority of Owners, other than Declarant, favor enforcement, the Board shall immediately implement the decision by initiating and pursuing appropriate action in the name of the Association.

3.15 LEASING OF STORAGE AREAS. The Association shall have complete discretion to lease or rent out any storage areas located in the Common Area to the tenant(s) of the Association's choice at a rental rate determined by the Association. The Association shall make a reasonable effort to achieve the maximum rental income possible without detrimentally affecting the value or desirability of the Condominiums. Any rental income shall be used to offset Association operating expenses, and Regular Assessments shall be lowered accordingly.

CC&R ARTICLE 4. ASSOCIATION DECISIONMAKING

4.1 AUTHORITY OF BOARD. In general, all of the activities of the Association shall be conducted, and all powers exercised, by and under the direction of the Board. Whenever the Governing Documents state that the "Association" may or must make a decision, including the enactment, alteration, or repeal of any Rule, the decision is to be made by a vote of the Board rather than by the vote of the Owners. The only exception to these general rules is when the Governing Documents specifically state that a particular decision or action requires the approval of Owners.

4.2 ACTIONS REQUIRING OWNER APPROVAL. So long as the Declarant remains an Owner, any matter requiring a prescribed majority of the voting power of the Association shall require the vote of a bare majority of the total voting power of the Association plus the vote of the prescribed majority of the total voting power residing in Owners other than Declarant. The following actions require the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting of the Association:

- A. Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Association for a term of longer than one (1) year with the following exceptions:
 - (1) A management contract, the terms of which have been approved by the Federal Housing Administration or the 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 shall not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (3) Prepaid casualty and/or liability insurance policies of 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 of not to exceed five (5) years duration provided that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership of 10 percent (10%) or more;
 - (5) Agreements for cable television services and equipment or satellite television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which the Declarant has a direct or indirect ownership of 10 percent (10%) or more;
 - (6) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services of not to exceed five years duration provided that the supplier or suppliers are not entities in which the Declarant has a direct or indirect ownership interest of 10 percent (10%) or more; and
 - (7) A contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party.
- B.** Except in an Emergency, (i) retroactively revising the Regular Annual Assessment for a particular year, (ii) increasing the Regular Annual Assessment more than twenty percent (20%), or (iii) decreasing the Regular Annual Assessment more than ten percent (10%);
- C.** Levying a Special Assessment which, when added to all other Special Assessments levied during the same fiscal year, exceeds five percent (5%) of the budgeted gross expenses for that fiscal year; however, Owner approval shall not be required if the Special Assessment is levied to address Emergency conditions;
- D.** Changing the allocation of responsibility for maintenance, repair or replacement between the Owners and the Association;
- E.** Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the Association's budgeted gross expenses for that fiscal year, or transferring any Association property having an aggregate fair market value greater than five percent (5%) of the Association's budgeted gross expenses for the fiscal year in which the Property is sold;
- F.** Using the proceeds from an insurance claim or from a settlement or judgment of a legal dispute for any other purpose other than to restore the loss or damage for which the recovery was obtained;

- G. Adding, annexing or withdrawing real estate to or from the Property, and granting easements or usage rights affecting the Common Area; and
- H. Paying compensation other than expense reimbursement to Association directors or officers for services performed for the Association.

The following actions require the approval of Owners, constituting a quorum, casting a majority of the votes at a meeting of the Association, and the approval of each Owner both directly and detrimentally affected by the action:

- I. Changing the method of allocating Assessments or voting rights among Owners;
- J. Altering, or redefining the boundaries of a Unit.

The following actions require the approval of Owners, constituting a quorum, casting seventy-five percent (75%) of the votes at a meeting of the Association:

- K. Except as otherwise provided in this Declaration, abandoning the Property or terminating Association activities prior to the expiration of the term provided in the Governing Documents;
- L. Imposing any restriction of the free alienation or transferability of a Condominium, other than restrictions on the leasing of Units; and
- M. Altering or amending the provisions of this Declaration regarding assessment liens, assessment lien priority, insurance, leasing of Units, or repair of the Property following Catastrophic Damage or condemnation.

4.3 VOTING RIGHTS. In general, there shall be one vote per Condominium, but a Lot's voting right shall not exist until the first assessment against the Condominium has been levied. Fractional votes by Co-Owners are not allowed. If Co-Owners are unable to agree how to cast the vote for a Condominium on a matter, they shall lose their vote on that matter. If a single vote is cast on behalf of a Condominium, the vote shall be conclusively presumed to have been cast on behalf of all Owners of the Condominium unless written notice contesting the right to vote is actually received by the Secretary before the election is held. If multiple votes are cast on behalf of a Condominium, all shall be disregarded. The Association may, after notice and a hearing, suspend the voting rights associated with a Condominium and right of its Owner to hold office (i) during any period while Assessments associated with the Condominium are delinquent and (ii) for a period of up to thirty (30) days for each infraction of the Governing Documents by an Owner or Occupant of the Condominium.

CC&R ARTICLE 5. ASSESSMENTS AND LIENS

5.1 TYPES OF ASSESSMENTS. There are three types of Assessments: Regular Annual Assessments, Special Assessments and Personal Reimbursement Assessments.

- A. **Regular Annual Assessments.** Regular Annual Assessments shall be levied against all Owners to fund the operating and reserve requirements of the Association as projected in the *pro forma* operating budget prepared in accordance with Civil Code §1365.5. If at any time during the fiscal year, the

Association determines that the amount of the Regular Annual Assessments is inadequate or excessive, it may revise it for the balance of the fiscal year. Until January 1 of the year immediately following the conveyance of the first Condominium, Regular Annual Assessment shall be the amount determined by the Declarant and shall be based on the number of full calendar months remaining in that fiscal year.

- B. Special Assessments.** Special Assessments may be levied against all Owners to defray (i) the cost of construction, repair or replacement of capital improvements to portions of the Property which the Association is obligated to maintain, (ii) extraordinary expenses of the Association that were not anticipated in the *pro forma* operating budget, or (iii) any other purpose permitted by law.
- C. Personal Reimbursement Assessments.** A Personal Reimbursement Assessment may be levied against any Owner to enforce the Owner's obligations and responsibilities under the Governing Documents.

5.2 USE OF ASSESSMENTS. Revenue raised by Assessments must be used to maintain, preserve and enhance the Property, or to promote the health, safety and general welfare of the Owners.

5.3 DIVISION OF ASSESSMENTS.

- A.** Portions of Regular and Special Assessments levied for the cost of insurance, exterior painting and reserves for exterior painting, roofing and reserves for roofing, and the major repair, replacement and improvement of the structural elements of the Common Area, shall be allocated among all Units based upon their relative square footage as shown on the Condominium Plan and summarized on Exhibit C to this Declaration.
- B.** Portions of Regular and Special Assessments levied for the cost of interior painting and reserves for interior painting, hot water heating equipment and reserve for hot water heating equipment, domestic natural gas service, and water and sewer service, shall be allocated among the Residential Units based upon their relative square footage as shown on the Condominium Plan and summarized on Exhibit D to this Declaration. The Commercial Units shall not pay any portion of these costs.
- C.** Portions of Regular and Special Assessments levied for the cost of window cleaning, elevator equipment and reserve for elevator equipment, and custodial services, shall be allocated equally among the Residential Units. The Commercial Units shall not pay any portion of these costs.
- D.** All other portions of Regular and Special Assessments shall be allocated among all Units equally.

5.4 PAYMENT OF ASSESSMENTS. Regular Annual Assessments shall initially be levied against all Units on the first day of the month following the conveyance of the first Condominium from the Declarant to an Owner, and shall thereafter be levied on the first day of the first month of each fiscal year. Regular Annual Assessments shall be due and payable in equal monthly installments on the first day of each month of the fiscal year, unless the Association adopts some other basis for collection. The Association shall notify each Owner in writing of the amount of the Regular Annual Assessments for the upcoming fiscal year at the

same time it distributes the *pro forma* operating budget. In addition, the Association shall notify each Owner in writing of any change in the Regular Annual Assessments or of the levy of any Special Assessment not less than thirty (30) nor more than sixty (60) days before the due date of such changed or Special Assessment. The due date for payment of a Personal Reimbursement Assessment shall be stated in the notice of the assessment and be at least thirty (30) days after notice is given. Assessments are due and payable on their due dates without deduction or offset for any claim an Owner may have against the Association. Each Assessment, together with authorized charges, is the joint and several personal obligation of all Owners of the Condominium against which it is levied. No Owner may exempt him/herself from liability for payment of Assessments.

5.5 DELINQUENT ASSESSMENTS.

- A. Delinquency Timing and Charges.** An Assessment becomes delinquent if payment is not received by the Association within fifteen (15) days after its due date. The Association may impose a late charge of ten percent (10%) or \$10.00, whichever is greater, on delinquent payments as compensation for additional administrative costs. A late charge may be imposed on each delinquent payment, but may not be imposed more than once on any single delinquent payment. The Association may also recover reasonable costs incurred in collecting delinquent Assessments including reasonable attorney's fees. The Association may also charge interest on delinquent payments, late charges, collection costs, and attorney's fees, at the rate of twelve percent (12%) per annum beginning thirty (30) days after the due date and continuing until the date payment is received.
- B. Repeated Delinquency.** If a Regular Annual Assessment installment is not paid within fifteen (15) days of the due date more than three (3) times during a fiscal year, the Association may declare the entire remaining unpaid balance of the Regular Annual Assessment for that fiscal year immediately due and payable in full by written notice to the Owner.
- C. Assessment Liens.** A penalty, fine, charge or other financial obligation, including costs and expenses of collection, levied by the Association against an Owner as a Personal Reimbursement Assessment for a violation of the Governing Documents may be made a lien against the Condominium of such Owner, but may not be enforced by nonjudicial foreclosure under Civil Code §§2924, 2924(b) and 2924(c) except as allowed by law. The obligation may be enforced by judicial foreclosure or judicial execution once the obligation is reduced to judgment. A lien for delinquent Regular Assessments and Special Assessments, and a lien for delinquent Personal Reimbursement Assessments levied to reimburse the Association for costs associated with the repair of damage for which an Owner, Occupant or invitee is responsible, may be enforced by nonjudicial foreclosure conducted in accordance with the provisions of Civil Code §§2924, 2924(b) and 2924(c). A delinquent Assessment, regardless of type, plus any late charges, interest, costs of collection or related charges may be made a lien on the delinquent Owner's Condominium by recording a notice of delinquent Assessment with the County Recorder. The notice of delinquent Assessment shall contain the information and meet the other requirements of Civil Code §1367.1(d). Such a lien may be enforced in any manner permitted by law.
- D. Owner Rights and Remedies.** At least thirty (30) days prior to recording a lien against a Condominium, the Association shall provide to the Owner, by certified mail, a notice ("Owner Notice Of Delinquency") in compliance with Civil Code Section 1367.1(a).

- (1) The Owner may dispute the debt by submitting to the Board a written explanation of the reasons for his/her dispute. The Board shall respond in writing to the Owner within fifteen (15) days of the date of the postmark of the explanation, if the explanation is mailed within fifteen (15) days of the postmark of the Owner Notice Of Delinquency.
 - (2) Under certain limited circumstances as described in Civil Code Section 1366.3, an Owner may use alternative dispute resolution process mentioned in that Section to resolve a dispute regarding Assessments.
 - (3) An owner may submit a written request to meet with the Board to discuss a payment plan for the debt. The Association shall provide the Owner the standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within forty five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the date of the postmark of the Owner Notice Of Delinquency, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more directors to meet with the Owner.
- E. Homestead Waiver.** Each Owner waives the benefit of statutory debtor protection, including homestead and exemption rights, to the full extent permitted by California and Federal law with respect to enforcement of Assessment liens.
- F. Payment of Delinquent Assessments.** Payment toward a delinquent Assessment shall be credited first to satisfying the Assessment, and then to late charges, collection costs, attorney's fees and interest. Upon payment of the sums specified in the notice, the Association shall promptly record a notice acknowledging satisfaction and releasing the lien. The lien shall not be affected by the sale or transfer (other than through foreclosure) of the affected Condominium.

5.6 STATUS CERTIFICATE. Upon written request of an Owner, the Association shall provide an Owner with a written statement, signed by an authorized representative of the Association, stating the amount of all unpaid Assessments, fines, penalties, charges and other financial obligations owed to the Association by the Owner as of the date of the statement. The statement shall be conclusively presumed accurate as of its date in favor of any good faith purchaser of a Condominium who relies on it. The Association may charge a reasonable fee for the statement which shall not exceed the actual administrative cost.

CC&R ARTICLE 6. MAINTENANCE AND ALTERATION

6.1 OWNER MAINTENANCE RESPONSIBILITY.

- A. Owner's Unit.** Each Owner shall maintain, repair and replace all elements of his/her Unit in a condition which does not impair the value or desirability of other Condominiums and the Property as a whole.
- B. Damage To Other Units Or Common Area.** Each Owner is responsible for the costs of all maintenance, repair or replacement of all areas of the Property necessitated (i) by the acts or omissions of him/herself, his/her guests and

invitees (including independent contractors and employees), the Occupants of his/her Unit and the guests and invitees of such Occupants, or (ii) as a consequence of the malfunction of any element which the Owner is responsible to maintain. The provisions of this Subsection C are intended to supersede any conflicting provisions of Subsections of 6.1A or B or 6.2A or B.

- C. Consequences Of Owner's Failure To Maintain.** If an Owner fails to satisfy his/her maintenance requirements, the Association may do so and assess any associated expense as a Personal Reimbursement Assessment.

6.2 ASSOCIATION MAINTENANCE RESPONSIBILITY .

- A. Common Area.** The Association shall maintain, repair and replace all Common Area so that it is in reasonably good condition and repair. Without limiting the generality of the preceding sentence, reference is made to the fact that the Property is the result of a 2005 reconstruction incorporating certain historical parts of a building built in 1908 and new construction required by current seismic and residential codes and standards, and consequently the Property has known unique maintenance requirements as described below:

- (1) The basement floor is, below the level of the sewer lateral. There are ejector pumps designed to pump rain water and sewage from the basement level up to the level of the main waste line and the sewer lateral. These pumps must be maintained per a precise schedule for proper operation.
- (2) The front facade facing McAllister Street is historic. The existing wood double hung windows, and the ground level doors from 1908, were retained and rebuilt in the 2005 reconstruction. As the only wood elements in the exterior facade of the building, these windows and doors, which in most cases serve individual units, must be carefully maintained for proper operation and to avoid water intrusion.
- (3) The east facade (facing Charles J Brenham Street) is existing brick from 1908. The rear facade is existing brick from 1908. During the 2005 reconstruction, new waterproofing materials were applied to the existing brick, and new windows and doors were inserted into the existing brick openings. The water proofing materials must be maintained on a regular basis, and the intersection of new and old surfaces must be inspected and maintained on a regular basis, for proper operation of the windows and doors, and to prevent water intrusion.
- (4) The historic front facade is brick and terra cotta tile from 1908. During the 2005 reconstruction, the facade was cleaned and sealed. The facade sealer must be maintained on a regular schedule.
- (5) The roof of 83 McAllister is used as part of the required open area. Certain designated areas of the roof are covered by walking surfaces. The new roof structure meets the 1908 brick parapet walls, and the new roofing material ties the new to the old. Because the roof is performing two functions, both waterproofing and providing open space, and it is tying new substrates to old substrates, it must be maintained on a regular schedule.

- (6) The exterior portions of the exit courts have waterproof surfaces over concrete slabs. The new concrete slabs are fitted into the original 1908 wood floors. The waterproof surfaces on the new concrete must be maintained, particularly where the new concrete meets the existing wood.

The background of the Property and its unique maintenance requirements are listed here so that each Owner will be aware that the Property is not new construction, and so that the potentially problematic areas of the Property will be known by the Association, any managers hired by the Association, and all Owners. By purchasing a condominium on the Property, each Owner agrees that the Association, and not Declarant or Declarant's employees, agents or contractors, shall be responsible for the consequences of failing to fulfill the extra maintenance requirements associated with the Property, which are likely to include significant water damage.

- B. Consequential Damages.** The Association is responsible for the costs of all maintenance, repair or replacement of all areas of the Property necessitated (i) by the conduct and behavior of its invitees (including independent contractors and employees), or (ii) as a consequence of the malfunction of any element which the Association is responsible to maintain. The provisions of this Subsection C are intended to supersede any conflicting provisions of Section 6.1A or B.

6.3 ALTERATION OF UNITS. Without Association approval, an Owner may make alterations within the boundaries of his/her Unit that do not impair the structural integrity or mechanical systems, or impair the value or desirability of other Condominiums. All other improvements shall require Association approval. Regardless of whether Association approval is required, prior to making any alteration, an Owner shall (i) obtain all required governmental permits and approvals and (ii) in cases where a building permit is required, provide a copy of the building permit application to the Association at least ten (10) calendar days before commencing work.

6.4 ALTERATION OF COMMON AREA. In general, Common Area may be physically altered only with Association approval. Display of (i) non-commercial signs, posters, flags or banners which the Association is required by law to permit, and (ii) "For Sale" or "For Rent" signs that do not exceed nine (9) square feet in size, shall be permitted on portions of the Common Area designated by the Association. All other signs, posters, flags or banners require Association approval. Before making any alteration, regardless of whether approval is required, an Owner shall (i) obtain all required governmental permits and approvals and (ii) in cases where a building permit is required, provide a copy of the building permit application to the Association at least ten (10) calendar days before commencing work.

6.5 ALTERATION APPROVAL PROCEDURES.

- A. Application For Alteration Approval.** Owners wishing to make alterations requiring Association approval shall submit "Plans and Specifications" to the Association. "Plans and Specifications," as used in this Article, shall include the following:

- (1) A description of the proposed alteration, including, as appropriate, its shape, height, width, elevation, materials, color, location and such further information as may be necessary to allow the Association to evaluate it fully;

- (2) Upon request of the Association, a certificate by an architect or engineer licensed by the State of California stating that the alteration (i) will not impair the structural integrity of any part of the Property, and (ii) will not interfere with any Utility; and
- (3) Upon request of the Association, a set of construction drawings prepared by an architect and/or engineer licensed by the State of California.

The Association may require as much detail in the Plans and Specifications as it deems appropriate, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and samples of exterior material and colors. The Association may postpone review of any application until receipt of all required information and materials. Upon submittal of all required information and documentation, the Association shall give the Owner a written, dated receipt. The date of the receipt shall be the commencement date for computing the time within which the Association must approve or disapprove the application. The Association may charge a reasonable fee for reviewing an application.

- B. Time Limit and Form For Association Decision.** Within forty-five (45) days after receipt of all materials required or requested by the Association, it shall notify the applicant in writing of its decision. If the Association fails to notify the applicant in writing of its decision within this time frame, the application shall be deemed approved. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and, where the decision was made by an Architectural Committee, a description of the procedure for reconsideration by the Board.
- C. Standards For Association Decision.** The Association decision must be made in good faith and may not be unreasonable, arbitrary, or capricious. The Association shall approve an alteration only if it makes an affirmative finding that the alteration (i) will not impair the structural integrity of any part of the Property, (ii) will not interfere with any Utility, (iii) is consistent with the Governing Documents and all Governmental Regulations, (iv) will not detract from the appearance, harmony, attractiveness and enjoyability of the Property, and (v) will not impose an unreasonable maintenance burden on the Association. The approval or disapproval of an alteration shall not be deemed a waiver of the Association's subsequent right to approve or disapprove a similar alteration or any other matter.
- D. Architectural Rules.** The Association may enact rules (the "Architectural Rules") to govern alteration approvals. The Architectural Rules shall be consistent with the Governing Documents. The Association shall follow the procedure for adopting and changing Architectural Rules described in Civil Code Sections 1357.100 et. seq.
- E. Decisionmaking Body.** The Board may establish a committee (the "Architectural Committee") to recommend Architectural Rules and govern alteration approvals. Whenever an Architectural Committee exists, it shall act on behalf of the Association with regard to alteration approvals. Any decision of an Architectural Committee may be appealed to the Board within ten (10) days of the decision, and the Board shall reconsider the decision at a properly noticed open Board meeting. During any period when there is no Architectural Committee, the Board shall act on behalf of the Association with regard to

alteration approvals.

- F. Proceeding With Approved Work.** Upon approval of an alteration, the Owner shall diligently proceed with the commencement and completion of all work so approved. Work must be commenced within one (1) year from the date of the approval. If the Owner fails to comply with the provisions of this Subsection, the approval given shall be deemed revoked unless the Association extends the time for commencement. Any request for an extension shall be in writing. No extension shall be granted unless the Association finds that there has been no change in the circumstances under which the original approval was granted.

6.6 INSPECTION AND NONCOMPLIANCE. Upon the completion of any work performed by an Owner for which approval was required, the Owner shall give written notice of completion to the Board. The Board, following Reasonable Entry Notice, may inspect any work performed on the Property to ensure it is done in accordance with this Article, regardless of whether approval was required or granted, and regardless of whether notice of completion was required or given. If, as a result of an inspection, the Board finds a violation of this Article, it may notify the Owner in writing of the violation. The notice shall specify the particulars of non-compliance and shall require the Owner to remedy it. If the Owner fails to remedy the non-compliance in accordance with the provisions of the notice, then, after the expiration of thirty (30) days from the date of the notice, the Board shall provide notice of a hearing to consider the Owner's continuing non-compliance. At the hearing, if the Board finds that there is no valid reason for the continuing non-compliance, the Board shall require the Owner to remedy it within a period of not more than forty-five (45) days from the date of the Board's ruling. At any time within such period, or within any extension of such period as the Board, in its discretion, may grant, the Board may choose not to wait for the Owner to act, and instead the Board may act to remedy the non-compliance, and assess any associated costs against the Owner as a Personal Reimbursement Assessment. The Association may also cause a notice of nonresponsibility for mechanics' liens to be recorded and posted as specified in Civil Code §3094. Any officer, director, or Architectural Committee member shall promptly notify the Association upon learning of any violation of this Article.

CC&R ARTICLE 7. USE RESTRICTIONS

7.1 CONDOMINIUM USE. A Residential Unit shall be solely for residential use except that an Occupant may engage in a professional or administrative occupation within the Property if (i) there is no external evidence of business activity, (ii) it conforms to all applicable Governmental Regulations, and (iii) it is merely incidental to the use of the Unit as a residence. A Commercial Unit may be used for any purpose permitted by Governmental Regulations.

7.2 PARKING AND USE OF MOTOR VEHICLES. No person may park a motor vehicle anywhere on the Property. The Association may remove any motor vehicle wrongfully parked on the Property at the owner's expense. Following the removal, the Association shall notify (i) the local traffic law enforcement agency and (ii) if his/her identity is known by the Association, the owner. The notice shall include a description of the vehicle, the license number and the address from where the vehicle is removed. If the identity of the owner is not known by the Association and the vehicle has not been returned to the owner within one hundred and twenty (120) hours after removal, the Association shall promptly notify the California Department of Justice and file a copy of the notice with the proprietor of the garage in which the vehicle is stored. The report shall be made on a form furnished by the Department of Justice and shall include a complete description of the vehicle, the date, time and place from which the vehicle was removed, the amount of mileage on the vehicle at the

time of removal, the grounds for removal and the name of the garage where the vehicle is stored. The Association shall not be liable for any damages or loss suffered by the owner as a consequence of removal unless such damage or loss resulted from negligence of the Association.

7.3 NUISANCE. No person shall use any part of the Property in a way that unreasonably interferes with the quiet enjoyment of an Occupant, or which is noxious, illegal, seriously annoying or offensive to a person of reasonable and normal sensitivity. The Association shall have wide discretion to determine what constitutes a nuisance, and the duty to order those responsible to cease or abate such nuisance immediately. There shall be no exterior fires except in barbecue receptacles designed for that purpose. No activity may be carried on that adversely affects insurance coverage or rates on the Property. No Owner shall do or permit anything to be done which is in violation of a Governmental Regulation or which will or may decrease the attractiveness, desirability or value of another Unit or the Property as a whole.

7.4 ANIMALS. An Occupant of a Residential Unit may keep a domestic dog or cat, fish, and birds provided he/she (i) does not keep his/her animal(s) for commercial purposes, (ii) maintains reasonable control over his/her animals at all times, (iii) keeps his/her dog on a hand-held leash when outside a Unit, (iv) immediately cleans up after his/her animal(s), (v) assumes liability to the Association and all persons for any damage caused by his/her animal(s), and (vi) agrees to indemnify, defend and hold harmless the Association and its Board, officers, manager, employees, and other Owners and Occupants against any and all loss, cost or liability including attorney's fees, arising out of claims related to his/her pet. The Occupants of a single Residential Unit shall collectively keep no more than one (1) four-legged animal. Except as otherwise required by law, the Occupants of a Commercial Unit shall not keep or allow pets on the Property. Except as otherwise required by law, no animal weighing in excess of twenty five (25) pounds is allowed on the Property. The Association can prohibit the keeping of any animal that it determines to be a nuisance to any person of reasonable and normal sensitivity.

7.6 GARBAGE DISPOSAL. Occupants shall keep (i) all waste in proper containers, (ii) all waste containers in portions of the Common Area designated by the Association, and (iii) all waste containers and adjacent portions of Common Area in a neat, clean and sanitary condition.

7.7 RIGHT TO LEASE.

- A.** An Owner of a Residential Unit may rent out his/her Condominium provided that (i) the rental agreement is in writing, (ii) the rental is made subject to the Governing Documents, (iii) the tenant agrees to abide by all provisions of the Governing Documents, and (iv) an executed copy of the rental agreement is delivered to the Association prior to the lessee taking possession of the Condominium. An Residential Unit Owner shall be responsible for ensuring the compliance with the Governing Documents by everyone residing in the Owner's Unit. Each Residential Unit Owner hereby grants the Association an irrevocable power of attorney to commence and pursue injunctive relief or an unlawful detainer action against a tenant in a Residential Unit who is in violation of the Governing Documents.
- B.** An Owner of a Commercial Unit may rent out his/her Condominium provided that (i) the rental agreement is in writing, (ii) the rental is made subject to the Governing Documents, (iii) the tenant agrees to abide by all provisions of the Governing Documents, and (iv) an executed copy of the rental agreement and proof of insurance coverage complying with the requirements of this

Declaration is delivered to the Association at least thirty (30) days prior to the lessee taking possession of the Condominium. A Commercial Unit Owner shall be responsible for ensuring the compliance with the Governing Documents by any Occupant of the Owner's Unit, and shall indemnify, defend and hold harmless the Association from any damage, loss or liability occasioned by compliance failure including failure to maintain in effect insurance meeting all of the requirements of this Declaration.

7.8 CLOTHES LINE. There shall be no exterior clothes lines or outside laundering or drying of clothes.

7.9 WINDOW COVERINGS. Unless otherwise approved by the Association, all window coverings visible from the street or Common Area shall be of a material and type commonly used for window coverings, and shall be white or beige in color on the portion visible from the street.

7.10 STORAGE. No one may store any item in Common Area without prior written Association approval.

7.11 DELEGATION OF RIGHTS. Any Occupant of an Owner's Unit shall be entitled to all of that Owner's rights to use and enjoy the Property. During any period when a tenant is in possession of an Owner's Unit, the Owner shall not be entitled to use and enjoy the recreational facilities of the Property.

CC&R ARTICLE 8. INSURANCE

8.1 GENERAL LIABILITY INSURANCE. The Association shall maintain an insurance policy insuring the Association, its directors, officers and the Owners against public liability incident to ownership and use of the Property. The limits of coverage shall not be less than two million dollars (\$2,000,000) per incident of injury, death and property damage. The policy shall contain a severability of interest endorsement precluding the insurer from denying coverage to a named insured because his/her act or omission created liability in favor of another insured. The policy shall also contain a contractual liability endorsement.

8.2 DIRECTORS' AND OFFICERS' LIABILITY INSURANCE. The Association shall maintain an insurance policy insuring the Association, its directors and officers against liability arising out of acts or omissions in their capacity as agents of the Association. The limits of coverage shall not be less than five hundred thousand dollars (\$500,000) per incident. The policy shall provide prior acts coverage.

8.3 FIRE AND CASUALTY INSURANCE. The Association shall maintain a policy of fire and casualty insurance providing multi-peril coverage for all portions of the Property which the Association is obligated to maintain and all Association property. The limits of coverage shall not be less than full current replacement cost including required building code upgrades. The policy shall contain an agreed amount endorsement.

8.4 OTHER INSURANCE. The Association may acquire such additional insurance, coverages or limits as it deems advisable. The Association shall maintain a fidelity bond or equivalent insurance on all individuals handling Association funds. If the Association has employees, it shall maintain workers' compensation insurance as required by law.

8.5 GENERAL POLICY PROVISIONS. Each Association insurance policy shall (i)

name the Association as trustee for policy benefits payable to the Owners, (ii) provide a waiver of subrogation rights against the Association, its directors, officers and Owners, (iii) state that coverage be primary and not affected by any other insurance held by an Owner, and (iv) require that at least thirty (30) days prior written notice be given to the Association by the insurer before cancellation.

8.6 INSURER RATING. The Association's insurance shall be written by an insurance company qualified to do business in California with a rating of at least an "A" by Best's Insurance Reports or equivalent.

8.7 REVIEW OF INSURANCE POLICIES. The Board shall review all Association insurance policies at least once a year to ensure that they are adequate to meet the current needs of the Association.

8.8 NOTICE OF CHANGE IN INSURANCE COVERAGE. The Association shall notify the Owners by first-class mail as soon as reasonably practical if any of its insurance policies: (i) lapses or is canceled and is not immediately renewed, restored or replaced; (ii) will undergo significant change such as a reduction in coverage or limits, or an increase in the deductible; or (iii) is subject to a notice of nonrenewal and replacement coverage will not be in effect at the time the existing coverage will lapse.

8.9 INABILITY TO OBTAIN INSURANCE. If the insurance required by the Governing Documents is difficult, impractical or unduly expensive to obtain, the Association shall obtain insurance as nearly equivalent to the required insurance as is reasonably available.

8.10 OWNER'S INSURANCE.

- A.** Each Residential Unit Owner shall obtain and maintain a policy of fire and casualty insurance providing multi-peril coverage for the Owner's personal property. The policy shall contain a waiver of subrogation rights against the Association and other Owners. Each Residential Unit Owner shall also obtain and maintain insurance covering his/her personal liability.
- B.** The Owner or Occupant of a Commercial Unit shall maintain a policy of fire and casualty insurance providing multi-peril coverage for all insurable items and information kept in the Unit, and for business interruption. The policy shall contain a waiver of subrogation rights against the Association and other Owners. The Owner or Occupant of a Commercial Unit shall also maintain premises liability insurance, naming the Owner, Occupant and the Association as insureds, with limits of coverage of not less than two million dollars (\$2,000,000) per incident of injury, death and property damage.

8.11 CASUALTY INSURANCE DEDUCTIBLES AND PROCEEDS. The deductible payable in the event of a loss shall be paid by the person(s) or entity responsible for maintenance at the point of origin of the physical damage. The person(s) or entity who pays the deductible shall have the right to recover such amount from any party responsible for the loss. Proceeds from Association insurance received as a consequence of damage or loss to a portion of the Property which an Owner must maintain shall be distributed to that Owner. If the proceeds are insufficient to complete the work, the Owner shall pay the additional amounts.

Order: ZGTKGZXR2

CC&R ARTICLE 9. CATASTROPHIC DAMAGE AND CONDEMNATION

9.1 CATASTROPHIC DAMAGE. As used in this Section, "Catastrophic Damage" means sudden and unexpected physical damage to portions of the Property which the Association is obligated to maintain for which the repair cost will exceed fifty percent (50%) of the full replacement cost of all portions of the Property which the Association is obligated to maintain.

- A. Determining Extent Of Damage.** Immediately after the occurrence of Catastrophic Damage, the Association shall obtain two (2) or more written bids from separate licensed contractors to restore the damaged elements to substantially the same condition as existed before the damage occurred. Repair bids shall include at a minimum a detailed scope of work, fixed or not-to-exceed contract price, completion date and provision for adequate insurance coverage by the contractor.
- B. Determining Availability Of Repair Funds.** After obtaining repair bids, the Association shall promptly determine the amount of funds available for the repair from insurance, reserves, loans, and any other source. In making this determination, the Association shall consider as available any insurance proceeds payable to any Owner for repair or replacement of any of the damaged elements.
- C. Decision To Rebuild.** Provided that repairing the damaged areas of the Property would not necessitate a Special Assessment of more than twenty thousand dollars (\$20,000) on any Unit, the Association shall repair, and any difference between the total funds available and the actual repair cost shall be imposed as a Special Assessment. Any Owner who receives insurance proceeds for repair or replacement of any of the damaged elements shall provide such proceeds to the Association in addition to his/her portion of the Special Assessment. If repair would necessitate a Special Assessment of more than twenty thousand dollars (\$20,000) on any Unit, the Association shall not repair unless all such Units, and a majority of Units, vote to do so. If the Association does not repair, it shall sell the entire Property in its then existing condition on the best available terms. Each Owner hereby grants the Association an irrevocable power of attorney to represent the Owner in any negotiations or agreements related to sale or other liquidation following Catastrophic Damage. The sale proceeds together with any insurance proceeds, net of any expenses associated with necessary stabilization of the Property and fees associated with disposition of the Property, shall then be distributed as provided in Section 9.3 of this Declaration. The Association shall then be dissolved and the entire common interest development terminated as provided by law. If the Association fails to sell the Property within a reasonable period of time, it may bring an action for judicial partition.
- D. Repair Work.** All individuals or entities performing repairs for the Association shall (i) hold all licenses legally required for such repairs and (ii) enter into a written contract with the Association which satisfies all of the requirements for repair bids specified in Subsection A. Payment and performance bonds shall be required in repair contracts exceeding one hundred thousand dollars (\$100,000). The Association shall ensure that repairs are diligently pursued to completion in accordance with best construction practices prevailing in the locale at the time the work is done.
- E. Emergency Repair.** The Association may make repairs or take any other

necessary action in an Emergency without first complying with the provisions of this Article.

- F. Certification Of Intention.** If the Association decides, by affirmative act or failure to act, to sell the Property rather than repair Catastrophic Damage, it shall promptly notify all Owners in writing of the decision and record a certificate reciting that fact with the County Recorder.
- G. Revision Of Documents.** If the Association decides, by affirmative act or failure to act, not to repair Catastrophic Damage, the Association shall have the power and authority to execute and record, on behalf of itself and the individual Owners, all necessary documents to show the altered status of the Property, including but not limited to a revised Condominium Plan.

9.2 CONDEMNATION. Each Owner hereby grants the Association an irrevocable power of attorney to represent the Owner in any condemnation or eminent domain negotiation or proceeding, whether or not a civil action has been started. The proceeds from a taking of two or more Condominiums or of the Common Area by eminent domain shall be distributed as provided in Section 9.3 of this Declaration.

9.3 DISTRIBUTIONS. All net proceeds from insurance, liquidation, or condemnation relating to two or more Condominiums or the Common Area shall be paid to the Association for the benefit of the Owners and their mortgagees. To the extent proceeds from insurance or condemnation have been allocated among affected Units and Common Area by the paying entity, the Association shall distribute such funds in accordance with that allocation. Otherwise, the Association shall distribute these funds to the affected Owners based upon the relative value of the affected Owners' Condominiums. Relative value shall be determined through an appraisal process as follows:

- A.** The Association shall retain three (3) appraisers meeting the following requirements: (i) having at least two (2) years experience appraising real estate similar to the Property in the area where the Property is located, (ii) holding a valid real estate sales, brokerage or appraisal license, (iii) having no prior business or personal relationship with any Owner, and (iv) agreeing in writing to complete his/her appraisal within fourteen (14) calendar days of retention.
- B.** The Association shall instruct each appraiser to determine the fair market value of each Condominium involved in the relative valuation. The appraisers shall base their valuations on the physical conditions which existed on the date immediately preceding the destruction or other event triggering the need for valuation.
- C.** Upon receiving the valuations of all appraisers, the Association shall disregard the lowest and highest appraisal for each Condominium. The Association shall then use the remaining appraisal for each Condominium to determine the relative values.

If any Owner owes money to the Association at the date of the disbursement, the amount owed shall be subtracted from the amount to be disbursed to that Owner.

Order: ZGTKGZYR2

CC&R ARTICLE 10. MORTGAGE PROTECTION

10.1 SUBORDINATION. Any lien created or claimed under this Declaration is subject and subordinate to the rights of any previously recorded Mortgage secured by the same Property made in good faith and for value; and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates its interest, in writing, to such lien. On foreclosure of a previously recorded Mortgage, the foreclosure-purchaser shall take title free of any Assessment liens and shall be obligated to pay only assessments or other charges levied or assessed by the Association after the foreclosure-purchaser acquired title.

10.2 FIRST REFUSAL INAPPLICABLE TO MORTGAGEE. Any right of first refusal or option shall not bind a Mortgagee and shall not impair the rights of a Mortgagee (i) to foreclose or take title to pursuant to the remedies provided in the Mortgage, (ii) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage, or (iii) to sell or lease a separate interest acquired by the Mortgagee following a Mortgage default.

10.3 MORTGAGEE RIGHT TO FURNISH INFORMATION. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

10.4 FORMER OWNER IN POSSESSION FOLLOWING FORECLOSURE. A former Owner who loses title by foreclosure but remains in possession shall be bound by the Governing Documents as long as he/she remains in possession, but shall have no obligation to pay Assessments accruing after the date title is transferred.

10.5 MORTGAGEE PRIORITY IN DISTRIBUTION OF PROCEEDS. Each Mortgagee shall have priority over the rights of the Owner of the mortgaged property in case of a distribution to the respective Owner of insurance proceeds or condemnation awards for losses to or a taking of such Owner's interest in the Property. Any provision to the contrary in the Governing Documents is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected Mortgagees, naming such Mortgagees as their interests may appear.

10.6 MORTGAGEE APPROVAL REQUIREMENTS. The prior written consent of Mortgagees holding first (1st) mortgages on at least fifty-one percent (51%) of all separate interests encumbered by Mortgages shall be required to take any of the following actions:

- A.** Except as otherwise provide in this Declaration for cases of Catastrophic Damage, use hazard insurance proceeds for a purpose other than the repair, replacement, or reconstruction, abandon the Property, or terminate the Association;
- B.** Change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner, or to change the pro rata interest or obligations of any Owner for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or for determining the pro rata share of ownership of each Owner in the Common Area;
- C.** Abandon, partition, subdivide, encumber, sell or transfer the Common Area (but the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or the Owners shall not be deemed to be a transfer within the meaning of this clause);

- D. Fail to maintain fire and extended coverage insurance on insurable property owned by the Association, including any Common Area improvements, in an amount not less than one hundred percent (100%) of the insurable value based on current replacement cost;
- E. Amend any provision of the Governing Documents that are for the express benefit of Mortgagees; and
- F. Partition or further subdivide the Property.

10.7 MORTGAGEE NOTICE RIGHTS. Each Mortgagee shall be entitled to written notice of the following:

- A. The occurrence of loss, casualty, condemnation or eminent domain which decreases the value of the property encumbered by its Mortgage by more than fifty percent (50%) of its fair market value immediately prior to the occurrence;
- B. Any 60-day delinquency in the payment of Assessments by, or Association commencement of judicial or nonjudicial foreclosure proceedings to enforce payment of delinquent obligations owed under the Governing Documents against, the Owner of its encumbered property; and
- C. Any lapse or cancellation of any Association insurance policy.

Failure of a Mortgagee to receive the notice required by this Section shall not be construed to benefit an Owner or to impede the Association in enforcing the Governing Documents.

10.8 MORTGAGEE INFORMATION RIGHTS. A Mortgagee is entitled to obtain the same information as an Owner from the Association upon written request and payment of required fees.

10.9 MORTGAGEE RIGHT TO APPEAR AT MEETINGS. Because of its financial interest in the Property, any Mortgagee may appear (but cannot vote, except as otherwise provided hereunder), at meetings of Owners and the Board to draw attention to violations of this Declaration that have not been corrected or that have been made the subject of remedial proceedings or assessments.

10.10 ADDITIONAL MORTGAGEE PROTECTIONS. Notwithstanding any other provision of the Governing Documents to the contrary, the provisions of this Section 10.10 shall apply and control:

- A. **Definitions.** As used herein, the following terms have the following meanings:
 - (1) "First Mortgage" means the Mortgage secured by the Property recorded prior to the date of recordation of this Declaration, and all extensions, modifications, substitutions, replacements and renewals of any thereof;
 - (2) "First Mortgagee" means Far East National Bank or any successor in interest to Far East National Bank, of which notice to the Association has been given (unless the giving of any such notice is stayed or otherwise impermissible by law), which notice specifies the address of such Mortgagee for notices required hereunder;

(3) "Mortgagor" means the mortgagor, trustor, assignor or other grantor of the First Mortgage, and any successor in interest to any of the real or personal property which is encumbered the First Mortgage.

B. No Termination or Modification. No termination, cancellation, rescission, revocation, voiding, surrender, supplement, amendment or alteration of this Declaration shall be effective without the prior written consent of the First Mortgagee.

C. Notices of Default to the First Mortgagee.

(1) **Copy of Notice to Party.** Upon providing Mortgage with any notice of any act, event or condition which is or is asserted to be, or with notice, the passage of time or both would be, a breach or default under this Declaration, the party giving notice shall, as a condition to the effectiveness of such notice, provide a copy of such notice to the First Mortgagee at the same time and in the same manner as the notice is provided to the Mortgageor.

(2) **Additional Notice.** If the Mortgageor to whom such a notice has been given fails to cure or commence to cure such breach or default as provided in this Declaration then the party who gave the notice shall thereupon provide an additional notice to the First Mortgagee, stating that the Mortgageor has failed to cure or commence to cure, and that the First Mortgagee have the rights to cure provided in this Declaration.

(3) **Address for Notice.** The address for all notices hereunder to the First Mortgagee is as follows:

Far East National Bank
500 Montgomery Street
San Francisco, California 94111
Attention: Ms. Alice Huang
Facsimile: (415) 986-8869

with copy to:

Luce, Forward, Hamilton & Scripps LLP
121 Spear Street, Suite 200
San Francisco, California 94105
Attention: Allan E. Low, Esq.

Facsimile: (415) 356-3892

D. Cure of Default by First Mortgagee.

(1) **Rights to Cure.** The First Mortgagee shall have the right, but not the duty, to remedy or cause to be remedied any act, event or condition which, with or without notice, the passage of time or both, would be a breach or default under this Declaration, and the other parties shall accept such performance from the First Mortgagee as if it had been done by the Mortgageor. All parties authorize the First Mortgagee to take any such action at its option and hereby authorize entry upon the

Property and all improvements thereon by the First Mortgagee for such purpose.

- (2) **Time to Cure.** Commencing upon the effective date of the additional notice to the First Mortgagee required by 10.10(c)(2) above, the First Mortgagee shall have thirty (30) days to (A) cure any such breach or default, or (B) if such default cannot reasonably be cured by the First Mortgagee within thirty (30) days, diligently commence curing (or, if foreclosure or other enforcement of the First Mortgage is necessary for the First Mortgagee to effect such cure, to diligently commence the process of foreclosure or other enforcement), and diligently pursue such cure (or such foreclosure or other enforcement) to completion within a reasonable time thereafter; provided, however, that such time periods shall be tolled during any period in which such acts by the First Mortgagee are stayed, enjoined, or otherwise made impermissible by law. No First Mortgagee shall be required, as a condition of the exercise of any rights hereunder or in order to comply with any provisions of this Declaration, to cure any nonmonetary default of a Mortgagor not reasonably susceptible of being cured by the First Mortgagee.

E. Effect of Breach. A breach of any of the covenants or restrictions contained in this Declaration shall not defeat or render invalid the lien of the First Mortgage.

F. Foreclosure and Sale.

- (1) Without consent of any party, the First Mortgagee or its purchaser shall have the right to acquire all or any portion of the rights and interests encumbered by the First Mortgage, including the rights and interests of the Mortgagor under this Declaration, by foreclosure, deed in lieu of foreclosure, or other means of enforcement of the First Mortgage, and, upon or after such acquisition, to sell and assign such rights and interests or any portion thereof.
- (2) The First Mortgagee or other purchaser who acquires such rights and interests upon foreclosure, deed in lieu of foreclosure, or other means of enforcement of the First Mortgage shall not be liable for any obligations or liabilities arising prior thereto, and shall not be required to assume any obligations of the Mortgagor under this Declaration, but shall be deemed to have agreed to perform all of the Mortgagor's obligations hereunder from and after the date of such acquisition only for so long as such purchaser is the owner of the such rights and interests. Such purchaser shall, upon any assignment of such rights and interests, be relieved of all obligations under this Declaration provided that the assignee has delivered to the parties other than Mortgagor its written agreement to be thereafter bound by all of the provisions of this Declaration.

G. Exercise of Mortgagor's Rights Under Declaration By First Mortgagee.

- (1) At any time, the First Mortgagee shall have the right, but not the obligation, upon notice to all parties (but notice shall not be required to the extent stayed, enjoined or otherwise made impermissible by law), to:
- (A) exercise any or all rights of the respective Mortgagor under the Declaration; (B) sue for or otherwise collect and receive payments

and/or other performance due to such Mortgagor under the Declaration; (C) perform any or all of the duties of such Mortgagor under the Declaration; (D) cure or take action with respect to a default under the Declaration; (E) give appropriate receipts, releases and satisfactions for and on behalf of such Mortgagor; (F) do any other acts which First Mortgagee deems proper to protect its interests under the First Mortgage but only to the extent permitted under the Declaration until all of the obligations of such Mortgagor under the First Mortgage are paid in full; and (G) exercise any other right permitted by law.

- (2) Mortgagor hereby expressly authorizes and instructs each and every present and future other party to render performance to, and accept performance from, the First Mortgagee, to the extent so demanded by the First Mortgagee. Each such other Party shall be relieved of any liability to Mortgagor for rendering performance to, and accepting performance from, such First Mortgagee, to the extent that it has done so pursuant to such a demand by such First Mortgagee, even if it is later determined that such demand was invalid.
- (3) Upon receipt of demand from any First Mortgagee, each party shall, to the extent demanded, pay and perform all of its respective obligations under this Declaration directly and only to First Mortgagee, recognize and accept First Mortgagee as the sole holder of all of Mortgagor's rights and benefits under the Declaration for all purposes, and accept any payment or performance by First Mortgagee of the obligations of the Mortgagor that First Mortgagee may elect to tender.
- (4) The exercise of any or all of the foregoing rights by a First Mortgagee shall not cure, waive or affect any default or notice of default, or invalidate any act done pursuant to such notice.

H. No Liability of First Mortgagee. No First Mortgagee shall be obligated to perform or satisfy any obligation or condition under the Declaration except to the extent expressly provided in Section 10.10(f)(2) above, if applicable.

I. Subordination. The priority of any lien obtained by a non-defaulting party shall be deemed to date only from its recordation, and not from the date of recordation of this Declaration. Accordingly, any such lien shall be subordinate to the First Mortgage which was first recorded prior to recordation of the lien. Any foreclosure, deed in lieu of foreclosure or other enforcement of the First Mortgage shall extinguish the lien of such assessments with respect to payments which become due prior to such foreclosure, deed in lieu of foreclosure or other enforcement, and the First Mortgagee or other purchaser who acquires such rights and interests upon foreclosure, deed in lieu of foreclosure, or other means of enforcement shall take title subject only to liens thereafter accruing pursuant to such Article.

J. Bankruptcy of Mortgagor. In the event that any party becomes the subject of a case under the U.S. Bankruptcy Code (Title 11 U.S.C.) (or any other law providing similar relief), each other party shall give prompt notice to the First Mortgagee of any notice, motion, plan or other pleading or document received which purports to request approval of or authority for, or otherwise contemplates, rejection of this Declaration. All parties acknowledge and agree that any such rejection of this Declaration shall have no effect upon the continued existence of this Declaration, the First Mortgage, or the rights of

First Mortgagee under this Section 10.10 (and this Section 10.10, to the extent necessary for such purpose, shall be deemed to constitute a separate and independent agreement between the First Mortgagee and each party, which First Mortgagee will rely upon in the granting of any loan or other financial accommodations secured by the First Mortgage).

CC&R ARTICLE 11. GENERAL PROVISIONS OF DECLARATION

11.1 AMENDMENT OF DECLARATION. This Declaration may be amended with the approval of a majority of Units provided that the amendment would not effectively circumvent more specific voting requirements within the document. So long as the Declarant remains an Owner, amendment shall require the vote of a bare majority of the total voting power of the Association plus the vote of a majority of the total voting power residing in Owners other than Declarant.

11.2 CERTIFICATION OF APPROVAL AND RECORDATION. An amendment of this Declaration shall become effective when an authorized officer of the Association has executed and recorded with the County Recorder both (i) the amendment and (ii) a notarized certificate stating that the required number of Units have approved the amendment. The Association shall distribute a copy of the amendment to each Owner as soon as it becomes effective.

11.3 MANNER OF PROVIDING NOTICES, DOCUMENTS AND REPORTS. A notice, document or report permitted or required by the Governing Documents shall be in writing and deemed received by the person to whom it is given upon either (i) personal delivery, (ii) expiration of forty-eight (48) hours after deposit in the United States mail (first-class, registered or certified), postage prepaid and addressed to the current or, if unavailable, to the last known address of the person to be notified, or (iii) when permitted by law, by electronic transmittal. Notice to the Association shall be given to its President. When Co-Owners own a Unit, a transmittal to any of them shall be deemed a transmittal to all of them. When several Occupants share a Unit, a transmittal to any of them shall be deemed a transmittal to all of them.

11.4 DISPUTE RESOLUTION.

- A. Internal Procedure.** In any dispute between the Association and an Owner which is not governed by the Owner discipline procedures described in Section 3.2 the alteration approval procedures described in Section 6.5, or the alteration non-compliance procedures described in Section 6.6, either party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing. An Owner may refuse such a request, but the Association may not. When a meet and confer request is accepted, the Board shall designate a director to meet and confer, and the Owner and designated director shall meet promptly at a mutually convenient time and place. The designated director must make him/herself available for the meeting within thirty (30) days of the meet and confer request by an Owner. At the meeting, the parties shall explain their positions to each other, and confer in good faith in an effort to resolve the dispute. If the dispute is resolved, it shall be memorialized in writing as an agreement, and signed by the Owner and the director. Such an agreement shall bind the Owner and the Association, and shall be judicially enforceable (subject to the binding arbitration requirements of this Declaration), provided (i) it is not in conflict with law or the Governing Documents, and (ii) it is either consistent with the authority granted by the Board to the designated director or is later ratified by the Board. An Owner

shall not be charged a fee to participate in this process. Neither an Owner nor the Association shall be required to participate in this process if the dispute is related to Owner discipline subject to the procedural requirements of Section 3.2, alteration approval subject to the procedural requirements of Section 6.5, or alteration non-compliance procedural requirements of Section 6.6.

- B. Mediation.** Mediation is a voluntary informal attempt to resolve a dispute with the help of a neutral individual who has no decision-making authority. The Association encourages mediation and shall participate in mediation in an effort to resolve disputes related to the Governing Documents, unless the Association determines that immediate action is necessary or that mediation under the circumstances would not be in its best interest. Mediation may occur before, during, or after arbitration or litigation. Unless otherwise agreed, mediation costs shall be shared equally by the participants.
- C. Arbitration.** Arbitration is a voluntary or mandatory method of resolving a dispute by delegating decision making authority to a neutral individual or panel. Any dispute relating to the Governing Documents, except for one between an Owner and the Declarant, shall be resolved through mandatory arbitration by the American Arbitration Association or another private arbitration service or individual acceptable to all parties. Any party affected by a dispute may initiate arbitration by written demand. All parties shall pursue arbitration to a conclusion as quickly as possible and conclude every case within six (6) months from the date of the initial written demand for arbitration. Arbitrators shall have discretion to allow the parties reasonable and necessary discovery in accordance with Code of Civil Procedure §1283.05, but shall exercise that discretion mindful of the need to promptly and inexpensively resolve the dispute. If a party subject to the Governing Documents refuses to proceed with or unduly delays the arbitration process, any other party may petition a court for an order compelling arbitration or other related act, and shall recover all related expenses, including attorney's fees, unless the court finds that the party against whom the petition is filed acted with substantial justification or that other circumstances make the recovery of such expenses unjust. An arbitration award may be entered as a court judgment and enforced accordingly. The arbitration award shall be binding (i) unless the award declares a provision of this Declaration unenforceable or (ii) unless the award is in excess of ten thousand dollars (\$10,000), in which cases any party may obtain a trial *de novo* in court of appropriate jurisdiction provided he/she files a civil complaint within sixty (60) days of the entry of a final judgment on the arbitration award. The pendency of arbitration shall toll all applicable statutes of limitation.
- C. Special Disputes.** The following matters are not subject to the mandatory binding arbitration provisions of this Declaration; however, litigation relating to these matters shall be subject to the alternative dispute resolution requirements of Civil Code Section 1369.510 et. seq., as applicable:
- (1) An attempt to recover possession of real property through an unlawful detainer;
 - (2) Except as specifically provided in Civil Code Section 1366.3, enforcement of an obligation to pay an Assessment;
 - (3) A Partition pursuant to Civil Code §1359;

- (4) A claim for bodily injury or wrongful death; and
- (5) Recordation of a notice of pending action, or an order of attachment, receivership, injunction or other provisional remedy which may provide interim protection during the pendency of an arbitration proceeding.

11.5 OWNER'S ACCOUNTABILITY. Each Owner is responsible to the Association for the conduct and behavior of Occupants of the Owner's Unit, including but not limited to violations of the Governing Documents.

11.6 INDEMNIFICATION. Absent gross negligence, intentional misconduct or fraud, the Association shall indemnify its directors, officers and committee members to the fullest extent permitted by law against all liability and expenses, including reasonable attorney's fees, arising out of a claim based upon a wrongful act or omission in the scope of their duties on behalf of the Association. The Association shall approve or disapprove the indemnity, and may advance expenses, in accordance with Corporations Code §7237.

11.7 COSTS AND ATTORNEY'S FEES. The party who prevails in an arbitration, civil action or other proceeding to enforce or interpret the Governing Documents shall be entitled to recover all costs and expenses, including reasonable attorney's fees, but the arbitrator, judge or other decision maker shall have final discretion to allocate such costs and expenses between the parties in a manner that will accomplish substantial justice.

11.8 TERM OF RESTATED DECLARATION. This Declaration shall continue for a term of twenty (20) years from the date it is recorded unless superseded or terminated sooner. The term shall be automatically extended for successive periods of ten (10) years, unless the Association is terminated, and it records with the County Recorder a notice of termination prior to the commencement of the next period.

11.9 NOTICE OF TRANSFER. An Owner who transfers any ownership interest in a Condominium, whether by sale, lease, gift, exchange or otherwise, shall promptly notify the Association in writing of the name and address of the transferee, the type of transfer, the date of transfer and any other information about the transfer that the Association may reasonably request.

Order: ZGTKGZXR2


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Order Date: 02-17-2022

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11.10 ADDITIONAL GENERAL PROVISIONS. Any uncertainty or ambiguity in the Governing Documents shall be resolved by reference to the following rules of interpretation: (i) the provisions of the Governing Documents shall be liberally interpreted to facilitate the operation of a common interest development and liberally interpreted to preserve and protect the general plan established for mutual and common benefit of all Owners, and (ii) a more specific provision shall prevail over a more general one. In the event of an inconsistency between this Declaration and the Condominium Plan, the Condominium Plan shall control. In the event of an inconsistency between this Declaration and the Bylaws, this Declaration shall control. Both this Declaration and the Bylaws shall control over an inconsistent provision in the Rules. Each provision of the Governing Documents is independent and severable, and may be enforced even though another provision may be unenforceable. Each Owner grants an irrevocable power of attorney to the Association to carry out the provisions of this Declaration. References to particular statutes of the State of California shall include any amendment of the statute. If a particular statute is repealed, reference to the statute shall include another statute which thereafter governs the same subject.

Downtown Living, Inc., a California corporation, by

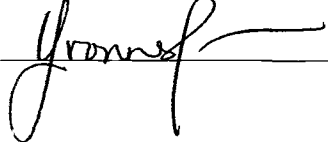


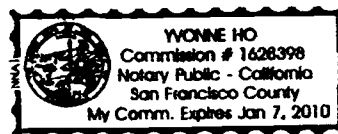
STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO
ON 7/24/10 before me,

Yvonne Ho, Notary Public

personally appeared Joy Du personally known to me (or 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 acting on behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Signature 



Order: ZGTKGZXR2

Exhibit "A"

All that certain real property as shown on the map entitled "Final Map 3268, a Mixed-Use Condominium Project" which map was recorded on July 20, 2006 in Condominium Map Book 96, at Page(s) 43-44, inclusive, in the Office of the Recorder of the City and County of San Francisco, State of California.

Order: ZGTKGZYR2
Address: 83 McAllister St Apt 413
Order Date: 02-17-2022
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EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF
83 MCALLISTER STREET,
UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
AND 87 & 91 MCALLISTER STREET
SAN FRANCISCO CALIFORNIA
JUNE 2006

GENERAL NOTES:

1. THE SUBDIVISION DEPICTED HEREON IS SUBJECT TO THE PROVISIONS OF THE DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT.
2. A UNIT CONSISTS OF THE AREA BOUNDED BY THE INTERIOR UNFINISHED SURFACES OF ITS PERIMETER WALLS, BEARING WALLS, FLOORS, FIREPLACES, CEILINGS, WINDOWS AND INTERIOR PORTIONS OF WINDOW FRAMES AND TRIM, DOORS (INCLUDING WINDOWS IN DOORS) AND INTERIOR PORTIONS OF DOOR FRAMES AND TRIM; INCLUDING BOTH THE PORTIONS OF THE BUILDING SO DESCRIBED AND THE AIRSPACE SO ENCOMPASSED. A UNIT INCLUDES (i) THE WALLBOARD, PLASTER, AND PAINT ON ALL INTERIOR SURFACES LOCATED OR EXPOSED WITHIN THE UNIT, (ii) WINDOW SASHES OR OTHER ELEMENTS THAT DIRECTLY CONTACT THE GLASS PORTION OF THE WINDOW, (iii) DOOR AND WINDOW HARDWARE AND ALL MECHANICAL ELEMENTS OF DOORS AND WINDOWS, (iv) PLUMBING, HEATING, AIR CONDITIONING AND ELECTRICAL FIXTURES OR APPLIANCES LOCATED OR EXPOSED WITHIN THE UNIT, AND (v) WATER HEATERS, FURNACES OR AIR CONDITIONERS SERVING ONLY THE UNIT. A UNIT DOES NOT INCLUDE (i) STRUCTURAL COMPONENTS OF WALLS, CEILINGS, AND FLOORS, (ii) ANY PORTION OF THE FRAMES OF WINDOWS OR EXTERIOR DOORS NOT EXPOSED WITHIN A UNIT INTERIOR, OR (iii) PORTIONS OF PLUMBING, HEATING, AIR CONDITIONING, OR ELECTRICAL SYSTEMS SERVING MORE THAN ONE UNIT.
3. THE COMMON AREA CONSISTS OF THE THE ENTIRE PROPERTY EXCEPT FOR THE UNITS.
4. A CONDOMINIUM IS A UNIT TOGETHER WITH AN UNDIVIDED INTEREST IN THE COMMON AREA.
5. THE DIMENSIONS AND ELEVATIONS ON THE UNITS SHOWN ON THESE SHEETS ARE INTENDED TO BE THE UNFINISHED FLOORS, WALLS, AND CEILINGS OF THE UNIT.
6. ALL ANGLES ARE 90 DEGREES OR 45 DEGREES UNLESS OTHERWISE NOTED.
7. ALL WALLS ARE 0.7' THICK UNLESS OTHERWISE NOTED.
8. ALL DISTANCES ARE MEASURED IN FEET AND DECIMALS THEREOF.
9. THE ELEVATIONS SHOWN ON THESE SHEETS ARE BASED ON CITY OF SAN FRANCISCO DATUM. THE BENCHMARK FOR THIS SURVEY IS THE FOUND + CUT ON THE TOP CORNER OF THE GRANITE COPING 10 FEET WEST OF THE SOUTHWEST CORNER OF LEAVENWORTH STREET AND MCALLISTER STREET. ELEVATION = 38.436'

SURVEYOR'S STATEMENT:

THESE UNIT DIAGRAMS WERE PREPARED BY ME, OR UNDER MY DIRECTION, AND ARE BASED UPON A FIELD SURVEY, AT THE REQUEST OF THOMAS MURRAY IN SEPTEMBER OF 2004. IN CONFORMANCE WITH THE DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT, SECTION 1351(E)(2), THESE UNIT DIAGRAMS ARE THE "THREE DIMENSIONAL DESCRIPTION" PORTION OF THE CONDOMINIUM PLAN.

DATE: _____

RICHARD L. LANGFORD L.S. 6895
LICENSE EXPIRATION DATE: JUNE 30, 2007

LANGFORD LAND SURVEYING

Order: ZGTKGZYP2
Address: 83 McAllister Street, San Francisco, CA 94103
Order Date: 02-17-2022
2001 OMEGA ROAD, SUITE 101
SAN RAMON, CA 94583
PHONE (510) 530-5200



Document not for resale
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JOB#04-2007 DRAWING: 2007MCAL.DWG SHEET 1 OF 12

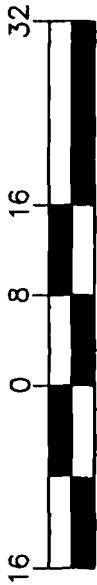
EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF

83 MCALLISTER STREET,
 UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
 AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

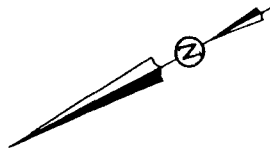
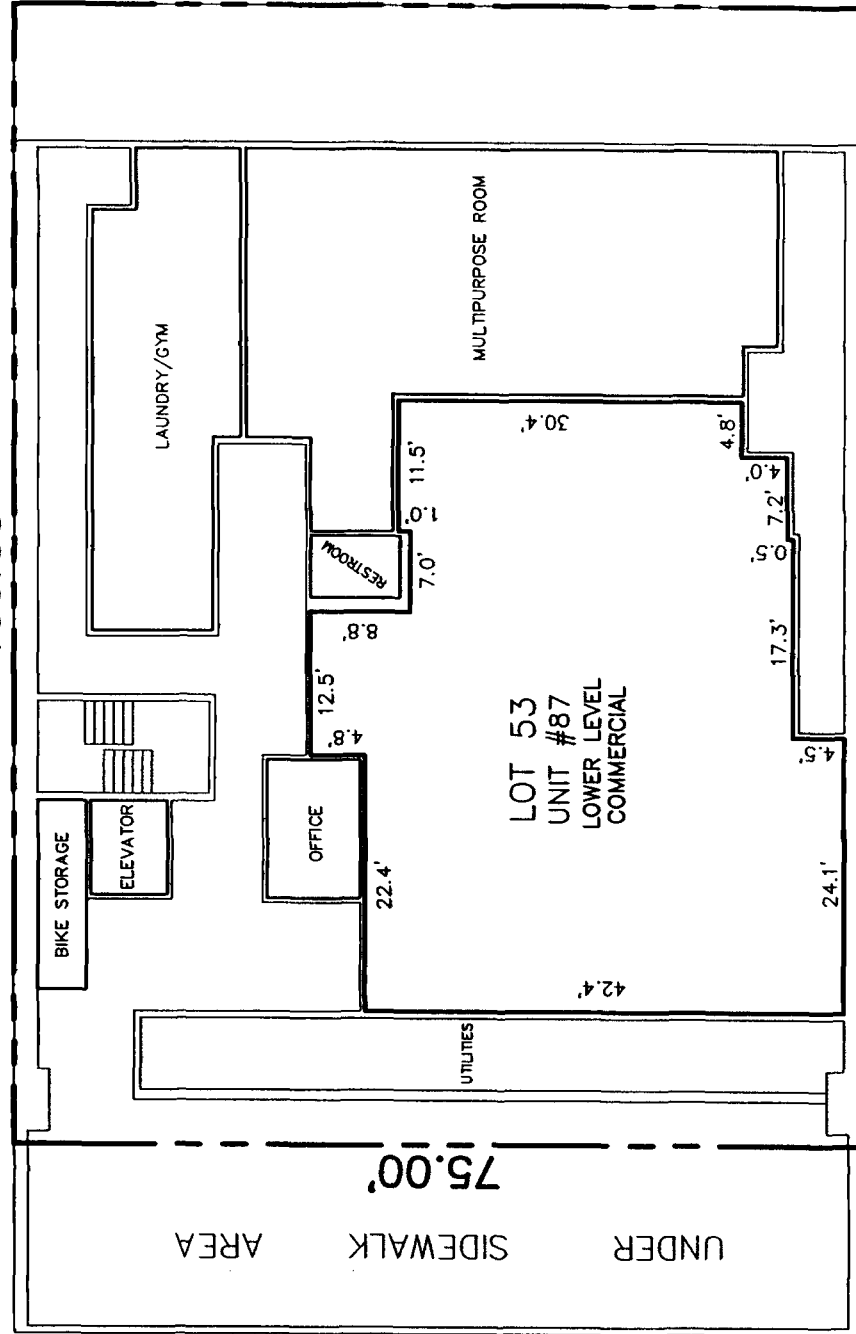
GRAPHIC SCALE



(IN FEET)

1 INCH = 16 FEET

100.00'



L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

BASEMENT LEVEL

U.E. = 36.3
 L.E. = 26.6

100.00'

LEAVENWORTH STREET

LANGFORD LAND SURVEYING
 2001 OMEGA ROAD, SUITE 101
 SAN RAMON, CA 94583
 PHONE (510) 530-5200 SHEET
 JOB#04-2007 DRAWING: 2007MCAL.DWG 2 OF 12



MCALLISTER STREET

LOT 53
 UNIT #87
 LOWER LEVEL
 COMMERCIAL

EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF

83 MCALLISTER STREET,

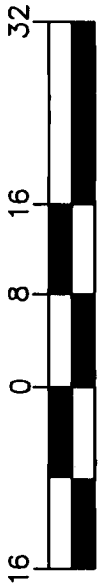
UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
87 & 91 MCALLISTER STREET

CALIFORNIA

SAN FRANCISCO

JUNE 2006

GRAPHIC SCALE

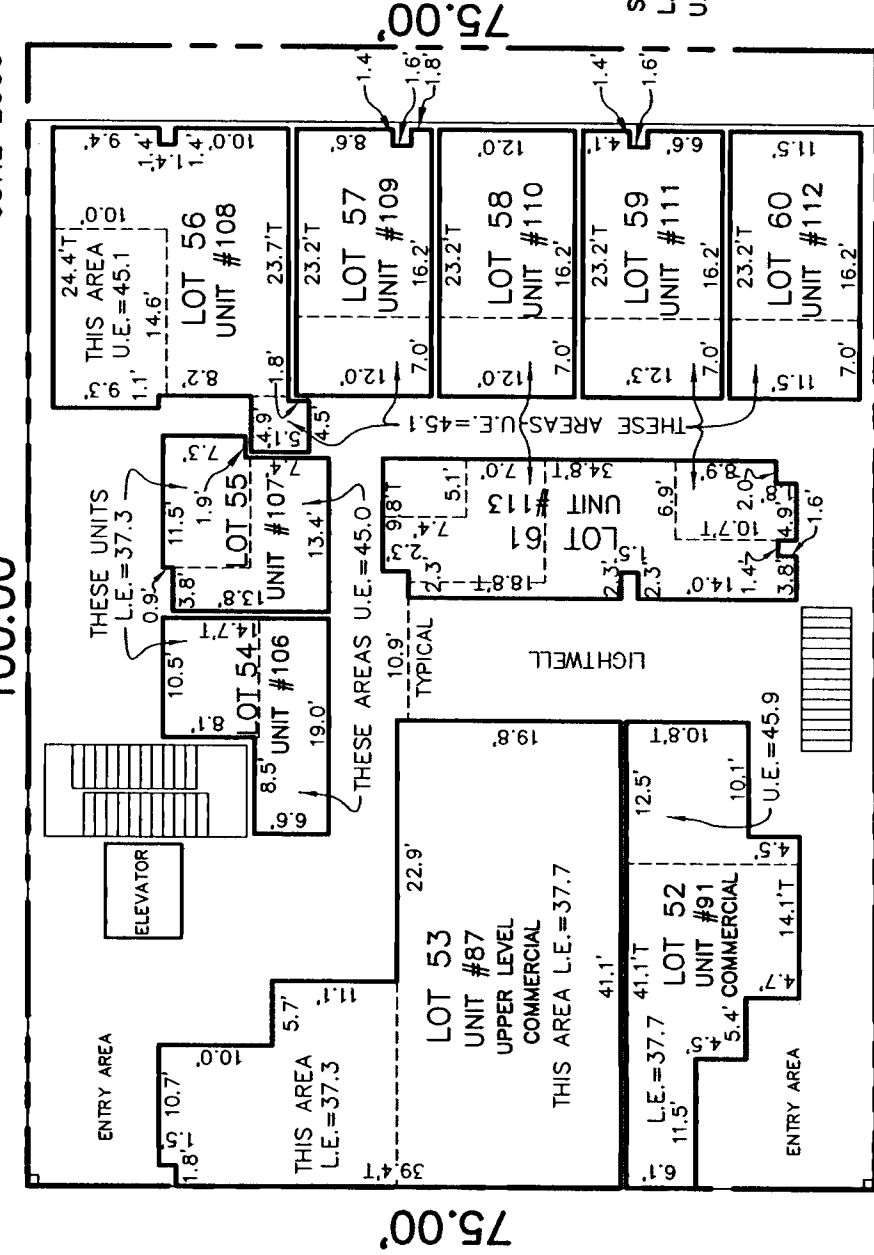


(IN FEET)

1 INCH = 16 FEET

100.00'

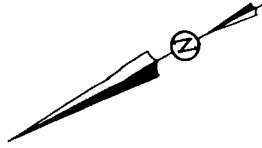
100.00'



MCALLISTER STREET

100.00'

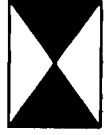
LEAVENWORTH STREET



U.O.N. = UNLESS OTHERWISE NOTED
T=TOTAL DISTANCE
SQ. FT. = SQUARE FEET
L.E. = LOWER ELEVATION
U.E. = UPPER ELEVATION

LEVEL ONE
U.E.=53.9 U.O.N.
L.E.=37.8 U.O.N.

LANGFORD LAND SURVEYING



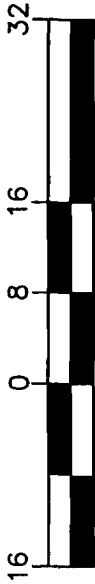
2001 OMEGA ROAD, SUITE 101
SAN RAMON, CA 94583
PHONE (510) 530-5200 SHEET
JOB#04-2007 DRAWING: 2007MCAL.DWG 3 OF 12

EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF
 83 MCALLISTER STREET,
 UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
 AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

GRAPHIC SCALE

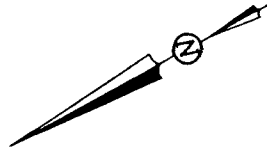


(IN FEET)
 1 INCH = 16 FEET

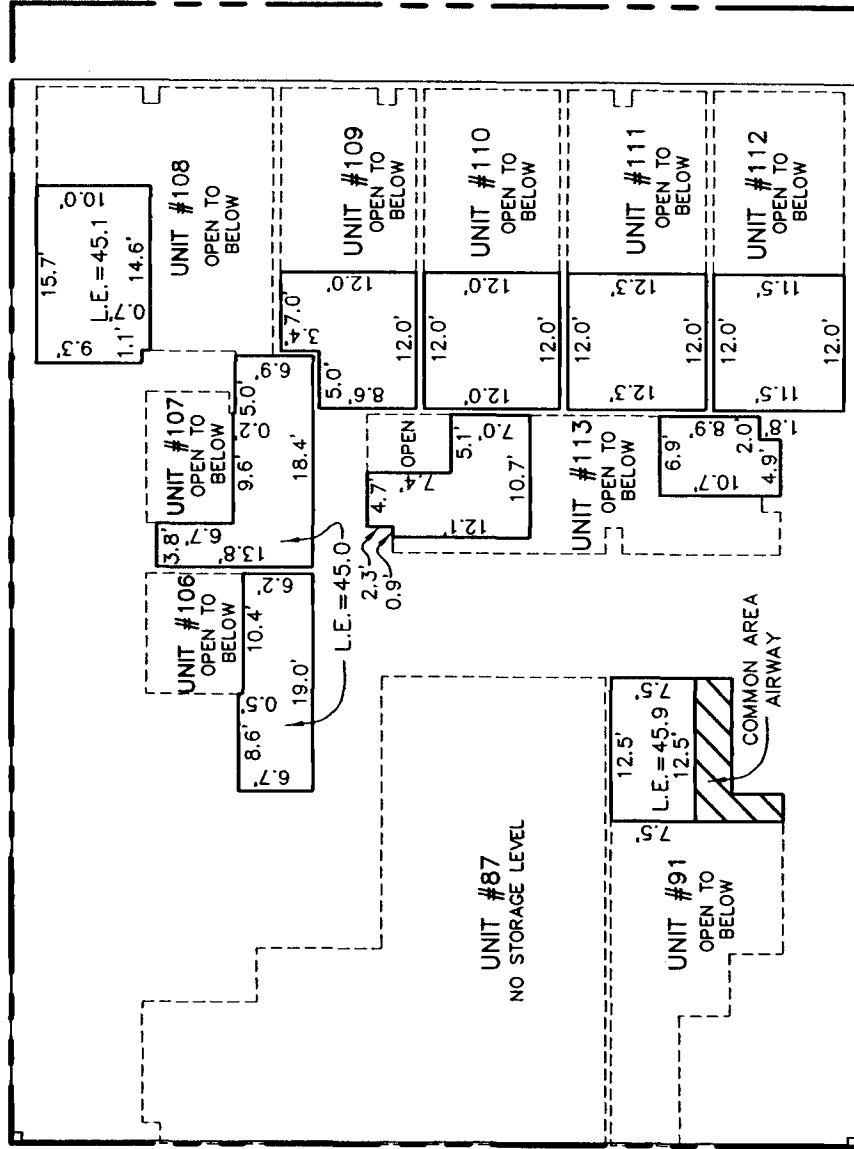
100.00'

JUNE 2006

SAN FRANCISCO CALIFORNIA



MCALLISTER STREET



75.00'

75.00'

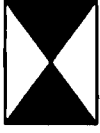
100.00'

LEAVENWORTH STREET

U.O.N. = UNLESS OTHERWISE NOTED
 T = TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL ONE
 STORAGE LEVEL
 U.E.=53.9
 L.E.=45.1 U.O.N

LANGFORD LAND SURVEYING



2001 OMEGA ROAD, SUITE 101
 SAN RAMON, CA 94583
 PHONE (510) 530-5200
 SHEET 4 OF 12

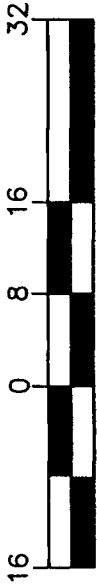
JOB#04-2007 DRAWING: 2007MCAL.DWG

EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF
 83 MCALLISTER STREET,
 UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
 AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

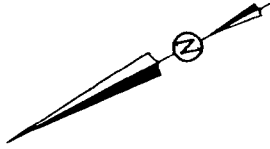
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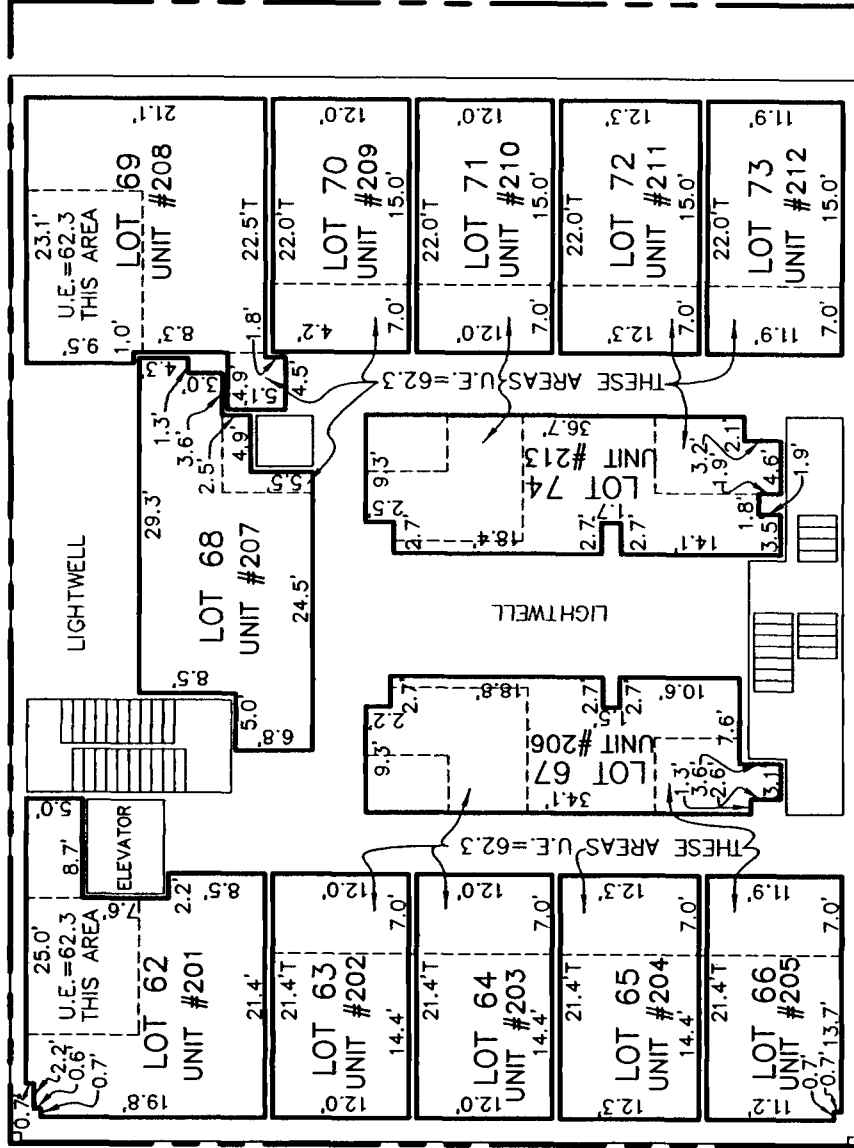
(IN FEET)
 1 INCH = 16 FEET

100.00'

100.00'



MCALLISTER STREET



75.00'

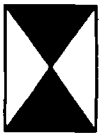
75.00'

U.O.N. = UNLESS OTHERWISE NOTED
 T= TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL TWO
 U.E.=67.9 U.O.N.
 L.E.=55.2

100.00'

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LEAVENWORTH STREET

EXHIBIT B

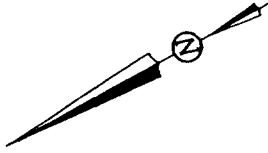
UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF
83 MCALLISTER STREET,
UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

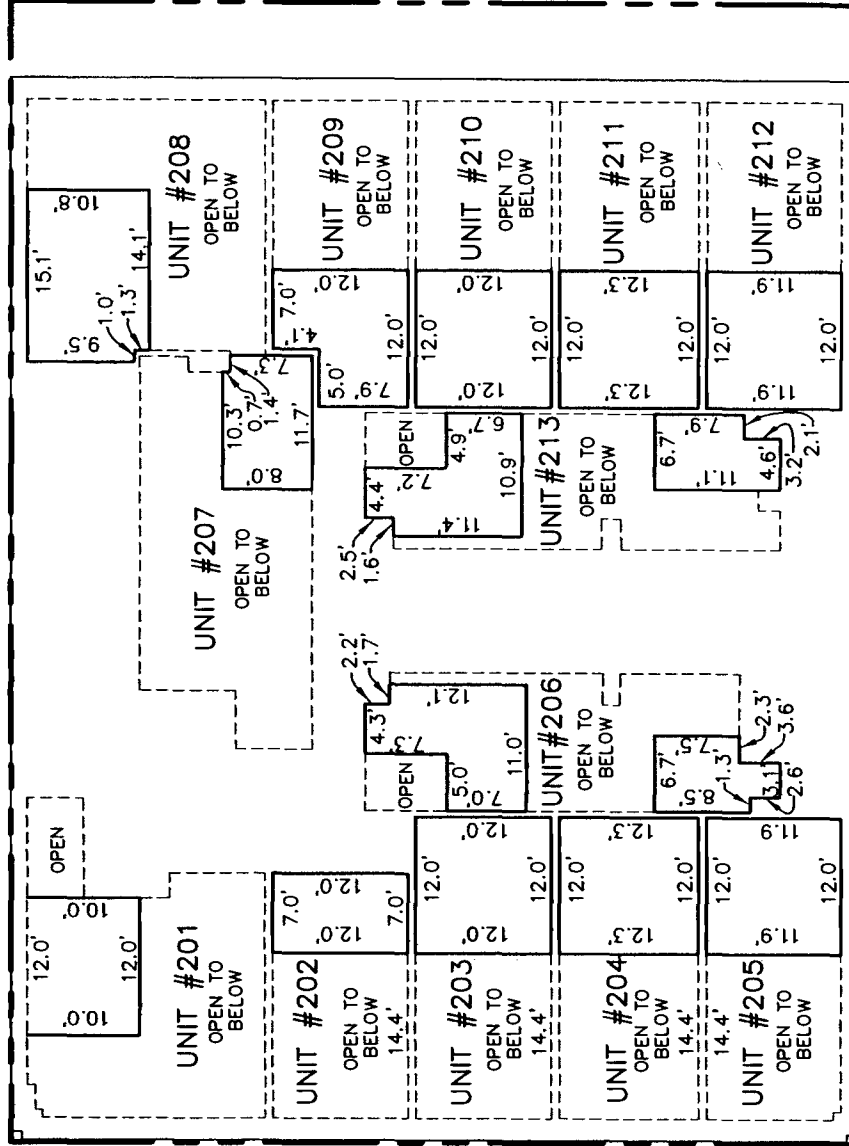
GRAPHIC SCALE



(IN FEET)
 1 INCH = 16 FEET



100.00'



75.00'

75.00'

MCALLISTER STREET

100.00'

LEAVENWORTH STREET

U.O.N. = UNLESS
 OTHERWISE NOTED
 T=TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL TWO
STORAGE LEVEL
 U.E.=67.9
 L.E.=62.9

LANGFORD LAND SURVEYING



2001 OMEGA ROAD, SUITE 101
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 SHEET 6 OF 12

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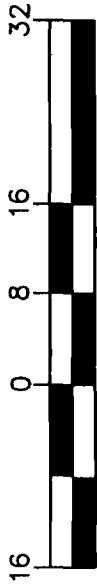
EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF

83 MCALLISTER STREET,
 UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
 AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

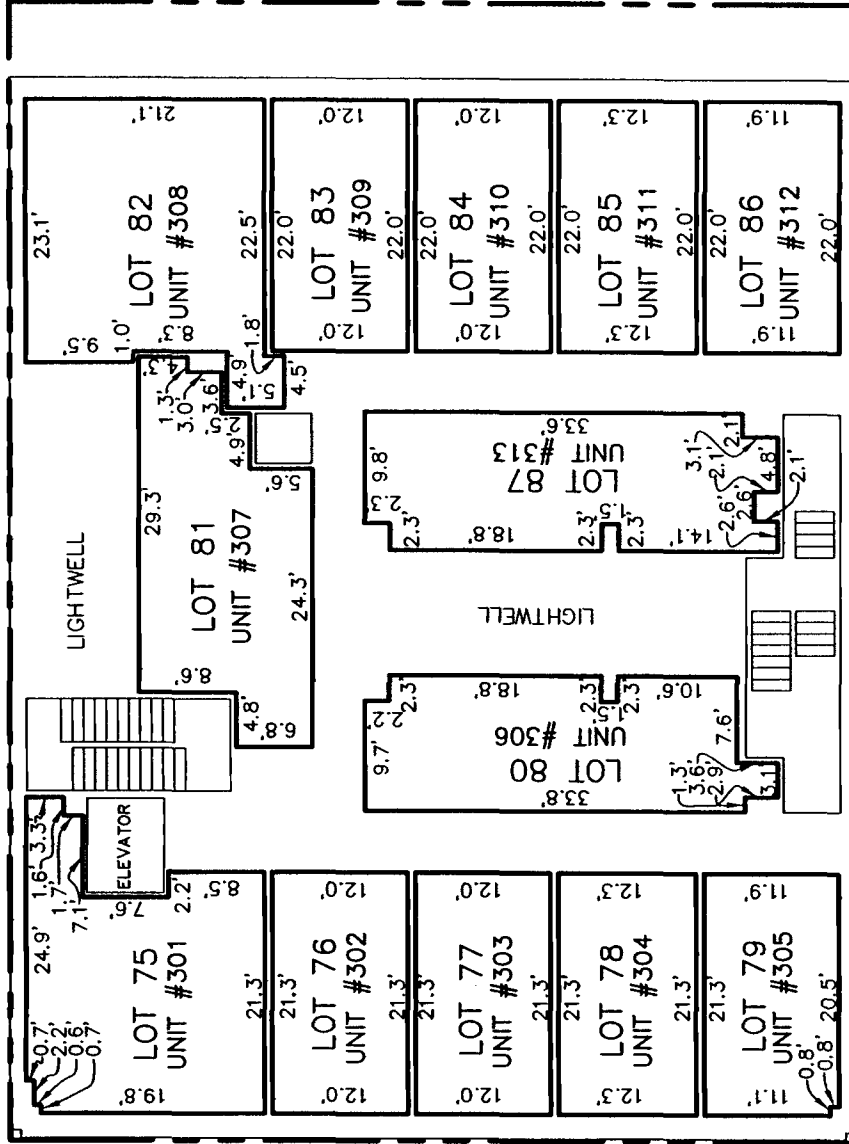
GRAPHIC SCALE



(IN FEET)

1 INCH = 16 FEET

100.00'



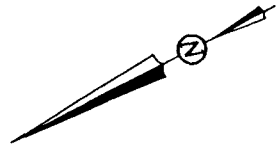
75.00'

75.00'

100.00'

MCALLISTER STREET

LEAVENWORTH STREET



U.O.N = UNLESS
 OTHERWISE NOTED
 T= TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL THREE
 U.E.=79.7
 L.E.=69.1

LANGFORD LAND SURVEYING
 2001 OMEGA ROAD, SUITE 101
 SAN RAMON, CA 94583
 PHONE (510) 530-5200 SHEET
 JOB#04-2007 DRAWING: 2007MCAL.DWG 7 OF 12

EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF
83 MCALLISTER STREET,
UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

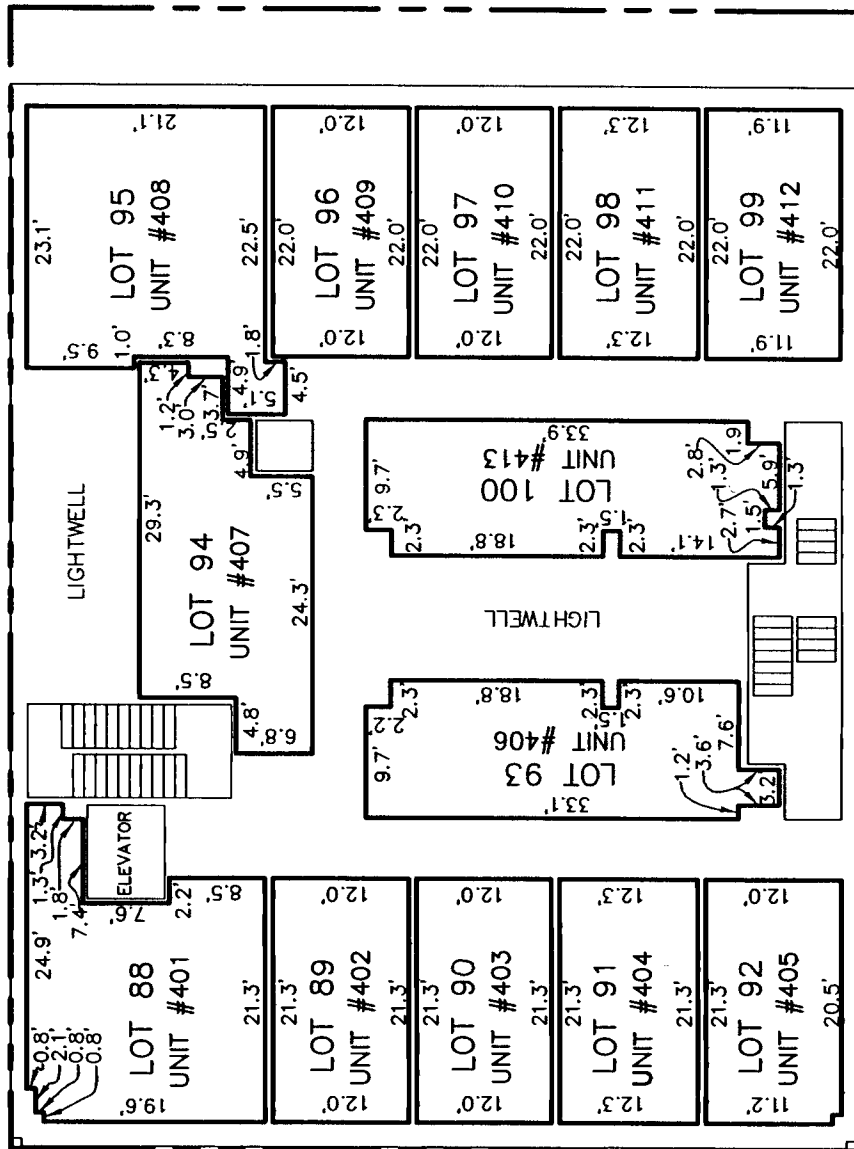
JUNE 2006

GRAPHIC SCALE



(IN FEET)
 1 INCH = 16 FEET

100.00'



MCALLISTER STREET

75.00'

100.00'

LEAVENWORTH STREET

75.00'

U.O.N = UNLESS OTHERWISE NOTED
 T= TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL FOUR

U.E.=91.7
 L.E.=81.0

LANGFORD LAND SURVEYING



2001 OMEGA ROAD, SUITE 101
 SAN RAMON, CA 94583
 PHONE (510) 530-5200
 SHEET 8 OF 12

JOB #04-2007 DRAWING: 2007MCAL.DWG

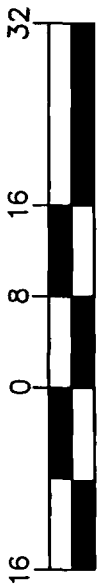
EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF

83 MCALLISTER STREET,
 UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
 AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO CALIFORNIA

JUNE 2006

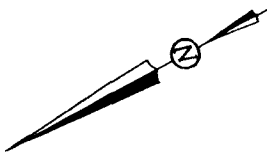
GRAPHIC SCALE



(IN FEET)

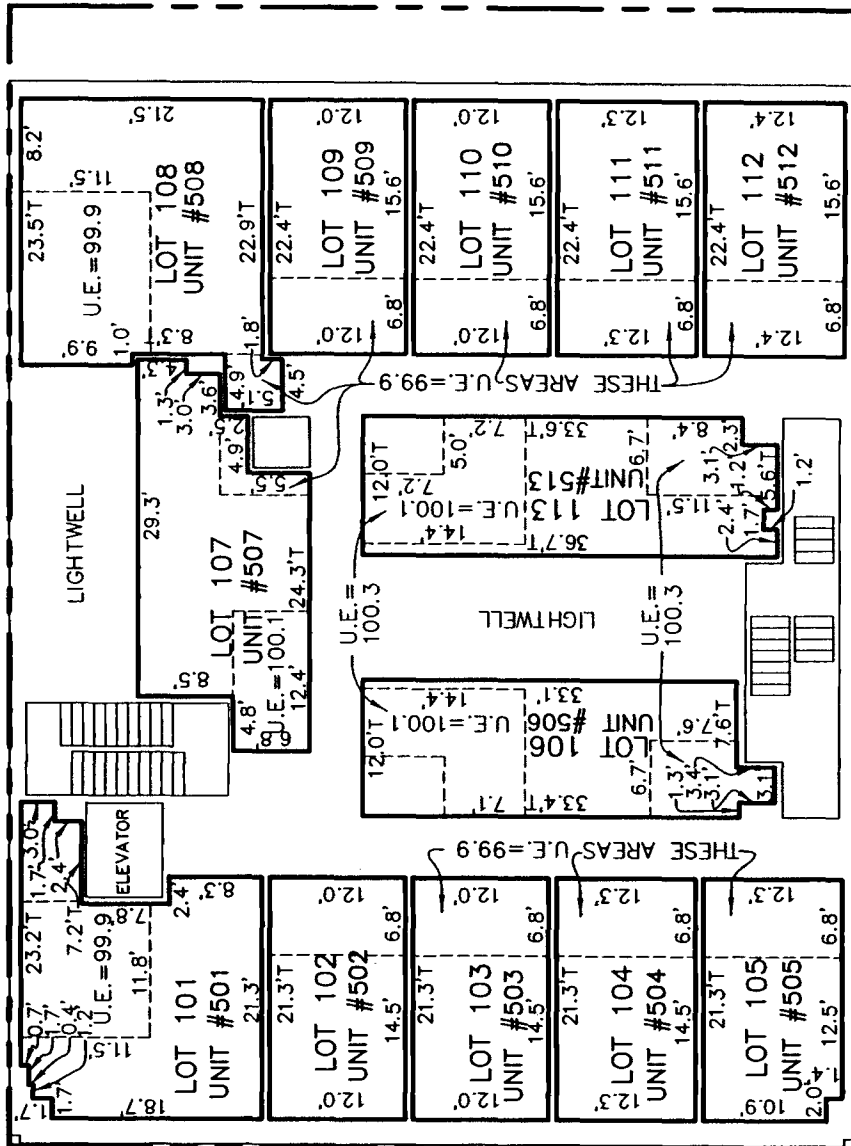
1 INCH = 16 FEET

100.00'



MCALLISTER STREET

75.00'



75.00'

U.O.N. = UNLESS
 OTHERWISE NOTED
 T=TOTAL DISTANCE
 SQ. FT. = SQUARE FEET
 L.E. = LOWER ELEVATION
 U.E. = UPPER ELEVATION

LEVEL FIVE
 U.E.=107.5 U.O.N.
 L.E.=92.8

100.00'

LEAVENWORTH STREET

LANGFORD LAND SURVEYING



2001 OMEGA ROAD, SUITE 101
 SAN RAMON, CA 94583
 PHONE (510) 530-5200 SHEET
 JOB#04-2007 DRAWING:2007MCAL.DWG 9 OF 12

EXHIBIT B

UNIT DIAGRAMS FOR THE CONDOMINIUM PLAN OF

83 MCALLISTER STREET,

UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,

AND 87 & 91 MCALLISTER STREET

CALIFORNIA

SAN FRANCISCO

JUNE 2006

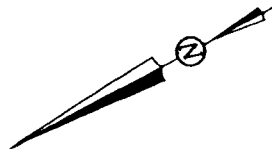
GRAPHIC SCALE



(IN FEET)

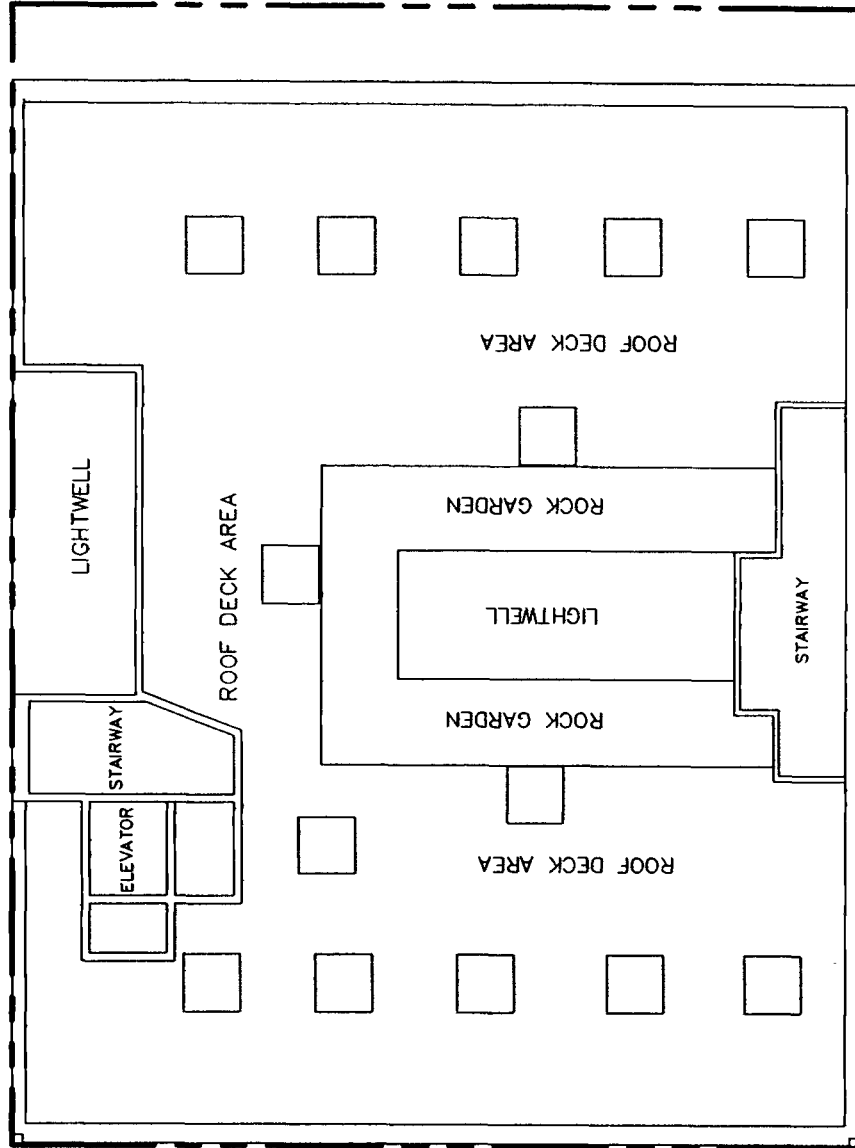
1 INCH = 16 FEET

100.00'



MCALLISTER STREET

75.00'



ROOF LEVEL

100.00'

11.35'

LEAVENWORTH STREET

LANGFORD LAND SURVEYING

2001 OMEGA ROAD, SUITE 101

SAN RAMON, CA 94583

PHONE (510) 530-5200

JOB #04-2007 DRAWING: 2007MICAL.DWG 11 OF 12

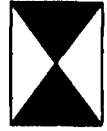


EXHIBIT B

AN ADDENDUM TO THE CONDOMINIUM PLAN OF
83 MCALLISTER STREET, UNITS #106-#113, #201-#213, #301-#313, #401-#413, & #501-#513,
AND 87 & 91 MCALLISTER STREET
 SAN FRANCISCO JUNE 2006 CALIFORNIA

SCHEDULE OF UNDIVIDED INTEREST IN COMMON AREA
 THE PERCENTAGE OF OWNERSHIP INTEREST OF EACH OWNER AS A TENANT IN COMMON IS AS FOLLOWS:

LOT NO.	ADDRESS	UNIT NO.	FLOOR STORAGE AREA	TOTAL AREA	AREA RATIO	INTEREST	
52	91*	91*	452±	545±	0.0193	1.93 %	
53	87*	87*	3241±	3241±	0.1149	11.49 %	
54	83	106	210±	331±	0.0117	1.17 %	
55	83	107	207±	362±	0.0128	1.28 %	
56	83	108	517±	673±	0.0238	2.38 %	
57	83	109	276±	403±	0.0143	1.43 %	
58	83	110	278±	422±	0.0150	1.50 %	
59	83	111	283±	430±	0.0152	1.52 %	
60	83	112	266±	404±	0.0143	1.43 %	
61	83	113	428±	612±	0.0217	2.17 %	
62	83	201	464±	584±	0.0207	2.07 %	
63	83	202	256±	340±	0.0120	1.20 %	
64	83	203	256±	400±	0.0142	1.42 %	
65	83	204	263±	410±	0.0145	1.45 %	
66	83	205	254±	396±	0.0140	1.40 %	
67	83	206	399±	578±	0.0205	2.05 %	
68	83	207	412±	504±	0.0179	1.79 %	
69	83	208	500±	661±	0.0234	2.34 %	
70	83	209	264±	382±	0.0135	1.35 %	
71	83	210	264±	408±	0.0145	1.45 %	
72	83	211	270±	417±	0.0148	1.48 %	
73	83	212	261±	403±	0.0143	1.43 %	
74	83	213	379±	558±	0.0198	1.98 %	
75	83	301	460±	460±	0.0163	1.63 %	
76	83	302	255±	255±	0.0090	0.90 %	
77	83	303	255±	255±	0.0090	0.90 %	
78	83	304	262±	262±	0.0093	0.93 %	
79	83	305	252±	252±	0.0089	0.89 %	
80	83	306	400±	400±	0.0142	1.42 %	
81	83	307	412±	412±	0.0146	1.46 %	
82	83	308	500±	500±	0.0177	1.77 %	
83	83	309	264±	264±	0.0094	0.94 %	
TOTALS			23,256±	4960±	28,216±	1.0000	100%

LOT NO.	ADDRESS	UNIT NO.	FLOOR STORAGE AREA	TOTAL AREA	AREA RATIO	INTEREST	
84	83	310	264±	264±	0.0094	0.94 %	
85	83	311	270±	270±	0.0096	0.96 %	
86	83	312	261±	261±	0.0092	0.92 %	
87	83	313	423±	423±	0.0150	1.50 %	
88	83	401	460±	460±	0.0163	1.63 %	
89	83	402	256±	256±	0.0091	0.91 %	
90	83	403	256±	256±	0.0091	0.91 %	
91	83	404	263±	263±	0.0093	0.93 %	
92	83	405	254±	254±	0.0090	0.90 %	
93	83	406	400±	400±	0.0142	1.42 %	
94	83	407	411±	411±	0.0146	1.46 %	
95	83	408	500±	500±	0.0177	1.77 %	
96	83	409	264±	264±	0.0094	0.94 %	
97	83	410	264±	264±	0.0094	0.94 %	
98	83	411	270±	270±	0.0096	0.96 %	
99	83	412	261±	261±	0.0092	0.92 %	
100	83	413	424±	424±	0.0150	1.50 %	
101	83	501	462±	582±	0.0206	2.06 %	
102	83	502	255±	339±	0.0120	1.20 %	
103	83	503	255±	399±	0.0141	1.41 %	
104	83	504	261±	408±	0.0145	1.45 %	
105	83	505	259±	401±	0.0142	1.42 %	
106	83	506	408±	587±	0.0208	2.08 %	
107	83	507	411±	586±	0.0208	2.08 %	
108	83	508	517±	678±	0.0240	2.40 %	
109	83	509	268±	389±	0.0138	1.38 %	
110	83	510	268±	409±	0.0145	1.45 %	
111	83	511	275±	420±	0.0149	1.49 %	
112	83	512	277±	423±	0.0150	1.50 %	
113	83	513	379±	570±	0.0202	2.02 %	
TOTALS			23,256±	4960±	28,216±	1.0000	100%

* DENOTES A COMMERCIAL UNIT

**Beneficiary's Consent and Subordination to the 83 McAllister Street Covenants
Conditions and Restrictions**

Far East National Bank, as Beneficiary recorded a Deed of Trust on November 18, 2004, as Instrument No. 2004-H852830-00, in Book I767, Page 101 of the Official Records of the City and County of San Francisco, California, as amended by that certain First Modification Agreement (Short Form), dated March 1, 2006, recorded on March 16, 2006, as Instrument No. 2006-I143728-00, Book J98, Page 132, of the official records of the City and County of San Francisco, against 83-91 Partners, L.P, a California limited partnership, as Trustor, with Fidelity National Title, as Trustee. By signing below, Beneficiary hereby consents to the recordation of the 83 McAllister Street Covenants Conditions and Restrictions and does hereby subordinate the lien of the aforementioned Deed of Trust to this Declaration of Covenants, Conditions and Restrictions.

This Consent and Subordination shall not modify, waive, or affect any of the terms, covenants, or conditions of the Deed of Trust or the loan documents, or waive any of Far East National Bank's rights for breach of the loan documents.

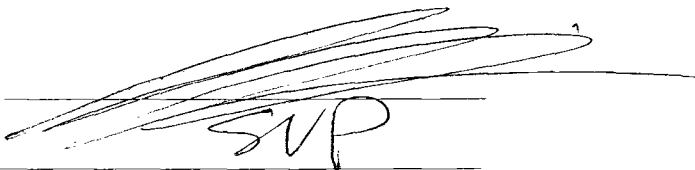
This Consent and Subordination shall not relieve Trustor from the obligation to obtain Far East National Bank's consent to any other matter that requires the lender's consent pursuant to the terms of the loan documents.

IN WITNESS WHEREOF, the party below has caused this Agreement to be executed,

Far East National Bank, as Beneficiary

By: _____

Its: _____

A handwritten signature in black ink, appearing to be "SVP", is written over a horizontal line. The signature is stylized and somewhat scribbled.

CALIFORNIA JURAT WITH AFFIANT STATEMENT

State of California

County of San Francisco } ss.

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-5 to be completed only by document signer[s], not Notary)

1 _____

2 _____

3 _____

4 _____

5 _____

6 _____

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

Subscribed and sworn to (or affirmed) before me on this

15th day of June, 2006, by

(1) Alice Huang
Name of Signer

- Personally known to me
- Proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(2) _____
Name of Signer

- Personally known to me
- Proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

[Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

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

Further Description of Any Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1

Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2

Top of thumb here