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AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
EL DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

<u>OF</u>

EL DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION

Pursuant to Subdivision (b) of Section 12956.1 of the Government Code, the following notice is printed in 14-point boldface type:

NOTICE

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF EL DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION Los Angeles, California

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SECTION 17.5 OF THIS DECLARATION CONTAINS (I) A BINDING ARBITRATION PROVISION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT, AND (II) A WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY, YOU SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS ON THESE OR OTHER PROVISIONS OF THIS DECLARATION

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF EI DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION Los Angeles, California

RECITALS

Restrictions of El Dorado on Spring Property Owners' Association, a condominium

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project, is made this

This Amended and Restated Declaration of Covenants, Conditions and

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, by the undersigned with

reference to the following facts:
A. A Declaration of Covenants, Conditions, and Restrictions ("Original Declaration") was executed by MSGG El Dorado Realty Partners, L.L.C, a Delaware limited liability company, and recorded on March 4, 2008, as Instrument No. 20080371902 in the Official Records of Los Angeles County, for the real property legally described as:
Lot 1 of Tract No. 063019, in the City of Los Angeles, County of Los Angeles, State of California, as per Map recorded in Book 1346, Pages 7 and 8, of Maps, in the office of the County Recorder of Los Angeles County.
B. A First Amendment to Declaration of Covenants, Conditions and Restrictions ("First Amendment") was recorded on April 22, 2008, as Instrument No. 20080698690 in the Official Records of Los Angeles County, for said real property

A Second Amendment to Declaration of Covenants, Conditions and

The undersigned certify and confirm that ninety percent (90%) of the

All provisions of the Original Declaration and any amendments described

above (except Section 7.3 of the Original Declaration imposing a minimum lease term of

Restrictions ("First Amendment") was recorded on March 9, 2010, as Instrument No.

Owners of the Condominiums, and any other persons, required by the Original Declaration, as amended or restated, have approved this Amended and Restated

20100319011 in the Official Records of Los Angeles County, for said real property.

Declaration of Covenants, Conditions and Restrictions, which follows.

not less than thirty (30) days, which has been retained and incorporated as Section 4.1(A) hereof) are hereby deleted, canceled, and revoked in their entirety, and the following new provisions inserted in their place to supersede the same.

F. All real property in the Project shall be held, conveyed, leased, rented, used, occupied, hypothecated, encumbered, and improved, subject to the covenants, conditions, restrictions, and easements set forth in this Declaration, for the purpose of enhancing and protecting the value, desirability and attractiveness of the Project, all of which shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I APPLICATION AND CONSTRUCTION

- 1.1 Application. This Declaration applies to all Property and the Improvements thereon within the Project, as well as their respective Owners, Tenants, Occupants, and Invitees. Any Lease shall provide that all Tenants, Occupants, and Invitees are bound by the Governing Documents. All present and future Owners, Tenants, Occupants, and Invitees shall be subject to, and shall observe, comply with and abide by, each and every provision of the Governing Documents, as defined herein, for the purpose of protecting the interests of all Owners, the Association Property and the Common Areas. The acceptance of a deed, Lease, or contract of sale with respect to any Unit, or occupancy of any Unit, shall constitute consent and agreement that each and all of the provisions of the Governing Documents, as defined herein, shall be binding and that said person(s) will observe and comply with them.
- 1.2 Term. This Declaration and its provisions shall continue to run with, benefit, and burden the Condominiums, the Association Property and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, and their respective successors in interest, for a term of sixty (60) years from the date of the Recording of this Declaration, after which time the same shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial 60-year term or any such 10-year extension period, a written instrument, approved by seventy-five percent (75%) of all Members terminating the effectiveness of this Declaration shall be Recorded.
- 1.3 <u>Conflicts</u>. In the case of any conflict between this Declaration and the Articles or the Bylaws, this Declaration shall control. In the event of any conflict between the Articles and the Bylaws, the Articles shall control. The Rules, Architectural Guidelines,

Board Resolutions, and all other policies are subordinate to, and shall not be inconsistent with nor materially alter, any provision of the other Governing Documents.

1.4 <u>General Plan</u>. The Governing Documents create and perpetuate a general plan of development for the Project, and may be supplemented by additional covenants, restrictions, and easements applicable to particular areas within the Project, which may be more restrictive than the provisions of this Declaration, in which case the more restrictive provisions shall control as to the encumbered area. The Association may enforce any such additional covenants, restrictions, or other instruments, but unless required by this Declaration, shall be under no obligation to do so.

1.5 <u>Construction of Declaration</u>.

- A. <u>Restrictions Construed Together</u>. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the general plan of development for the Project, as set forth in this Declaration.
- B. <u>Restrictions Severable</u>. Notwithstanding paragraph A above, the covenants, conditions, and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

ARTICLE IIDEFINITIONS

- 2.1 "Architectural Guidelines" means those Rules adopted pursuant to Article VII hereof, to govern alterations and improvements to Units, Association Property, Common Areas and Exclusive Use Common Areas, as the same may be amended, modified, or supplemented from time to time.
- 2.2 "Architectural Review Committee" or "ARC" refers to any committee established to govern alterations and improvements to the Project pursuant to Article VII hereof, or to the Board, if serving in that capacity.
- 2.3 "Articles" refers to the Articles of Incorporation of the Association, as filed with the Secretary of State.
- 2.4 "Assessment" means any Regular, Special, or Special Individual Assessment levied or imposed by the Association against a Condominium and its Owner in accordance with this Declaration.

- 2.5 "Association" means the El Dorado on Spring Property Owners' Association, a California non-profit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined by applicable law.
- 2.6 "Association Property" means all real property owned from time to time in fee or easement title by the Association, including Module "C" on the Condominium Plan.
 - 2.7 "Board" means the Board of Directors of the Association.
- 2.8 "Bylaws" means the Bylaws of the Association, as the same may be amended from time to time.
- 2.9 "Commercial Common Area" shall mean and refer to those portions of the Commercial Module, Module "B," designated as "Commercial Common Area" on the Condominium Plan. The Commercial Common Area within a Module is owned in undivided interests by the Commercial Owners of the Commercial Condominiums in the same Module, as described in the Condominium Plan.
- 2.10 "Commercial Condominium(s)" shall mean and refer to the Condominium(s) located within the Commercial Module(s) intended for commercial use as designated on the Condominium Plan.
- 2.11 "Commercial Condominium Grid Area" means the three-dimensional grid areas shown on the Condominium Plan within the Commercial Module on the ground floor and basement of the building, each Grid Area containing a length and width of approximately two (2) feet.
- 2.12 "Commercial Module" means Module "B" within which the Commercial Condominiums are located, as shown on the Condominium Plan.
 - 2.13 "Commercial Owner" means an Owner of a Commercial Unit.
- 2.14 "Commercial Unit" or "Commercial Retail Unit" means the elements of a Condominium which are not owned in common with the other Owners of Condominiums in the Project, such Commercial Units and their respective elements and boundaries being shown and particularly described in the Condominium Plan. The boundaries of a Commercial Unit are measured from the unfinished floor, walls, ceiling, except as otherwise noted herein. The Commercial Unit includes all Improvements situated within its boundaries, and includes, without limitation, (i) interior walls (except interior bearing walls), (ii) the interior undercoated surfaces of bearing walls and perimeter walls, floors

and ceilings, (iii) any door or window including any sliding glass doors, (iv) appliances, cabinets, interior doors, and all electrical, heating, plumbing and other utility fixtures, (v) the openings and outlets of all Utility Facilities that are located partially within the Commercial Unit and partially in the Common Area, such as electrical outlets, and that exclusively serve the Commercial Unit, (vi) all Utility Facilities serving solely that Commercial Unit, whether located in the Commercial Unit or the Common Area, and (vii) the fire box of any fireplace located in the Commercial Unit. The following are not part of any Commercial Unit: bearing walls, columns, floors, roofs and foundations, and Utility Facilities that serve two or more Condominiums wherever located. Areas within a ceiling or wall space that contain Utility Facilities that serve two or more Condominiums are Common Area and not part of the Commercial Unit. In the event of any minor discrepancy between the boundaries of the Commercial Units based on the deed and/or Grid Area description and the Condominium Plan and the boundaries based on the actual physical boundaries, the existing physical boundaries of the Commercial Units shall be presumed conclusively to be their boundaries.

- 2.15 "Commercial Unit Wall" means the interior walls (including doors) installed within the Commercial Module containing Grid Areas which constitute the boundary walls of a Commercial Unit, and separates a Commercial Unit from an adjoining Commercial Unit or from any Commercial Common Area, including, but not limited to any hallway, corridor, stairway, restroom, utility room or area or elevator shaft. If any Commercial Units are combined as authorized by the Association, any portion of any wall separating the combined Commercial Units shall not be deemed a Commercial Unit Wall during the period that the Commercial Units are combined into a single Commercial Unit. Notwithstanding the foregoing, a Commercial Wall shall remain a part of the Commercial Common Area if it is a load-bearing wall.
- 2.16 "Common Area" shall mean and refer, collectively, to the Commercial Common Area and the Residential Common Area, as the context requires. Common Area means the land and real property, including all improvements now or hereafter constructed thereon, within the boundary lines of a Module containing Units, excepting therefrom those portions of such Module shown on the Condominium Plan to be Units.
- 2.17 "Common Expense" means any use of Common Funds authorized by this Declaration, by law, or by the Bylaws, including without limitation, expenditures for the administration, management, operation, insurance, maintenance, improvement, replacement, repair, addition, alteration or reconstruction of all or any portion of the Common Area or Association Property, and any amounts estimated to be reasonably necessary for reserves for anticipated long-term maintenance, repair and replacement of capital improvements upon the Common Area or Association Property (the cost of which would not ordinarily be incurred on an annual basis), contingencies and the service obligations of the Association, including costs for water, sewer, garbage, electrical,

communications, gas, and other utilities services for the Common Area or Association Property and (if not separately metered or charged) for the individual Units or as otherwise described herein. Common Expenses, however, shall not include the cost of any new construction, or unanticipated repair or replacement of a capital improvement upon the Common Area or Association Property, including the necessary fixtures and personal property related thereto.

- 2.18 "Common Funds" means all funds collected or received by or on behalf of the Association and/or due and payable to the Association, including but not limited to the proceeds from insurance carried or obtained by the Association which are payable to or received by the Association for the benefit of the Owners or otherwise.
- 2.19 "Common Property" shall mean and refer to the Association Property and Common Areas, collectively.
- 2.20 "Condominium" means an estate in real property as defined by applicable law and consisting of: a separate fee interest in a Unit; the rights to use any Exclusive Use Common Area; any other separate interests in the Project as described in this Declaration, the Condominium Plan, or the deed conveying the Condominium; and an undivided interest in the Common Area as a tenant in common. Where the context indicates, "Condominium" shall include any Exclusive Use Common Areas appurtenant to the Condominium.
- 2.21 "Condominium Plan" means the Condominium Plan Recorded on March 4, 2008, as Instrument No. 20080371901, respecting the Property, and any lawful amendments to said plan. A copy of the Condominium Plan may be obtained from the County Recorder.
- 2.22 "Declarant" shall mean the developer of the Project, MSGG El Dorado Realty Partners, L.L.C, a Delaware limited liability company.
- 2.23 "Declaration" means this instrument, as it may be amended or restated from time to time.
- 2.24 "Developer" or "Declarant" refers to the original developer of the Project, i.e., MSGG El Dorado Realty Partners, L.L.C, a Delaware limited liability company.
- 2.25 "Exclusive Use Common Area" or "Exclusive Use Easement Area" means a portion of the Common Area designated for the exclusive use of one or more, but fewer than all, of the Owners of the Units, including, but not limited to, Exclusive Use Balcony Areas, Exclusive Use Roof Deck Areas, window boxes, doorsteps, stoops, porches,

exterior doors (including door frames, locks, weatherstripping, and hardware incident thereto), windows (including glass, frames, screens, locks, weatherstripping, and hardware incident thereto), or other similar fixtures, if any, as well as Utility Facilities when located within a Unit or exclusively servicing one Unit (wherever located).

- A. <u>Exclusive Use Balcony Areas</u>. The term "Exclusive Use Balcony Areas" refers to those portions of the Common Area designated as "Exclusive Use Balcony Areas" on the Condominium Plan over which an exclusive easement has been reserved for the benefit of certain Owners for balcony purposes and which is appurtenant to such Owner's Unit. Certain Exclusive Use Balcony Areas are comprised of an area over which an Owner has an exclusive easement.
- B. <u>Exclusive Use Roof Deck Areas</u>. The term "Exclusive Use Roof Deck Areas" refers to those portions of the common area on the roof of the building over which an exclusive easement has been reserved for the benefit of the Owners of certain Units of the penthouse floor and which is appurtenant to such Owners' Unit.
- 2.26 "Grid Areas" means the areas shown as grid areas on the Condominium Plan that designate the component areas of a Commercial Unit.
- 2.27 "Good Standing" shall describe those Members who are current in the payment of Assessments, fees, and fines, and who are not in violation of the Governing Documents. Members who are more than thirty (30) days delinquent in the payment of their Assessments, fees or fines, or have been found in violation of the Governing Documents, following notice and hearing as described in the Bylaws, shall be in Good Standing only at such time as all Assessments, fees and fines are paid, and any violations of the Governing Documents are cured.
- 2.28 "Governing Documents" means and refers to all of the following, collectively: the Declaration and Recorded amendments and supplemental declarations, if any; the Condominium Plan; the Articles; the Bylaws; the Rules and Architectural Guidelines; and any Resolutions of the Board; all as the same may be lawfully amended or modified from time to time.
- 2.29 "Improvement" includes, without limitation, any buildings, walls, fences, landscaping, landscape structures, solar heating equipment, spas, saunas, utility lines, or any physical structure of any kind, or to the construction, installation, alteration, or remodeling of any such structure. In no event shall the term "Improvement" be interpreted to include improvement projects that are restricted entirely to the interior of any Units and which involve no modification of or entry into the roof, floor/slab, or wall or ceiling cavities nor any alteration, modification, or additional stress upon any physical portion or

mechanical system (including plumbing or electrical systems) of the Common Area, Association Property or of any other Unit, and which are not visible to the exterior of any Unit.

- 2.30 "Invitee" means any person or entity entering any part of the Project for purposes relating to a Condominium, or to any Owner, Tenant, or Resident thereof, including without limitation guests, vendors, contractors, housekeepers, maids, child care providers, health care providers, and any other visitor to a Condominium.
- 2.31 "Lease" refers to an agreement between an Owner and a Tenant, as defined herein, for occupancy of a Unit or any part thereof. "Lease" includes any lease, rental agreement, occupancy agreement, contract of sale, or any other form of agreement providing for occupancy of a Unit by a Tenant as defined by Section 2.52.
- 2.32 "Manager" shall mean any person and/or company employed or retained by the Board to administer the operation, maintenance, and management of the Association and the Project.
- 2.33 "Member" means every person or entity who owns a Condominium in the Association. The Members are the Owners of each of the sixty-five (65) Residential Units and seven (7) Commercial Retail Units within the Project, as further described herein and in the Bylaws. If an entity is the Owner of a Condominium, unless it designates a natural person to exercise the rights and privileges of Membership, the rights and privileges of Membership may be exercised only by the president, proprietor, managing partner, or similarly empowered executor of such entity's interests.
- 2.34 "Membership" refers to the legal relationship and status of being a Member of the Association, and an entitlement to the rights and privileges appurtenant thereto as defined herein and in the Bylaws. Membership rights and privileges may be limited or suspended as provided in the Governing Documents and by applicable law. "Membership" may also refer to the Members collectively.
- 2.35 "Module" means each module designated on the Condominium Plans. Each Module is a three-dimensional portion of the Property and has been created pursuant to California Government Code Section 66427. The lower and upper boundaries of each Module are set forth in the Condominium Plan. The lateral boundaries of each Module are vertical planes which are also described and depicted in the Condominium Plans. The Module includes all land and Improvements (whether now or hereafter located within its boundaries). The Modules shown on the Condominium Plan consist of the Modules defined below:

- A. Association Property Module. The term "Association Property Module" refers to Module "C", designated as the Association Property Module on the Condominium Plan.
- B. Residential Module. The term "Residential Module" refers to Module "A", designated as the Residential Module on the Condominium Plan.
- C. Commercial Module. The term "Commercial Module" refers to Module "B" designated as the Commercial Module on the Condominium Plan.
- 2.36 "Occupant" means any natural person residing in a Condominium or any part thereof, for any duration, including any Owner, Tenant, family member, guest, or otherwise.
- 2.37 "Owner" means any person or entity in which title to a Condominium is vested, according to the Official Records of Los Angeles County. Family members, entity officials, Tenants, leaseholders and others in whom title is not so vested to a Condominium are not "Owners" for purposes of this Declaration, notwithstanding their occupancy of the Condominium.
- 2.38 "Parking Easement" means that certain Parking Easement Agreement and Declaration of Covenants Running With the Land (El Dorado) between Bankhouse LLC and Declarant, dated December 14, 2004 and recorded with the Los Angeles County Recorder on December 20, 2004 as Document No. 04-3280761, as amended by a First Amendment to Parking Easement Agreement and Declaration of Covenants Running With the Land (El Dorado) recorded on May 12, 2008 in the County Recorder's Office as Document No. 20080834541. The rights, title and interest in and to the Parking Easement were assigned to the Association pursuant to the Assignment of Parking Easement Agreement and Declaration of Covenants Running With the Land (El Dorado) on August 24, 2012 as Document No. 20121265779.
- 2.39 "Parking Garage" means the parking structure covered by the Parking Easement and located at 415-429 S. Main Street, Los Angeles.
- 2.40 "Parking Spaces" means the parking spaces set aside for Declarant, its successors and assigns under the Parking Easement.
- 2.41 "Project" means the Property and all buildings, structures, utilities, Common Areas, Units, Association Property and other Improvements located thereon, and all appurtenances thereto, which are intended to create a condominium project as described by applicable law.

- 2.42 "Property" means all land described in Recital "A" and the Parking Easement.
- 2.43 "Record," and/or its variants, refer to a complete, valid, lawful, and verifiable document evidencing rights or title to any part of the Property, including without limitation a Condominium, recorded in the Official Records of Los Angeles County, or to the process of recording a document in said Official Records.
- 2.44 "Reserved Parking Spaces" refers to the parking spaces set forth in the records of the Association which are assigned to certain Owners.
- 2.45 "Residential Common Area" shall mean and refer to those portions of the Residential Module(s) designated as "Residential Common Area" on the Condominium Plan. The Residential Common Area within any Module is owned in undivided interests by the Owners of the Residential Condominiums within the same Module, as described in the Condominium Plan, with each Residential Condominium Owner having a 1/65 interest in the Residential Common Area.
- 2.46 "Residential Condominium(s)" shall mean and refer to the Condominium(s) located within the Residential Module(s) intended for residential or joint live/work use as designated on the Condominium Plan.
- 2.47 "Residential Condominium Owner(s)" shall mean and refer to the record owner(s), whether one or more persons or entities, including Declarant, of the Residential Condominium(s), excluding those having such interest merely as security for the performance of an obligation.
- 2.48 "Residential Modules" shall mean and refer to Module "A", within which the Residential Condominiums are located, as shown on the Condominium Plan.
 - 2.49 "Residential Owner" means the Owner of a Residential Unit.
- 2.50 "Residential Unit" means the elements of a Residential Condominium which are not owned in common with the other Residential Owners of Condominiums in the Project, such Residential Units and their respective elements and boundaries being shown and particularly described in the Condominium Plan. The Residential Unit includes all Improvements situated within its boundaries, and includes, without limitation, (i) interior walls (except interior bearing walls), (ii) the interior undercoated surfaces of bearing walls and perimeter walls, floors and ceilings, (iii) any door or window including any sliding glass doors, (iv) appliances, cabinets, interior doors, and all electrical, heating, plumbing and

other utility fixtures, (v) the openings and outlets of all Utility Facilities that are located partially within the Residential Unit and partially in the Common Area, such as electrical outlets, and that exclusively serve the Residential Unit, (vi) all Utility Facilities serving solely that Residential Unit, whether located in the Residential Unit or the Common Area, and (vii) the fire box of any fireplace located in any Residential Unit. The following are not part of any Residential Unit: bearing walls, columns, floors, roofs (except Exclusive Use Roof Deck Areas) and foundations, and Utility Facilities that serve two or more Condominiums wherever located, and areas within a ceiling or wall space that contain Utility Facilities that serve two or more Condominiums are Common Area and not part of the Residential Unit. In the event of any minor discrepancy between the boundaries of the Residential Units based on the deed description and the Condominium Plan and the boundaries based on the actual physical boundaries, the existing physical boundaries of the Residential Units shall be presumed conclusively to be their boundaries.

- 2.51 "Rules" or "Rules and Regulations" means any and all written operating rules, regulations, Architectural Guidelines, and other policies lawfully adopted by the Board, all as the same may be amended, modified, or supplemented from time to time.
- 2.52 "Special Benefit Area" shall mean and refer to one (1) or more improvements or maintenance areas located on a portion of the Common Area or Association Property, which directly confer a special benefit on some but not all of the Owners of Condominiums, and for which the cost of operation, maintenance, repair and/or replacement are to be wholly or primarily borne solely or disproportionately by such specified Owners through the use of a procedure for regular assessments on the benefited Condominiums, based upon a Special Benefit Area Budget. Special Benefit Areas may be established by Declarant, prior to the first sale of a Condominium, or may be established by resolution of the Board.
- 2.53 "Tenant" means any natural person or entity occupying a Unit with or without the payment of rent, except that the Owner or Owner's immediate family members will not be considered Tenants. The Owner's immediate family members shall include only co-habitants, spouses, domestic partners, children and parents. If an Owner's family member occupies the Unit without the Owner, the Tenant may be required by the Board to sign a liability waiver form. The Owner is responsible for providing the Association with the name and contact information of all Occupants of the Unit.
- 2.54 "Tract Map" shall mean the Map recorded in Book 1346, Pages 7 and 8, of Maps, in the office of the County Recorder of Los Angeles County respecting the Property.
 - 2.55 "Unit" means the Residential Units and the Commercial Units.

- 2.56 "Utility Facilities" means all utility facilities including intake and exhaust systems, storm and sanitary sewer systems, drainage systems, ducting systems, for ventilation and utility services, domestic water systems, natural gas systems, heating and air conditioning systems, electrical systems, fire protection water and sprinkler systems, telephone systems, cable television systems, telecommunications systems, water systems, sump pumps, central utility services and all other utility systems and facilities reasonably necessary to service any Improvement situated in, on, over and under the Project.
- 2.57 "Civil Code," "Corporations Code," "Davis-Stirling Common Interest Development Act," and similar references shall refer to those California statutes so referenced and any and all comparable superseding statutes.

ARTICLE III PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

The Project was originally constructed in 1913 and was used, for a period of time as a hotel. The Project now consists of sixty-five (65) Residential Units, seven (7) Commercial Retail Units and associated common areas and Association Property, as further described herein.

- 3.1 <u>Condominium Ownership</u>. Each Condominium within the Project includes a Unit; an undivided interest in the Common Area; a Membership in the Association; and any exclusive or nonexclusive easement(s) appurtenant to such Condominium as described in the Declaration, Condominium Plan and the deed to the Condominium. The fee title to all such elements of the respective Condominium shall conclusively be deemed to be conveyed, transferred or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit.
- A. <u>Joint Ownership</u>. In the event of joint ownership of any Condominium, all the obligations and liabilities of such Owners set forth in this Declaration shall be joint and several, including, without limitation, the payment of all Assessments. All joint Owners may equally use and enjoy the Condominium and Common Area, subject to any delegations or suspensions of rights or other limitations in the Governing Documents.
- B. <u>Entity Ownership</u>. In the event that a Condominium is owned by any corporation, LLC, partnership, or other entity which is not a natural person, the entity shall be solely responsible for the obligations and liabilities of the Owner. The entity shall be deemed to delegate its rights to use and enjoy the Condominium and Common Area to

any Tenant(s) or Occupant(s); however, Membership rights other than use of the property (including without limitation voting, document inspection, or service as an officer or director) may be exercised by the designated or default executor of the entity's interests such as the president, proprietor, managing partner, or similarly empowered individual as described herein or in the Bylaws.

- 3.2 <u>Ownership of Association Property</u>. Association Property is owned in fee or easement title by the Association,
- 3.3 Ownership of Residential Common Areas. The Residential Common Area within any Module is owned in undivided interests by the Owners of the Residential Condominiums within the same Module, as described in the Condominium Plan, with each Residential Condominium Owner having a 1/65 interest in the Residential Common Area.
- 3.4 Ownership of Commercial Condominium Units. Commercial Condominium Units in the Project consist of the Commercial Units made up of Grid Areas constituting seven Commercial Units, and which will not be separately shown, designated and numbered on the Condominium Plan, but will be created out of the Grid Areas by recordation of a grant deed, and/or installation or removal of the Commercial Unit Wall(s), as provided below. The Commercial Units will be established in the Grant Deeds conveying such Units, based upon a grid configuration. Each Commercial Unit shall consist of contiguous Grid Areas. A Commercial Unit coupled with an undivided interest in the Commercial Common Area within Commercial Module "B" constitutes a single Commercial Unit. The use of Grid Areas enables a Commercial Module to be divided into two or more Commercial Units of variable sizes in order to permit future alteration of the number, size and/or location of the Commercial Units within such Commercial Module, as may be needed by prospective Owners thereof. A Commercial Unit shall consist of the Grid Areas bounded by a Commercial Unit Wall that separates the Commercial Unit from the rest of the Commercial Module and/or the rest of the Project. For example, if a Commercial Module originally consists of 20,000 Grid Areas, and Commercial Unit Walls are originally installed to separate the 20,000 Grid Areas into four (4) Commercial Units of 5,000 Grid Areas each, there would be four (4) Commercial Units, each subject to equal assessments. However, if one of such Commercial Units is further divided by a Commercial Unit Wall into two separate Commercial Units under separate ownership and each containing 2,500 Grid Areas, there would be a total of five (5) Commercial Units, in such Commercial Module. The Commercial Units would be subject to unequal assessments with the two smaller Commercial Units each paying half of the assessments to which the larger Commercial Units are subject. Contiguous Grid Areas not divided by a Commercial Unit Wall and owned in common ownership, constitute a single Commercial Unit, including contiguous Grid Areas owned by Declarant.

- A. Each Commercial Unit must contain contiguous Grid Areas and must have direct access to the Commercial Common Area hallway, corridor, elevator and/or other means of access, ingress and egress to and from the building in which the Commercial Retail Unit is located and the public ways. No Commercial Unit may be established which does not have such access for ingress and egress, unless there is direct ingress and egress to public ways. The minimum size of any Commercial Retail Unit Grid Area owned by any single Owner and operated as one single place of business shall be at least one thousand (1,000) square feet.
- B. Adjacent Commercial Units may be combined, or a Commercial Unit may be divided into separate Commercial Units as provided herein. If two or more horizontally contiguous Commercial Units are under common ownership the Owner thereof may combine the Commercial Units, or portions thereof, become a single Commercial Unit for all purposes under this Declaration, and similarly a Commercial Unit may be divided into two or more Commercial Units. So long as the following conditions are satisfied, the approval of the Board shall not be required for such combination:
- (1) The Owner has obtained all governmental permits and approvals necessary to combine or divide the Commercial Unit(s); and
- (2) The combination or division of the Commercial Unit(s) does not impact any structural component of the Project; and
- (3) The Owner gives written notification to the Board of the combination or division of the Commercial Units.

Once the combination or division is completed, the combined or divided Commercial Units(s) shall, for all purposes, be considered one single Commercial Unit, or separate Commercial Units under this Declaration, as applicable. A Commercial Unit created by combining separate Commercial Units may not be separated into two or more Commercial Units, and separate Commercial Units created by dividing a Commercial Unit may not be recombined, without complying again with the provisions of this subsection.

3.5 <u>Prohibition of Partition or Severance by Owner.</u> No Owner shall have any right to partition, divide, or sever his or her interest in the Common Area, nor to sever his or her Unit from the interest in the Common Area, except as such partition may be provided for in this Declaration relating to destruction or condemnation, or as otherwise provided by applicable law. Nothing herein shall prevent partition of a co-tenancy in a Condominium.

- 3.6 Power of Attorney for Partition after Destruction or Condemnation. Each Owner hereby irrevocably appoints the Association as attorney-in-fact for partition of the Project, when the Project may lawfully be partitioned under the provisions of this Declaration relating to destruction and condemnation, and irrevocably grants to the Association full power in the Owner's name and stead to sell the entire Project, and to execute deeds and conveyances to it in one or more transactions, for the benefit of all Owners. Such power of attorney shall: (a) be binding on all Owners, whether they assume the obligations under this Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Owners, subject to the prior approval by vote or written consent of a majority of the Members and institutional first mortgagees; and (c) be exercisable only after Recording of a certificate, executed by those who have power to exercise the power of attorney, confirming that the power of attorney is properly exercisable under applicable law. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith. Each Owner shall cooperate in executing a power of attorney form to the Board if required for the sale of the Property.
- 3.7 <u>Prohibition on Avoidance of Obligations</u>. No Owner, by non-use of the Common Area or Association Property, abandonment of the Unit, or otherwise, may avoid the burdens and obligations imposed by the Governing Documents, including, without limitation, the payment of Assessments.
- 3.8 <u>Termination of Obligations</u>. Upon the conveyance, sale, assignment or other transfer of a Condominium, the transferor Owner shall not be liable for any Assessments in connection with such Condominium which become due after the date of Recording of the deed evidencing said transfer and, upon such Recording, all Membership rights possessed by the transferor Owner by virtue of ownership of said Condominium shall cease.
- 3.9 <u>Duty to Notify Association of Sales and Delegations.</u> Each Owner shall notify the Association in writing of any pending sale of a Condominium, including the identity of any escrow company, proposed purchaser, or contract purchaser for the Condominium. Each Owner or contract purchaser shall also notify the Association of the names of any person(s) to whom such Owner or contract purchaser has delegated any rights to use and enjoy the Property, and the relationship that each such person bears to the Owner or contract purchaser.

ARTICLE IV LEASING OF RESIDENTIAL CONDOMINIUMS

This Article IV regarding Leasing of Residential Condominiums applies only to Residential Condominiums and shall not be construed to apply to Commercial Condominiums.

- 4.1 <u>Delegation of Use and Leasing of Residential Units.</u> Any Residential Owner may lease or otherwise convey the rights to use and enjoy the <u>Residential Condominium</u> and the Common Area to Tenants or other Occupants, subject to this Article IV. During any period when a Residential Condominium Unit has been Leased, the Owner, his or her family and Invitees shall not be entitled to use and enjoy the Common Areas and/or Association Property, unless the Owner is residing in his or her Unit along with the Tenant(s) or in any other Unit within the Project, and except to the extent reasonably necessary to perform any responsibilities with respect to the Project or Association. Each Residential Owner shall provide any Tenant with a current copy of all Governing Documents and shall be responsible for compliance by the Tenant with all of the provisions of the Governing Documents during the Tenant's occupancy and use of the Unit.
- A. <u>Minimum Lease Term.</u> Any Lease (which includes any rental agreement or contract of sale, as defined in Section 2.30) for a Residential Condominium Unit must be for a term not less than thirty (30) days. Notwithstanding, the Board may allow a variance in its discretion and pursuant to a rule change adopted pursuant to the procedures set forth in Section 5.5 of this Declaration. If the Board grants such an exception, no violation of the governing documents shall be deemed to have occurred, but an exception to any particular requirement hereof shall not be deemed to waive any of the remaining terms hereof.
- B. <u>Lease Requirements.</u> Any Lease for a Residential Condominium Unit shall be in writing and shall clearly require the Tenant to comply with the Governing Documents, all of which shall be deemed incorporated in the Lease, and clearly provide that any failure to abide by the Governing Documents shall be a default under the Lease. The Lease shall require the Tenant to maintain renter's insurance, and proof of such insurance shall be provided to the Association prior to Tenant's taking possession. The Residential Owner shall provide to the Association a copy of the written Lease, which shall identify all Tenants and Occupants, within ten (10) days of its execution and upon written request; however, the Owner may redact financial or similar information necessary to protect business or other confidentiality interests.

- C. <u>Common Area Use Rights</u>. Any delegated rights of use and enjoyment are subject to suspension to the same extent as are the rights of Owners. No such delegation shall relieve an Owner from liability to the Association or to other Owners for payment of Assessments or performance of the obligations of the Governing Documents.
- 4.2 Eviction by Association. Subject to Section 4.7 below, in the event that any Tenant fails to honor the provisions of any Governing Document resulting in a nuisance or damage to the Common Area or to any Owner's or Occupant's property, the Association shall be entitled to take such corrective action as it deems necessary or appropriate under the circumstances, which may include initiation of an action against the Residential Owner to compel the Residential Owner to evict the Tenant, or initiation of an eviction proceeding directly against the Tenant in accordance with Section 4.7 below, or the imposition of disciplinary fines and penalties against the Owner and/or Tenant as described herein.
- A. The Association's right to maintain an eviction action hereunder is derived from applicable law, including without limitation Civil Code Sections 954, 1457 et seq., and 5980, and shall only arise if the Tenant's conduct causes damage to or destruction of Common Areas or the property of other Owners or Occupants, or constitutes a nuisance or unreasonable interference with the quiet enjoyment of other residents, or if such Tenant has occupied the premises without Owner's permission and consent or without a written Lease. Whether or not such right is stated in any lease or rental agreement, every Residential Owner who Leases his or her Residential Condominium, or any portion thereof, automatically grants to the Association the right to determine a Tenant's default under the Governing Documents, which may result in terminating the tenancy and evicting the Tenant in the case of nuisance or damage as described above.
- B. In any action, whether for injunctive relief, eviction, damages, or a combination thereof, brought because of any alleged breach or default of any provision of the Governing Documents, the court may award to the prevailing party in any such action such attorneys' fees and other costs as the court deems just and reasonable. If the Association is the prevailing party in any such action, either directly against the Tenant or against the Owner, the Owner shall be responsible for all costs thereof, including reasonable attorney's fees as awarded by the court, and shall reimburse the Association upon demand for the entire amount of such costs. If the Owner refuses to make such reimbursement, the sums shall be levied as a Special Individual Assessment.
- 4.3 <u>Security Deposit</u>. Through its rule-making power, the Board is hereby authorized and empowered to establish and implement an Association security deposit procedure to protect the Association and the Common Area from negligence, damage

and/or destruction caused by Tenants, their Occupants and Invitees. Said security deposit, if required, shall be payable by the Residential Owner and shall be fixed in an amount not to exceed two (2) month's Regular Assessment and need not be held by the Association in a separate security deposit fund. Within two weeks following receipt of notice from the Residential Owner that the Residential Condominium is no longer being Leased, the Association shall furnish the Owner with an itemized statement indicating the basis for, and the amount of, any security received and the disposition of the security and shall return the remainder, if any, to the Owner.

- 4.4 Recoverable Costs and Expenses. In the event of: (i) damage to, or destruction of, Common Areas by a Tenant or the Residential Owner of a leased Residential Condominium Unit; (ii) the imposition of a fine or penalty against an Owner as a result of any act or omission of his or her Tenant; or (iii) expenses incurred by the Association in the successful prosecution of an eviction proceeding pursuant to this Declaration, the Association shall be entitled to apply the security deposit to recover its costs and expenses. The Owner shall within fifteen (15) days reimburse the security deposit fund in an amount equal to the sums thus applied plus any differential not covered by the security deposit. Upon termination of the Lease and notification to the Association of such termination, the security deposit, or the balance thereof, if any, shall be refunded to the Owner without interest. As a condition to the Association's right to apply security deposit funds in the manner provided in this Section 4.4, the Association must give the Owner the notice and hearing rights specified in this Declaration and/or in the Bylaws.
- 4.5 <u>Assignment of Rents</u>. In the event of a default by the Residential Owner in the payment of Assessments, late charges, fines, and collection costs, the Owner grants, conveys, and confers to the Association the right, power and authority to collect the rents from the Tenant and assigns such rents to the Association to be retained by the Association to pay such delinquent sums, which may include current Assessments. This assignment shall not become effective until after the Association has provided the Owner with notice and hearing rights specified in this Declaration and/or in the Bylaws. After complying with such notice and hearing procedures, the Association shall give written notice to the Tenant that all future rental payments shall be paid directly to the Association until the delinquent Assessment(s), fines, and collection costs are paid in full and, at the option of the Board, the Tenant may thereafter be required to deduct from rental payments paid to the Owner, the amount of the Assessment(s) due for each month and to pay that amount directly to the Association to be credited to the Owner's account.
- A. Prior to any default in the payment of assessments, late charges, and fines, the Residential Owner shall retain the right, power and authority to collect and retain all rents collected from the Owner's Tenant(s).

- B. The Association may exercise its right to collect rents through its Board, Manager, agents, attorneys, or through a receiver to be appointed by the Court.
- 4.6 <u>Discipline of Tenants</u>. Subject to Section 4.7 below, in the event that any Tenant fails to honor the provisions of any Governing Document, the Association may, but shall not be obligated to, take such corrective action as it deems necessary or appropriate under the circumstances, which may include, but is not limited to suspension of the Tenant's privileges to use any recreational Common Area, or the imposition of fines and penalties against the Owner or Tenant.

Any fine or penalty levied pursuant to this Section shall be considered a Special Individual Assessment, but shall not be enforced by foreclosure of a lien. If a Special Individual Assessment is imposed as a result of the conduct of a Tenant, the Tenant agrees to be personally obligated for the payment of such assessments in the event the Owner fails to pay the assessments prior to the delinquency date. This provision, however, shall not be interpreted to release the Owner from any obligation, including the obligation to pay any duly imposed Special Individual Assessments for which such Owner would otherwise be responsible. Any Tenant charged with a violation of the Governing Documents is entitled to the same notice and hearing rights to which the Owner is entitled as provided in Section 4.7 below. Every Owner shall be responsible for assuring his or her Tenant's compliance with the Governing Documents.

- 4.7 <u>Due Process Requirements for Disciplinary Action</u>. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Property or to preserve the rights of quiet enjoyment of other Owners and Occupants, the Association shall have no right to initiate disciplinary action against an Owner or Tenant on account of the misconduct of the Tenant unless and until the following conditions have been satisfied:
- A. The Owner has received written notice from the Board, Manager or authorized representative detailing the nature of the Tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter. Such written notice shall be deemed satisfied by sending it to the Owner's address, as it appears in the Association's records.
- B. The Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, not less than ten (10) days from the date of the notice.
- C. The Owner has failed to prevent or correct the Tenant's objectionable actions or misconduct or has failed to evict the Tenant.

ARTICLE V EI DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION

- 5.1 <u>Association Membership</u>. One Membership shall be appurtenant to each Condominium. Every Owner of a Condominium shall be deemed a Member of the Association, except as described in this Declaration or the Bylaws. The Association shall have one class of Membership and the rights, duties, obligations and privileges of the Members shall be uniform as set forth in the Bylaws.
- 5.2 <u>Transfer of Memberships.</u> No Membership may be transferred, encumbered, pledged or alienated in any way, except upon the sale, transfer, or encumbrance of the Condominium to which it is appurtenant and then only to the purchaser or transferee. In the case of a sale, inheritance, or other transfer, the Membership transfers automatically to the transferee upon Recording of a deed evidencing transfer of title to the Condominium. In the case of an encumbrance, Membership does not transfer to a mortgagee until Recording of a foreclosure or deed in lieu thereof. Delegation of rights does not constitute a transfer of Membership. Any attempt to make a prohibited transfer is void. In the event any Owner should fail or refuse to transfer his or her Membership to the lawful purchaser or other transferee of the Condominium, the Association shall have the right to record the transfer upon its books and thereupon any Membership in the name of the seller or transferor shall be null and void.
- 5.3 <u>Voting Rights of Members</u>. Each Membership shall be entitled to one vote in any Membership action, or to one vote for each vacancy to be filled in an election, as provided in the Bylaws. Notwithstanding, the Members owning Residential Units shall be entitled to one (1) vote for each Residential Unit owned. The Members owning the Commercial Units shall be entitled to one (1) vote for each thousand (1,000) square feet of Commercial Unit(s) owned. In no event shall more than one such vote per action, or per vacancy, be cast with respect to any Condominium.

5.4 Powers and Authority of the Association.

A. <u>Powers Generally</u>. The Association shall have the power, and responsibility, to manage and maintain the Common Areas and to discharge the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a non-profit corporation organized under the laws of the State of California in the ownership and management of the Project and the discharge of its responsibilities hereunder, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and Board shall have

the power to do any and all lawful acts which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. The Association shall have the power to establish, fix and levy Assessments against the Condominiums within the Property and to collect and enforce payment of such Assessments in accordance with the provisions of this Declaration and applicable law. Specific powers of the Association and limitations thereon shall be as set forth in the Bylaws.

B. <u>Association's Limited Right of Entry.</u> The Association, and/or its agents, shall have the right, when necessary, to enter any Unit to perform the Association's obligations under this Declaration, including: (i) its maintenance or repair obligations; (ii) its obligations to enforce the Governing Documents; or (iii) its rights to make necessary repairs which an Owner has failed to perform which may threaten, or unreasonably interfere with, the property, health, safety, or welfare of the Association or other Owners.

In case of an emergency originating in or threatening the Unit where entry is required, or any adjoining Units or Common Area, the Association's rights of entry hereunder shall be immediate and the entry and repair may be performed whether or not the Owner, Tenant, or occupant of the Condominium is present. In all other situations, the Association or its agents shall furnish the Owner, and any Tenant or other occupant, with at least 24 hours' written notice of its intent to enter the Unit, specifying the purpose and scheduled time of such entry and shall make every reasonable effort to schedule and perform its entry and work in a manner that respects the privacy of the occupant(s).

5.5 Association Rules.

A. <u>Rule-Making Power</u>. The Board may, from time to time, propose, enact, amend, or repeal reasonable Rules and Regulations. Such Rules may concern, but are not limited to: (i) the management and use of the Common Area by Owners, Tenants, Occupants, and Invitees; (ii) use of a Unit, including pets, conduct, leasing/rental of Units and any aesthetic or architectural standards; (iii) discipline, including any procedure for conducting disciplinary proceedings and schedule(s) of monetary or other penalties for violation of the Governing Documents; (iv) standards and procedures for resolution of Assessment disputes, including for delinquent Assessment payment plans; (v) restrictions on the use and parking of vehicles within the Property; and any other matter within the authority of the Association as provided in the Governing Documents.

B. Adoption and Amendment of Rules.

- (1) <u>Notice</u>. The Board shall provide written notice to the Members of a proposed rule change, except for an emergency rule change, at least twenty-eight (28) days before making the rule change. The notice shall include the text of, and a description of the purpose and effect of, the proposed rule change.
- (2) <u>Adoption</u>. A decision on a proposed rule change shall be made at a meeting of the Board, after consideration of any comments made by Members.
- (3) <u>Distribution of Rules</u>. As soon as possible, but not more than fifteen (15) days, after making a rule change, the Board shall mail or otherwise deliver notice of the rule change to each Member and each Unit. If an emergency rule change is made under paragraph (4), the notice shall include the text of the rule change, a description of the purpose and effect of the rule change, and the date that the rule change expires.
- (4) <u>Emergency Rule Change</u>. If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change without prior notice to the Members. An emergency rule change is effective for 120 days, unless the rule change provides for a shorter effective period. An emergency rule change made may not be readopted.

C. Reversal of Rule Change.

- (1) Five percent (5%) or more of the Members may call a special meeting of the Members to reverse a rule change (other than an emergency rule change) by delivering a written request to the President or Secretary not more than thirty (30) days after notice of the rule change. Upon receipt of such request, the Board shall either notice and hold a Membership meeting, or distribute a written ballot to each Member, in conformity with applicable law and the Bylaws, to vote on reversal of the rule change.
- (2) Not more than fifteen (15) days after the close of voting, the Board shall mail or otherwise deliver notice of the results to each Member and each Unit.
- (3) The rule change may be reversed by a majority of a quorum of Members present in person, by proxy, or by ballot at the meeting. If the rule change is reversed by this procedure, the rule change may not be readopted for one year after the date of the reversal; however, the Board may adopt a different rule on the same subject.
- D. <u>All Rules must be in writing</u>. Any duly adopted Rule or amendment to the Rules shall become effective immediately following the date of adoption and distribution by the Board to the Owners and Tenants.

5.6 <u>Breach of Rules or Restrictions</u>. Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in this Declaration.

5.7 Limitation on Liability of Association's Directors and Officers.

- A. <u>Claims Regarding Breach of Duty</u>. No director or officer of the Association shall be personally liable to any of the Members, or to any other person, including the Association, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or under the Bylaws, provided that such director or officer has, upon the basis of such information as may be possessed by the director or officer, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- B. Other Claims Involving Tortious Acts and Property Damage. No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) and/or property damage as a result of the tortious act or omission of a volunteer director or officer of the Association shall recover damages from such director or officer if all of the following conditions are satisfied:
- (1) The act or omission was performed within the scope of the volunteer director's or officer's Association duties;
 - (2) The act or omission was performed in good faith;
- (3) The act or omission was not willful, wanton, or grossly negligent; and
- (4) The Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made one or more policies of insurance that include coverage for general liability of the Association in a sum not less than \$2,000,000 and individual liability of the officers and directors of the Association for negligent acts or omissions in their official capacities, with minimum coverage of insurance being not less than \$500,000.
- (a) The reimbursement of actual expenses incurred by a director or officer in the execution of that person's Association duties shall not affect that person's status as a volunteer for the purposes of this section.

- (b) The provisions of this paragraph B are intended to reflect the protections accorded to volunteer directors and officers of community associations under applicable law. In the event that any applicable law providing such liability protections is amended or superseded by another similar provision of the California statutes, this paragraph B shall be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor statutory provision.
- 5.8 NOTICE OF MIXED USE NATURE OF PROJECT. This Project is an urban environment. This Property is used for both residential and commercial purposes, including but not limited to an adjacent park, restaurant, bar, potential retail, as well as other potential business and services, all of which may cause noise and other disturbances. For that reason, Residential Units may be subject to some of the annoyances or inconveniences associated with proximity to such operations (for example: noise or odors). Prospective purchasers may wish to consider what annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you. Owners hereby release from liability the Association and its agents from claims regarding reasonable noise and other disturbances in connection with the urban and mixed use nature of the Project.

ARTICLE VI ASSESSMENTS

6.1 Payment of Assessments and Discharge of Assessment Liens. Each Owner shall pay when due, and by acceptance of the deed to a Condominium is deemed to covenant and agrees to pay when due, each Regular, Special and Special Individual Assessment levied against the Owner and his or her Unit. The Association shall release any Assessment lien that may be Recorded against the Condominium when the Owner Account is in good standing within the time frame required by law. Each such Assessment shall be established and collected as hereinafter provided. No Owner may waive or otherwise escape liability for Assessments by non-use of the Common Area or abandonment of the Condominium.

All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the persons who were the Owners of the Unit at the time the Assessment was levied. Each Owner who acquires title to a Unit (whether at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Unit so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Unit and shall be a continuing lien upon the Unit against which such Assessment is made. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided in this Declaration.

6.2 <u>Purpose of Assessments</u>. The assessments levied by the Association shall be used exclusively to promote, protect, enhance and maintain the recreation, health, safety and welfare of the residents in the Project, for the payment of Common Expenses, for improvement, maintenance, replacement, repair and operation of the Common Area and the improvements and personal property in the Common Area that are owned or maintained by the Association, as set forth in this Declaration, and for any other purpose for the common benefit of the Owners in their use and enjoyment of the Project.

6.3 Regular Assessments.

- Assessments. Not less than thirty (30) nor more than ninety (90) days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, replacement or additions to the Common Area or Association Property) by preparing and distributing to all Members a budget satisfying the requirements of the Bylaws and this Declaration. If the Board fails to distribute the budget for any fiscal year within the time period provided for in this section, the Board shall not be permitted to increase Regular Assessments for that fiscal year unless the Board first obtains the approval of a majority of a quorum of the Members, at a meeting or election of the Association conducted in accordance with the Bylaws.
- B. <u>Establishment of Assessments; Membership Approval Requirements.</u> The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that, except as provided in this Declaration otherwise, the Board may not impose a Regular Assessment that is more than twenty percent (20%) greater than any Unit's Regular Assessment for the immediately preceding fiscal year without the vote or written assent of a majority of a quorum of the Members, at a meeting or election of the Association conducted in accordance with the Bylaws.
- C. <u>Assessments to Address Emergency Situations</u>. The requirement of a Membership vote to approve Regular Assessment increases in excess of twenty

percent (20%) of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph (c), an "emergency situation" is defined by applicable law, and includes the following:

- (1) An extraordinary expense required by an order of a court.
- (2) An extraordinary expense necessary to repair or maintain the Common Areas, Association Property or any portion of the separate interests which the Association is obligated to maintain where a threat to personal safety is discovered.
- (3) An extraordinary expense necessary to repair or maintain the Common Areas or any portion of the separate interests which the Association is obligated to maintain, that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subparagraph (a) above, provided that, prior to the imposition or collection of an assessment under this paragraph (iii), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.
- 6.4 <u>Mailing Notice of Assessment</u>. The Board shall mail to each Member (or send by electronic means, if consent has been given by the Member pursuant to Civil Code Section 4040), at the street address of the Member's Condominium, or at such other address as the Member may from time to time designate in writing to the Association, notice of any increase or decrease in the amount of the Regular or Special Assessments for the next succeeding fiscal year no less than thirty (30) days nor more than ninety (90) days prior to the increased assessment becoming due.
- 6.5 <u>Failure to Make Estimate</u>. If, for any reason, the Board fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year shall be assessed against each Owner and his or her Condominium on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Association. If there was a Special Assessment in the preceding fiscal year, that would not apply in the next succeeding fiscal year.
- 6.6 Reserve Funds. Each annual regular assessment shall include a portion for reserves in such amounts as the Board in its discretion considers appropriate to meet the cost of the future repair, replacement, or additions to the major components of the Common Area and Association Property that the Association is obligated to maintain and repair. Reserve funds shall be deposited in a separate account and the signatures of at least two persons who shall either be directors, or one director and one officer who is not

a director, shall be required to withdraw money from the reserve account. Except as provided below, no money shall be transferred from a reserve fund to the Association's general operating fund and reserve funds may not be expended for any purpose other than the repair, restoration, replacement, or maintenance of major components that the Association is obligated to maintain or as otherwise permitted by applicable law.

Notwithstanding the foregoing, the Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's 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 of the initial transfer, except that the Board may, on the making of a finding supported by documentation that a temporary delay is in the best interest of the Association, temporarily delay the restoration. The Board shall exercise prudent fiscal management in delaying restoration of these funds and in restoring the expended funds to the reserve accounts, and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the time limits required by applicable law. This Special Assessment is subject to the limitations imposed by applicable law and the restrictions imposed herein. The Board may, at its discretion, extend the date the payment on the Special Assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of any unpaid Special Assessment.

When the decision is made to use reserve funds or to temporarily transfer money from the reserve fund to pay for litigation, the Association shall notify the Members of that decision in the next available mailing to all Members pursuant to applicable law and of the availability of an accounting of those expenses. Unless the Governing Documents impose more stringent standards, the Association shall make an accounting of expenses related to the litigation on at least a monthly basis. The accounting shall be made available for inspection by Members at the Association's office.

- 6.7 <u>Installment Payment of Assessments.</u> The Regular Assessment levied against each Owner and his or her Condominium shall be due and payable in advance to the Association in equal monthly installments on the first day of each month. Installments of Regular Assessments shall be delinquent if not paid by the 15th day of the month in which the Assessment is due.
- 6.8 <u>Allocation of Assessments</u>. Regular and Special Assessments shall be allocated among, assessed against, and charged to each Owner as follows: so that each Condominium bears its share of the total Assessment as set forth in **Exhibit "A"** attached hereto and incorporated herein by reference. It is the intent of this allocation to equitably allocate the Assessments in proportion to the value of common services furnished to the

Owner's separate interest. The term "Budget" as set forth herein and in Exhibit "A" means the budget for the Association which sets forth all the Common Expenses to be allocated among all the Owners.

- A. <u>Allocation of Base Budget Components</u>. The respective line item costs, and portions thereof, in the Budget of the Association, shall be allocated annually to the Residential Units and the Commercial Units, respectively, in the same proportions as provided in the initial budget of the Association approved in connection with the issuance by the Department of Real Estate (DRE) of the first Final Subdivision Public Report for the Project.
- B. Residential Units. The Budget component of both annual and special assessments shall be fixed at a various rate for all Residential Units, including a fixed and a variable component based upon square footage, as provided in the Budget.
- C. Commercial Units. The Budget component of both annual and special assessments shall be fixed at a variable rate, based upon the respective proportions of the number of Grid Areas in each Commercial Unit to the total number of Grid Areas in the Project, and including certain special allocations of costs, as provided in the Budget and in Section D below. The Association shall not, without the consent of the Owners representing at least seventy-five percent (75%) of the voting power of the Owners of the Commercial Units, modify the categories or amounts for the Commercial Condominium Contribution set forth in the Base Budget, or the formula for allocating such amounts set forth in the Declaration.
- D. <u>Special Allocations</u>. Certain of the cost line items of the Budget shall be allocated between the Residential Units, and Commercial Units, in accordance with the percentages and methods of cost distribution described in Exhibit "A" attached hereto.
- E. <u>Special Benefit Area Assessments</u>. In addition, those Condominiums which receive special benefit from a Special Benefit Area shall also be subject to Special Benefit Area assessments to reimburse the Association for the cost of the applicable service and/or the periodic inspection, maintenance, replacement and repair, and accumulation of reserves, for the applicable Special Benefit Area(s), in accordance with the amounts stated for such costs in the approved Special Benefit Area Budgets or Special Benefit Area components of the Budget. In addition, any Assessment for capital improvements to a Special Benefit Area, which total more than five percent (5%) of the budgeted gross expenses of the Association with respect to such Special Benefit Area for that fiscal year shall require the vote or written consent of a majority of the Owners subject to assessment for such Special Benefit Area.

- F. <u>Vote on Budget Issues</u>. The proportion of the annual expenses of the Association to be paid, respectively, by the Owners of the Residential Units, and the Owners of the Commercial Units, shall be as provided in the Base Budget, and shall not be subject to change without the approval of a majority of the Board, the approval of a majority of the Owners of Residential Units, and the required percentage of Commercial Unit Owners as follows. The Association shall not, without the consent of the Owners representing at least seventy-five percent (75%) of the voting power of the Owners of the Commercial Units, modify the categories or amounts for the Commercial Condominium Contribution set forth in the Base Budget, or the formula for allocating such amounts set forth in Section 6.8 of this Declaration. The Association shall not, without the consent of the Owners representing at least seventy-five percent (75%) of the voting power of the Owners of the Residential Units, increase the aggregate budget by more than 20% for the prior year, except for budget items which are applicable only to the Commercial Unit Owners.
- G. <u>Allocation of Water and Gas Bills</u>. Each Owner, by acceptance of a deed, acknowledges that the Los Angeles Department of Water and Power provides water service and the Southern California Gas Company provides gas service to the Project. The water and gas bill shall be paid by the Association and passed on to the Owners through their Regular Assessments.

6.9 Special Assessments.

- A. <u>Purposes for Which Special Assessments May Be Levied</u>. Subject to Membership approval as set forth in paragraph B below, the Board shall have the authority to levy Special Assessments against the Owners and their Condominiums for the following purposes, among others:
- (1) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then the Board shall levy and collect a Special Assessment, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.
- (2) <u>Capital Improvements</u>. The Board may levy Special Assessments for capital improvements within the Common Area.
- (3) <u>Loan Repayments</u>. The Board may levy Special Assessments to repay disaster loans or loans obtained for the purpose of repairing Common Area facilities or financing litigation.

- (4) <u>Litigation</u>. The Board may levy Special Assessments to fund litigation.
- (5) <u>Authorized Purposes</u>. The Board may levy Special Assessments for any other legitimate purpose, within the authority of the Board, in the exercise of its reasonable business judgment.
- B. <u>Special Assessments Requiring Owner Approval</u>. No Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment(s) is levied shall be made without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association, except that Membership approval shall not be required for any Special Assessment levied to address "emergency situations" as defined above.
- C. Special Assessments for purposes described in this Section shall be due as a separate debt of the Owner and a lien against his or her Condominium.

6.10 Special Individual Assessments.

- A. <u>Circumstances Giving Rise to Special Individual Assessments</u>. In addition to the Special Assessments levied against all Owners in accordance with Section 6.9, above, the Board may impose Special Individual Assessments against an Owner in any of the following circumstances, after the Owner has been given the notice and hearing rights to which the Owner is entitled, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents.
- (1) <u>Damage to Common Area or Association Property</u>. If any damage to, or destruction of, any portion of the Project is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her Tenants, guests, servants, employees, or invitees, which causes the Association to incur any costs and expenses to repair, all such costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.
- (2) Expenses Incurred in Gaining Compliance. If the Association incurs any costs or expenses to (a) obtain the compliance, or remedy any noncompliance, by any Owner, Tenant, family member, guest, invitee, and/or Condominium, with any provision of the Governing Documents, or to (b) accomplish any repair, maintenance or replacement of any portion of the Property that the Owner is responsible to maintain but has failed to undertake or complete after at least fifteen (15) days' written notice, the amount incurred by the Association (including fines, penalties, accounting fees,

management fees, court costs, and reasonable attorney's fees [including those incurred prior to filing a lawsuit]) shall be assessed and charged solely to and against such Owner as a Special Individual Assessment.

- (3) <u>Attorneys' Fees</u>. Any reasonable attorneys' fees and costs incurred by the Association in the enforcement of the Governing Documents against a Member, or to determine the rights or duties of the Member under the Governing Documents, may be levied against that Member by the Board as a Special Individual Assessment and collected in any manner provided for by this Declaration or by law.
- B. Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner for any reason described, notice of such Special Individual Assessment shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within a minimum of thirty (30) days after the mailing of notice of the Assessment, or within such other time period as the Board may determine.
- 6.11 <u>Maintenance of Assessment Funds</u>. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board which has offices located within the State of California, County of Los Angeles. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds, U.S. Treasuries or similar investments consistent with the investment standards normally observed by trustees.

6.12 Collection of Assessments; Enforcement of Liens.

A. <u>Delinquent Assessments</u>. If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment assessed to any Owner is not paid within fifteen (15) days after the same becomes due, such payment shall be delinquent and may, at the Board's option, bear interest at the rate of twelve percent (12%) per annum, or any other percentage provided by law, beginning thirty (30) days after the due date until the same is paid. In addition to the accrual of interest, the Board is authorized and empowered to impose a late charge for any delinquent Assessments not exceeding ten percent (10%) of the delinquent assessment or \$10.00, whichever is greater, or such other amount as provided by law.

B. Effect of Nonpayment of Assessments.

- Assessments. As more particularly provided by applicable law, the amount of any delinquent Regular Assessment, Special Assessment, Special Individual Assessment (pursuant to Section 6.13 of this Article), or Emergency Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) shall become a lien upon the Condominium of the Owner so assessed when the Association causes to be Recorded a Notice of Delinquent Assessment (or equivalent) executed by the Board or a representative of the Association authorized by the Board. The Association shall Record the lien in accordance with and pursuant to applicable statutory law.
- (2) Remedies Available to the Association to Collect Assessments. After the expiration of the statutory time period, prescribed by applicable law, following the recording of Notice of Delinquent Assessment, the Association may initiate legal action against the Owner personally obligated to pay the delinquent Assessment for a money judgment and/or foreclosure of said lien against the Owner's Condominium, or accept a deed in lieu of foreclosure, in a manner consistent with applicable statutory law. Foreclosure by the Association of said lien may be by judicial or non-judicial foreclosure.
- 6.13 Limitation on Right to Lien Units for Special Individual Assessments. A Special Individual Assessment imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Areas for which an Owner, Tenant, guest, or invitee of a Unit were responsible may become a lien against the Unit enforceable by the sale of the Unit under *Civil Code* Sections 2924, 2924b, and 2924c. However, any Special Individual Assessments characterized as a disciplinary measure for failure of a Member to comply with the Governing Documents, except for late payment penalties for delinquent Assessments, may not become a lien against the Member's Unit that is enforceable by sale under *Civil Code* Sections 2924, 2924b, and 2924c. Special Individual Assessments relating to delinquent Assessments shall be subject to imposition of a lien and enforceable through foreclosure or sale under a power of sale for failure of an Owner to pay such Assessment, all as more particularly provided herein.
- 6.14 <u>Waiver of Exemptions</u>. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed against the Owner's Condominium.
- 6.15 <u>Prohibition on Avoidance of Obligations</u>. No Owner, by non-use of the Common Area or Association Property, abandonment of the Owner's Condominium or otherwise may avoid the burdens and obligations imposed on such Owner by the

Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her Condominium pursuant to this Declaration.

6.16 <u>No Offsets</u>. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Association is not properly exercising its duties and powers as provided in this Declaration; (ii) an Owner has made or elects to make no use of the Common Areas; or (iii) any construction or maintenance performed or not performed by the Association shall in any way postpone Assessments or entitle an Owner to claim any such offset or reduction.

ARTICLE VII ARCHITECTURAL CONTROL

- 7.1 <u>Generally</u>. No Improvement of any kind shall be erected, commenced, or maintained within the Property, nor shall any exterior addition, nor any change or alteration be made in or to any portion of the Common Area, any Unit, or to any Exclusive Use Common Area, without the prior written approval of the Association as provided herein.
- 7.2 Interior Improvements. No interior Improvement to any Condominium involving structural components of the building structure, other than non-load-bearing interior walls, shall be commenced without the prior written approval of the Association as provided herein. Under no circumstances shall any Owner undertake any activity or work that will impair the structural soundness, mechanical systems, or integrity of the Owner's, or any other, Condominium or Common Area, nor impair any easement. Owners may join adjacent Condominiums with the prior written approval of the Association as required by this Article. The applicant Owner shall present any and all engineering reports requested by the Board. Adjoining Units shall not alter the obligation of the Owner to pay assessments as allocated by Article VI above and the Owner shall remain obligated to pay assessments on the adjoined Units separately, notwithstanding the joining of Units.
- 7.3 Architectural Guidelines. The Board may adopt, amend and repeal, under the procedures set forth in Section 5.5 hereof, rules and regulations to be known as Architectural Guidelines. Said Guidelines shall interpret and implement the provisions of this Declaration by setting forth particular standards and procedures for review and approval of proposed Improvements; guidelines for architectural design; placement of any Improvement; color schemes; exterior finishes; materials; and similar features, which are approved for use within the Property. Said Guidelines shall not conflict with, nor be in derogation of, the standards required by this Declaration.

- 7.4 Architect. The Board may retain the services of an architect and one or more consultants to assist the ARC in its duties. Compensation for the consultant's services shall be fixed by the Board. The cost of such consultants and any related expenses may be charged to those Owners submitting plans for alterations, modifications, changes and/or Improvements to their Units.
- 7.5 Review by Board or Committee. In accordance with the Bylaws, the Board may appoint an Architectural Review Committee ("ARC"), consisting of Members in Good Standing, to review proposed Improvements. Members of the ARC shall serve for a one (1) year term, unless removed earlier therefrom by resignation, disqualification, or the vote of a majority of the Board. If the Board does not appoint an ARC, the Board shall exercise the Association's review authority as described herein.
- 7.6 <u>Submission of Plans; Action by Board</u>. A Member requesting approval of a proposed Improvement shall submit a written request in accordance with this Declaration and the Guidelines, if any, together with plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same. The Board or ARC may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings and description or samples of exterior material and colors. Said requests and plans may be submitted by personal delivery, or certified mail, to the Secretary or Manager. The ARC shall fairly, reasonably and expeditiously render decisions regarding Members' requests for approval, after consideration of compliance with the Declaration and Guidelines, quality of workmanship and materials, aesthetic appearance, harmony of external design and location in relation to surrounding structures, setback lines, topography and finish grade elevation.
- 7.7 Approval or Disapproval. All decisions regarding proposed Improvements shall be in writing. In the event the ARC fails to approve or disapprove a request within forty-five (45) days after said plans and specifications have been submitted, the request shall be deemed approved, unless the delay is the result of a reasonable request by the ARC or Board for additional information regarding the proposed Improvement or for additional plans and specifications. The ARC may condition its approval of proposals or plans and specifications for any improvement: (1) upon the Member furnishing the Association with security acceptable to the Association against any mechanic's lien or other encumbrance which may be Recorded against the Project as a result of such work; (2) on such changes to the request and/or plans and specifications as it deems appropriate; (3) upon the Member's agreement to grant appropriate rights of entry to the Association for the inspection of Improvements; (4) upon the Member's agreement to reimburse the Association for any increase in Common Expenses as a result of such Improvement; (5) upon the Member's agreement to install (at its sole cost) water, gas, electrical, or other utility meters to measure any increased consumption; (6) upon the

Member's agreement to complete the proposed work within a stated period of time; or (7) upon any reasonable condition as deemed appropriate by the Board within its discretion.

If a request is disapproved, the written decision reflecting same shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the Board, at an open meeting. This paragraph does not require reconsideration of a decision that is made by the Board or a body/committee that has the same membership as the Board of Directors.

- 7.8 <u>Inspection of Work</u>. The ARC may at any time inspect any work for which approval is required under this Article and may require any Owner to take such action as may be necessary to remedy any noncompliance with the approved plans or with the requirements of this Declaration.
- 7.9 Review Fees and Remodeling Agreement. The Board may establish a schedule of fees which may be charged against the submitting party to defray any costs incurred by the Association including architectural and/or engineering consultant fees, legal fees, and expenses for reviewing plans.
- 7.10 Enforcement. In the event of an architectural violation, the Board shall have the right to suspend the right to use any recreational Common Area, suspend the Member's voting rights (if permitted by law), and levy fines against the Member (or Tenant, if applicable), after notice and the opportunity to be heard is provided. The Board may also pursue such legal remedies as the Board deems appropriate, including, but not limited to, an action for a temporary restraining order and/or injunction to compel the Member (or Tenant) to bring its Condominium into compliance with the Governing Documents, including architectural decisions made by the ARC pursuant to this Section. The Association shall have no duty to identify architectural violations, and any failure of the Association, its Board, its officers, its Manager or any agent or employee to detect and identify an architectural violation shall not operate to waive the Association's rights or remedies with respect to any such violation, unless (1) the Board or Manager shall have been notified in writing of the violation and (2) no remedial or enforcement action shall have been taken by the Association within five (5) years following such notice, except as otherwise provided by law.
- 7.11 <u>Variances</u>. The Board, in its sole discretion, shall be entitled to allow reasonable variances from these requirements in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships.
- 7.12 <u>Limitation on Liability</u>. Neither the Association, Board, ARC, if any, nor any member thereof, shall be liable to any Member (or Tenant) for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or

nonfeasance in connection with the approval or disapproval of any plans, drawings and specifications, whether or not defective, or the construction or performance of any Improvement, whether or not pursuant to approved plans, drawings or specifications.

- 7.13 <u>Compliance With Governmental Regulations</u>. Review and approval of any requests, proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Member who desires to construct, install or modify the Improvement.
- 7.14 No Waiver of Future Approvals. The approval of the ARC or Board in any matter described in this Article shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar matter subsequently submitted for approval.
- 7.15 <u>Commercial Condominium</u>. Notwithstanding the foregoing, or any other provision of this Article VII, all architectural control matters or issues which related solely to the Commercial Units, including, but not limited to, exterior signage, combining or dividing Commercial Retail Units and matters related thereto, and proposals to make non-structural alterations to the Commercial Common Areas, shall be the sole responsibility of the Owner(s) of the Commercial Units to review and determine as provided for above regarding decisions with respect to Commercial Owner's Issues.

ARTICLE VIII USE RESTRICTIONS

In addition to the restrictions established by law and the Rules, the following restrictions are hereby imposed upon the use of Condominiums, Association Property and Common Areas within the Property.

8.1 <u>Use Restriction Applicable to Residential Units</u>. The Residential Units may only be used for residential purposes and trades or businesses permitted by the Adaptive Reuse Ordinance of the City of Los Angeles. The Residential Units shall be maintained as joint living and work quarters as defined in Section 17958.8 of the California Health and Safety Code and any applicable ordinances. The provisions of this Section shall not be deemed to preclude professional and administrative occupations within the Project which have no external evidence thereto above the street level, for so long as (a) such occupations are in conformance with all applicable governmental ordinances and applicable laws, (b) are merely incidental to the use of the Residential Unit by the operator of such business activity as such person's principal residence, except for Units on the street level, (c) the business is operated solely within the Residential Unit, (d) the business

is limited to the rendering of professional services or other similar activities permitted by the Adaptive Reuse Ordinance of the City of Los Angeles, (e) the operation of the business is permitted by, and is at all times in compliance with, all applicable laws, and (f) operation of the business does not result in (i) the violation of any of the other provisions of this Declaration, (ii) any significant increase in the flow of pedestrian or vehicular traffic, or parking problems, within the Project, (iii) any odor, noise, or vibration outside of the Residential Unit, or (iv) any negative impact on the rate or availability of insurance for the Project.

- A. <u>Commercial Use of Residential Units</u>. Except as provided above, no Residential Unit shall be used directly, or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending or other such non-residential purposes.
- B. <u>Sound and Vibrations</u>. No Owner shall attach to the walls or ceilings of any Residential Unit any fixtures or equipment that may cause sounds, vibrations or noise or unreasonable annoyance to the Owners of the other Residential Units or to the Common Area. No Owner may make changes to the floors or remove flooring which might damage the sound-reducing flooring system installed by Declarant without the prior approval of the Architectural Review Committee.

8.2 Use Restrictions Applicable to Commercial Units.

- A. <u>Prohibited Uses</u>. No use or operation shall be made, conducted or permitted on or with respect to all or any part of the Project, which use or operation violates applicable laws or the provisions of this Declaration. In addition to the foregoing, no Commercial Unit or any part of the Project shall be used for an activity or purpose reasonably considered by the Association to pose a safety hazard or health risk within the Project including but not limited to, the following:
- (1) Any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;
- (2) Any noxious, hazardous, toxic, caustic, explosive or corrosive fuel, gas or other substance, except as normally used in an allowed retail business;
- (3) Any fire, explosion or other damaging or dangerous hazard, including the storage or sale of explosives or fireworks;
- (4) Any distillation or refinery facility (excepting therefrom any microbrewery or similar business);

- (5) Any dumping of garbage or refuse, except in places designated for disposal by the Association;
 - (6) Any motorized vehicle repair shop;
- (7) Any meeting place, place of public assembly, pool hall, game arcade, betting facility or video or games arcade;
- (8) Liquor stores, except that a specialty food market including liquor sales may be permitted;
- (9) Any indecent or pornographic uses, massage parlor, adult bookstore, peepshow store, or any other similar store or club; and any business devoted to sale of articles and merchandise normally used or associated with illegal or unlawful activities, including, without limitation, the sale of paraphernalia used in connection with marijuana, cocaine or other controlled drugs or substances;
 - (10) Any tattoo parlors or body piercing;
 - (11) Maintaining or keeping of any animals;
 - (12) Any secondhand store, surplus store, bankruptcy sale;
 - (13) Any places of religious worship; and
- (14) Any laundromat, dry cleaning facility or store, except that a "drop off" for dry cleaning shall be permitted so long as the actual dry cleaning is conducted at a site outside the Project.
- 8.3 <u>Filming</u>. Nothing stated herein shall prohibit filming in the Project, unless otherwise prohibited by Rules adopted by the Board. No filming is allowed unless the Owner complies with all procedures and policies adopted by the Board. Neither the Association, Board, nor any member thereof, shall be liable for any damage, loss, claims or liability in connection with any filming activity, whether or not conducted pursuant to approval by the Board. Any Owner engaging in filming activity shall be liable for any damage, nuisance, or other liability caused or in connection with filming activity. Persons associated with the filming activity (excepting the Occupants of the Unit) shall not be permitted to remain at the Project overnight.
- 8.4 <u>Damage to Common Area</u>. No Owner, Tenant, Occupant, Invitee, or contractor employed by anyone other than the Board, may make any Improvement to the

Common Area, nor remove or alter any furnishings, structures, improvements or landscaping materials therein. The Common Area shall not be obstructed by any person. Each Owner shall be liable to the remaining Owners for any damage to the Common Area that may be sustained by reason of the negligent or willful conduct of said Owner, or that Owner's family members, contract purchasers, Tenants, guests, or invitees. Each Owner, by acceptance of his or her deed, agrees personally and for family members, contract purchasers, Tenants, guests, and invitees, to indemnify each and every other Owner, and to hold such other Owner harmless from, and to defend him or her against any claim of any person for personal injury or property damage occurring within the Condominium of the Owner, including Exclusive Use Common Area, except to the extent that the injury or damage occurred by reason of the willful or negligent act or omission of the Association or another Owner or Tenant.

- 8.5 <u>Prohibition of Noxious Activities</u>. No illegal, noxious or offensive activities shall be carried on or conducted upon any Condominium or Common Area nor shall anything be done within the Property which is or could become an unreasonable annoyance or nuisance to other residents nor otherwise interfere with the quiet enjoyment of the Property by other residents. Without limiting the foregoing, no Owner shall permit unreasonable noise, including, but not limited to, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from an Owner's Unit or from activities within the Common Area, which would unreasonably disturb any other Owner's or Tenant's enjoyment of his or her Unit or the Common Area.
- 8.6 <u>Behavior of Persons on the Property</u>. Each Owner and Tenant of a Condominium shall be accountable for the conduct and behavior of all Occupants and Invitees of such Owner or Tenant, and shall be liable to the Association and to other Owners, Occupants, and Invitees, for any property damage or nuisance caused by such persons.
- 8.7 Activities Affecting Insurance. Nothing shall be done or kept within any Unit, Exclusive Use Common Area, or the Common Area which will increase the rate of insurance on any policy maintained by the Association without the prior written consent of the Association, and no Owner shall permit anything to be done or kept within his or her Unit, Exclusive Use Common Area, or the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Unit or any part of the Common Area.
- 8.8 Pets. Owners or Occupants of Units may keep no more than two (2) dogs, or two (2) cats, or one (1) dog and one (1) cat, within a Unit, and may keep a reasonable number (as determined by the Board) of other ordinary household pets and fish that are kept in cages or aquariums, provided that no such dogs, cats or other animal or fish may

be kept, bred, boarded, or maintained for any commercial purposes. Exotic pets, including without limitation snakes, will not be permitted at any time within the Project. Notwithstanding the foregoing, no animals or fowl may be kept in the Project which result in an annoyance or nuisance, or which are threatening or obnoxious to Occupants. The Board, in its sole discretion, shall have the right to determine what constitutes a threat or nuisance. Pet owners shall be responsible for the prompt disposal of wastes deposited by their pets in the Project and Owners who allow defecation to remain in Common Areas will be fined. Every Owner of a Condominium shall be liable for any damage, nuisance, or unreasonable noise or odors, caused to any person or property by any animals brought or kept upon the Property by any other Owner, Occupant, Tenant, or Invitee of his or her Condominium.

- A. <u>Leash Required</u>. No Owner, Tenant, Occupant or Invitee who possesses a dog or other animal shall permit, allow, or cause the animal to run, stray, be uncontrolled or in any manner be in, upon, or at large upon any part of the Common Area, unless it is restrained by a substantial leash and under the control of a responsible person capable of restraining the animal.
- B. <u>Dangerous Animals</u>. Notwithstanding the foregoing, no domestic dogs or other animals shall be within the Common Area that are deemed by the Board to be vicious or potentially dangerous. All vicious and potentially dangerous animals must be kept indoors or in a securely fenced area within the Condominium from which it cannot escape, and into which children or other individuals cannot trespass.
- (1) An animal shall be deemed "vicious" for purposes of this Section if, when unprovoked: (i) it has bitten a person (however, an animal may be vicious even though it is not proven to have bitten any person); (ii) in an aggressive manner, it inflicts severe injury on or kills a human being; or (iii) it is previously determined to be and currently listed as a potentially dangerous animal (as determined by the Board or governmental authority) and, after its owner or keeper has been notified of this determination, it continues to engage in behavior deemed potentially dangerous. For purposes of determining if an animal is "vicious," "severe injury" means any physical injury to a human being that results in muscle tears, disfiguring lacerations, or requires multiple sutures or corrective or cosmetic surgery.
- (2) An animal shall be deemed "potentially dangerous" if, when unprovoked: (i) on two separate occasions within the prior 36-month period, it engages in any behavior that requires a defensive action by any person to prevent bodily injury when the person and the animal are off the property of its owner or keeper; (ii) it bites a person causing a less "severe injury" than as defined above; or (iii) on two separate occasions within the prior 36-month period, it has killed, seriously bitten, inflicted injury, or otherwise caused injury attacking a domestic animal off the property of its owner or keeper.

- 8.9 <u>Trash Disposal</u>. No garbage, trash, rubbish, or other waste material shall be kept or permitted on the Project except in garbage cans, trash containers, trash chutes, or other waste receptacles located on the Project provided for the use of all Owners. All trash must be bagged or otherwise sealed before using any trash chute located in the Project. No odor shall emanate therefrom so as to be unreasonably unsanitary, unsightly, offensive or detrimental to the Owners in the Project. Under no circumstances may explosives, fireworks, or highly flammable materials such as gasoline, kerosene, oil, oil-based paints, or solvents, be disposed of in the trash chutes or anywhere else in the Project. Any and all costs incurred by the Association for the removal of combustible or toxic materials from the trash chutes shall be borne by the offending Owner at such Owner's sole cost and expense.
- 8.10 <u>View Impairment</u>. By accepting a deed to a Condominium, each Owner acknowledges that: (a) there are no protected views, and no Unit is assured of the existence, quality or unobstructed continuation of any particular view and the Association makes no representation or warranty that there are now, or will be in the future, any such views or that any view will impact the view or desirability of any Unit, (b) any view from the Unit is not intended as part of the value of the Unit and is not guaranteed; and (c) any future development, construction, landscaping, growth of trees, or other installation of Improvements or of properties surrounding the Project may impair the view from any Unit. There are no express or implied easements appurtenant to any Unit for view purposes or for the passage of light and air over other Unit, or any other property whatsoever consistent with the Architectural Guidelines and/or other Rules.
- 8.11 Decorating by Owner. Each Owner shall have the limited right, at his or her sole cost and expense, to maintain, repair and paint, and finish the interior surfaces of the ceilings, window frames, door frames, trim and perimeter walls of the Unit, and the surfaces of the bearing walls and partitions located within the Unit, SUBJECT TO THE OWNER COMPLYING WITH THE APPLICABLE RESTRICTIONS REGARDING PRESERVATION OF HISTORICAL BUILDING ELEMENTS, AND WITH ANY OTHER RESTRICTIONS OR LIMITATIONS SET FORTH IN THE ARCHITECTURAL GUIDELINES AND, IF SUCH WORK WILL RESULT IN ANY PENETRATION OR ALTERATION OF THE UNFINISHED SURFACES OF THE CEILINGS, WALLS OR FLOORS. FIRST OBTAINING THE WRITTEN CONSENT OF THE ARCHITECTURAL REVIEW COMMITTEE. NO OWNER MAY MAKE ANY CHANGE TO THE FLOORS OF HIS OR HER UNIT WITHOUT THE PRIOR WRITTEN CONSENT OF THE ARCHITECTURAL REVIEW COMMITTEE. OWNER IS RESPONSIBLE FOR THE PRESERVATION AND PROTECTION OF SUCH HISTORICAL BUILDING ELEMENTS AS MAY BE CONTAINED WITHIN SUCH OWNER'S UNIT. OWNERS MAY NOT DAMAGE. CUT INTO OR REMOVE HISTORICAL BUILDING ELEMENTS.

- 8.12 Restrictions for Exclusive Use Easement Areas. No Owner shall use any Exclusive Use Easement Area for storage purposes, including, without limitation, the storage of bicycles. Unless installed by Declarant, all plants kept in the Exclusive Use Balcony Areas or Exclusive Use Roof Deck Areas shall be kept in pots or planters which do not allow water to drain outside of such pot or planter, and must not be allowed to collect condensates or moisture between the receptacles and the floors, and no vegetation shall be permitted to extend beyond the railings, walls and/or other boundaries of such Exclusive Use Easement Areas, except as approved by the Board. The Board may require approval of any potted plants. No Owner shall change or alter the surface of any Exclusive Use Balcony Areas or Exclusive Use Roof Deck Areas without the consent of the Board.
- 8.13 <u>Storage</u>. There shall be no storage of personal property within the Common Areas. Absolutely no hazardous materials shall be stored within the Project, including without limitation any explosives, ammunition, accelerants, corrosives, or biohazard, which either by its nature or by unreasonable accumulation thereof may result in a threat to health or safety of persons or property in the Project.
- Interior Improvement Restrictions. Patio furniture and other similar outdoor 8.14 furnishings located in the Exclusive Use Balcony Areas shall be equipped with protective leg caps or other devices to prevent damage to the floor of such areas. With the exception of Exclusive Use Roof Decks, no Improvement shall be nailed, bolted, or otherwise attached to the floor, walls, or any other portion of such areas subject to the restrictions in this Declaration and the Association Rules. No hanging screens, banners, or wind chimes and no other accouterment (other than plants) which may be visible from the public street or any other Units or the Common Area are permitted on any portion of the Exclusive Use Balcony Areas. No interior Improvement to any Exclusive Use Balcony Areas or Exclusive Use Roof Deck Areas involving structural components of the building structure shall be commenced without the prior written approval of the Association as provided in Article VII. No Improvement or work shall pierce the water seal on Exclusive Use Balcony Areas or Exclusive Use Roof Decks. Each Owner acknowledges that, notwithstanding anything to the contrary set forth in this Declaration, the Association shall have the right to enter onto such areas to perform its maintenance and other obligations under this Declaration.
- 8.15 <u>Exterior Lighting</u>. Any exterior electrical, gas or other artificial lighting installed on any Residential Unit shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the residents of any other Unit(s). Further rules regarding exterior lighting may be promulgated by the Board.

- 8.16 Water Beds and Limitations on Size of Aquariums. No water beds shall be permitted in any Condominium and as specified above, no Owner can maintain in his or her Condominium any aquarium or other container holding thirty (30) or more gallons of water. Each Owner acknowledges that substantial damage to other Units, Association Property and/or Common Area may occur as a result of a violation of this restriction.
- 8.17 <u>Vibrations</u>. No Owner shall install or use in its Unit any fixtures or equipment which will cause unreasonable vibrations, noise or annoyance to the Owners of the other Units.
- 8.18 <u>Drainage and Erosion Control</u>. Each Owner shall have the duty and obligation to maintain the drainage improvements and facilities located in any Residential Owner's Condominium free and clear of debris and any other material which may impede the flow of water, and to regularly maintain and clean such drainage improvements, as may be necessary. No Owner shall dispose of any Hazardous Materials in any drains. If such Owner fails to maintain such drainage as a result, imminent danger to person or property may result, then the Association shall have the right of access onto the condominium for the purpose of clearing debris and other material so as to not impede the flow of water. This right of access shall be exercised only for the purpose of preventing damage to persons and property and the entering party ("Entering Party") shall use reasonable care so as to not cause any damage to the Condominium. The Owner shall reimburse the Association for any costs and expenses incurred in clearing such debris pursuant to the provisions of this Declaration.

8.19 Signs. This Section 8.19 applies only to Residential Units.

A. <u>Commercial Signs</u>. No advertising signs or billboards shall be displayed on any building containing Units or posted within or upon any portion of the Common Area, except that Owners may display one sign which advertises their condominiums "For Rent," "For Lease", "For Sale", or "For Exchange" or advertise directions to the condominium on a common sign post to be reasonably located in plain view of the public. The sign shall be of reasonable dimensions and design.

B. Noncommercial Signs.

(1) Noncommercial signs, posters, flags, or banners may be posted or displayed on or in an Owner's Unit, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law.

- (2) For purposes of this section, a noncommercial sign, poster, flag, or banner may be made of paper, cardboard, cloth, plastic, or fabric, and may be posted or displayed from the window, door, balcony, or outside wall of the Owner's Unit, but may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces.
- (3) Noncommercial signs and posters may not be more than nine (9) square feet in size and noncommercial flags or banners may not be more than fifteen (15) square feet in size.
- C. The Board may adopt reasonable rules and regulations governing placement and display of signs consistent with the law and this Declaration.
- 8.20 <u>Clotheslines</u>. Except as authorized by law, no exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes in a manner which is visible from any neighboring Condominium, street, or Common Area. The Board may adopt reasonable Rules and Regulations to regulate the drying or laundering of clothes or the use of exterior clotheslines or drying racks in the Exclusive Use Common Areas. Notwithstanding the foregoing, there shall be no drying or laundering of clothes or other items on any balcony or patio railing, awning, or other part of a structure or building, including, without limitation, fences in a manner which is visible from any neighboring Condominium, street, or Common Area.
- 8.21 <u>Window Covers.</u> Only curtains, drapes, blinds, shutters, and shades may be installed as interior window covers. No window shall be covered, on the interior or exterior, by tint, paint, foil, sheets or similar items. The Board may adopt rules regulating the type, color and design of window covers. Absolutely no sunshades, awnings, canvas, ornamental screens, or any other window covering shall be installed on the exterior of the building, including the exterior walls within the patio or balcony areas, except that rooftop Units may request the prior written approval of the Association pursuant to the procedures set forth in Article VII for the installation of the foregoing items.
- 8.22 Antennas and Similar Devices. In order to ensure adequate aesthetic controls and to maintain the general attractive appearance of the Property, no Owner or Tenant shall place or maintain any objects, such as masts, towers, poles, television and radio antennas, or television satellite reception dishes, on or about the exterior of any building or on any Common Area within the Property, except as authorized by law. A satellite dish may not be installed on Common Area walls or roofs. The Board may establish Rules on the placement of satellite dishes which are consistent with the law.

- 8.23 <u>Mechanic's Liens.</u> No Owner may cause or permit any mechanic's lien to be filed against the Project for labor or materials alleged to have been furnished or delivered to the Project or any Unit for such Owner, and any Owner who does so shall immediately cause the lien to be discharged within five (5) days after notice to the Owner from the Board. If any Owner fails to remove such mechanic's lien, the Board may discharge the lien and charge the Owner a Special Assessment for such cost of discharge.
- 8.24 <u>Machinery and Equipment</u>. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Unit or the Common Area except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a Unit or appurtenant structures within the Property.
- 8.25 <u>Parking</u>. Subject to the provisions of this Declaration, the Association shall, to the extent permitted by the Parking Easement, have the right to control parking within the Parking Easement, and the owner of the Parking Garage shall have the right to promulgate rules and regulations to control parking as set forth in the Parking Easement; provided, however, that the Declarant has reserved an easement over all of the unassigned Parking Spaces with the exclusive right to assign such Parking Spaces to Owners.
- A. Parking Rights. Declarant assigned Owners of Residential Units an exclusive right to use a Parking Space or Parking Spaces within the Parking Easement. ("Reserved Parking Spaces"). The terms and conditions of an Owner's right to use a Parking Space are set forth in a License Agreement entered into upon an Owner's acquisition of a Residential Unit from Declarant. An Owner's continued right to use its Parking Space is subject to payment of the applicable monthly parking fee as set forth below. The Association shall maintain a record of Reserved Parking Spaces. Upon assignment of a Reserved Parking Space to an Owner of a Unit, such Owner shall have the exclusive right to the use of the Parking Space so assigned, subject to the rights of the Association set forth below. The Association shall not have the right to change the location of such Reserved Parking Space, except as provided below. Upon conveyance of a Condominium by an Owner to another Owner, the parking rights assigned to such Owner in the records of the Association shall automatically inure to the benefit of the new Owner.
- B. <u>Temporary Relocation Rights</u>. The rights assigned to the Owner of a Unit to use or occupy a Reserved Parking Space shall be subject to the rights of the Association or the owner of the Parking Garage covered by the Parking Easement to temporarily relocate such Parking Space, upon reasonable notice, in order to accommodate any construction, maintenance or repairs of Improvements located within the Parking Garage. In such case, the Association or the owner of the Parking Garage

covered by the Parking Easement shall have the right to exchange the affected Parking Space for another available Parking Space, if any. Each Owner hereby acknowledges that such activities of the Association may impair the use of such Owner's Reserved Parking Spaces and may constitute an inconvenience or nuisance, and hereby releases the Association from any claims with respect to such matters.

- C. Relocation Based Upon Agreement of Owners. If an Owner desires to exchange his or her Reserved Parking Space with another Owner, or to sell his or her Reserved Parking Space to another Owner, and both affected owners voluntarily agree to the exchange or sale, and provided the two Owners sign an agreement in a form prepared by the Association agreeing to the exchange or sale, and provided the Owners pay the Association an administrative fee in the amount of \$100.00, the Association may then change its records to reflect the exchange requested by the two Owners, or the sale of the Reserved Parking Space, as applicable, to the extent permitted under the Parking Easement. The Association shall retain in its records the written agreement of the two Owners. Upon the change to the records of the Association, then the new Reserved Parking Spaces shall inure to the benefit of the future Owners of such Unit.
- D. Charge Fees, Termination of Right for Failure to Pay. The Association or the owner of the Parking Garage covered by the Parking Easement shall charge fees for the use of any such Parking Spaces to each Owner equal to the fees payable for such space pursuant to the Parking Easement. In the event any Owner does not timely pay such fees, then such Owner's right to use such Owner's Parking Space, whether or not it is a Reserved Parking Space shall be terminated until all unpaid fees (plus interest and penalty charges, if applicable), have been paid, provided, however, that if the fees remain unpaid for a period of 90 days, the Owner's right to use the Parking Space shall permanently revert to the Association, upon written notice from the Association, the affected Owner and successor Owners and Unit will not have a right to reacquire the right to a Parking Space from the Association. The records of any termination of an Owner's right to a Parking Space shall be kept with the records of the Association.
- 8.26 <u>Variances</u>. Upon application by any Owner, the Board shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article, if specific application of the restriction will, in the sole discretion of the Board, either deny a substantial right of the affected Owner or Tenant, or cause an undue hardship to the affected Owner or Tenant, or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

ARTICLE IX MAINTENANCE RESPONSIBILITIES

- 9.1 Owner Maintenance of Residential Unit. Without limiting Section 9.3, each Owner of a Residential Unit shall be responsible for the maintenance, repair and replacement of, and shall keep in good and presentable condition, all elements of such Owner's Residential Unit, including, without limitation:
 - A. The interior surfaces of the Unit;
- B. All utility systems, valves, equipment, and connections to the Residential Unit, including, without limitation, water, gas, electrical, plumbing, air conditioning, heating, and telephone, lines, conduits and improvements, water heating equipment, and cable television wiring servicing his or her Unit and located either within or without the outside perimeter of the exterior walls, floors and ceilings thereof, so long as those systems are used exclusively by such Owner and not in common. Each Owner shall be entitled to reasonable access over the Common Property for such purposes, subject to reasonable limitations imposed by the Association;
- C. All windows and doors enclosing an Owner's Unit, including window and door frames, and glass doors, if any;
- D. All appliances, whether built in or free standing within the Residential Unit; and
- E. The interior and lock(s), if any, of the Exclusive Use Common Areas, if applicable.
- 9.2 Owner Maintenance of Commercial Units. Without limiting Section 9.3, each Owner of a Commercial Unit shall be solely responsible for all maintenance, repair and replacement of the improvements therein, including, without limitation:
 - A. The interior surfaces of the Unit;
- B. All utility systems, valves, equipment, and connections to the Unit, including, without limitation, water, gas, electrical, plumbing, air conditioning, heating, and telephone, lines, conduits and improvements, water heating equipment, and cable television wiring servicing his or her Unit and located either within or without the outside perimeter of the exterior walls, floors and ceilings thereof, so long as those systems are used exclusively by such Owner and not in common. Each Owner shall be entitled to reasonable access over the Common Property for such purposes, subject to reasonable limitations imposed by the Association;

- C. All windows and doors enclosing an Owner's Unit, including window and door frames, and glass doors, if any; and
- D. The interior and the lock(s), if any, of the Exclusive Use Common Areas, if applicable.
- E. Notwithstanding anything herein on in Exhibit "B" to the contrary, in the event the air conditioning equipment is replaced with equipment that would be unique to each Owner, the Unit Owner is responsible for maintenance, repair and replacement of any such air conditioning unit and equipment exclusively serving the Owner's Unit.

Such Owner shall keep the Commercial Units in good repair and in a clean and attractive first class condition.

- 9.3 <u>Maintenance Obligations of Owners</u>. Each Owner is responsible for the care and maintenance of those components of each Owner's Unit and Exclusive Use Easement Area designated for maintenance by the Owner on the Maintenance Responsibility Chart, attached hereto as **Exhibit "B"** and incorporated by this reference. In the event of any ambiguities or conflicts regarding maintenance, repair or upkeep obligations, the Maintenance Responsibility Check List shall control.
- A. Quality of Maintenance. All such maintenance shall be performed in such a manner as shall be deemed necessary in the judgment of the Board to preserve the attractive appearance thereof, protect the value thereof and to maintain the established system of drainage and in compliance with all requirements of this Article and the Maintenance Responsibility Chart. Any such maintenance, repair or replacement of any of the foregoing which is visible from outside of a Unit shall be consistent with the existing design, aesthetics and architecture of the Project and shall be approved by the Board, as provided in ARTICLE 7 of this Declaration. The Board and its agents shall, after giving reasonable notice, have the right to enter any Unit to inspect the established system of drainage located thereon, provided that the Association repairs any damage which might result from such inspection.
- B. <u>No Alterations</u>. Subject to the provisions of ARTICLE 7, no bearing walls, ceilings, floors, other structural or utility bearing portions of the Condominium building nor walls enclosing any patios or decks may be pierced or otherwise altered or repaired without approval from the Board. No non-bearing wall may be altered, moved or removed without the prior consent of the Architectural Committee.
- 9.4 Owner's Failure to Maintain. If an Owner fails to maintain the areas and items as provided above or make repairs thereto in such manner as shall be deemed

necessary in the judgment of the Board to preserve the attractive appearance thereof and protect the value thereof, the Board shall give written notice to such Owner, stating with particularity the work or maintenance or repair which the Board finds to be required and requesting that the same be carried out within a period of thirty (30) days from the giving of such notice. In the event the Owner fails to carry out such maintenance or repair within the period specified by the notice, the Board shall cause such work to be completed and shall assess the cost thereof to such Owner as a Special Individual Assessment in accordance with the procedures set forth in this Declaration.

- 9.5 <u>Maintenance Obligations of Association</u>. The Association is responsible for the care and maintenance of those components of the Project designated for maintenance by the Association on the Maintenance Responsibility Chart (**Exhibit B**) in accordance with the Maintenance Obligations. The Association shall keep such portions of the Project in good condition and repair, provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of such areas.
- A. <u>Terminate Eradication</u>. If the Association adopts an inspection and preventive program for the prevention and eradication of infestation by wood destroying pests and organisms, the Association, on no less than fifteen (15) nor more than thirty (30) days notice, may require each Owner and occupant of the Owner's Unit to vacate such Unit to accommodate Association efforts to eradicate such infestation. The notice must state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation. Any damage caused to a Unit by such entry by the Association or by any person authorized by the Association shall be repaired by the Association as a Common Expense. All costs involved in operating the inspection and preventive program as well as repairing and replacing the Association Property and Improvements thereon, when the need for such maintenance, repair or replacement is the result of wood destroying pests or organisms, are a Common Expense.
- 9.6 <u>Damage by Owners</u>. Each Owner is liable to the Association for any damage to the Common Property if the damage is sustained due to the act of an Owner, or such Owner's guests, tenants or invitees, or any other persons deriving their right to use the Association Property from the Owner, or such Owner's respective family, tenants and guests. The Association may, after Notice and Hearing, (a) determine whether any claim shall be made on the Association's insurance, and (b) levy a Special Assessment equal to the cost of repairing the damage or any deductible paid and the increase, if any, in insurance premiums directly attributable to the damage caused by such Owner or the person for whom such Owner may be liable as described in this Declaration. If a Condominium is jointly owned, the liability of its Owners is joint and several, except to the

extent that the Association has previously contracted in writing with the joint owners to the contrary. After Notice and Hearing, the cost of correcting the damage shall be a Special Assessment against such Owner.

- 9.7 <u>Electric Meters</u>. Each Owner, by acceptance of a deed, acknowledges that the Los Angeles Department of Water and Power provides the electric service to the Project. In connection with the development of the Project, Declarant has installed several electric meters for the Project. Some of the meters will meter the electricity used for climate control and lighting of the Common Areas and Association Property. The other electricity meters will be used to measure electricity usage of Condominium Units. Los Angeles Department of Water and Power will prepare a bill for the Association based upon overall usage through its electric meters and the Association will be responsible for the payment of the Association bill. Individual submeters may be installed that measure usage of power for each of the individual Units, and each Owner will be responsible for paying its share of such electricity bill in accordance with the procedures set forth below.
- Α. Allocation of Electric Bills. In order to calculate the share attributable to each Unit for cooling and other charges imposed by the power company, the Association shall have the right to enter into a contract with an electricity metering service company ("Metering Company"). The Metering Company if engaged, otherwise the Association, will be responsible for (1) reading the individual submeters, (2) allocating the power for cooling and other charges imposed by the City for each individual Unit and preparing the individual bills for delivery to each Owner. Additionally, the Metering Company may impose a service charge for their services which will be charged to each Owner with a submeter. Each Owner will be responsible for paying directly to the Metering Company or the Association such Owner's share of electric and other charges imposed by the power company and the service charge to the Metering Company prior to the due date. The Metering Company will provide to the Association a statement of all amounts received from the Owners with submeters on a regular basis along with such funds received. If an Owner with a submeter fails to pay any amounts when due, such Owner will be responsible for any penalties or delinquent amounts levied by the City and the Metering Company. Additionally, the Association shall have the right to cure any failure by an Owner ("Defaulting Owner") to pay the amounts due to the power company and may elect to apply the deposit then held by the Association to make such payment as provided below. If the Association elects to cure such default, then the defaulting Owner will be responsible for reimbursing the Association. If the Defaulting Owner fails to reimburse the Association, the Association will be entitled to impose an Special Assessment as provided under this Declaration, may enter the Unit to shut off electricity service to the Defaulting Owner's Unit or may pursue any other remedies as provided under this Declaration. The Association shall have the obligation to maintain, repair and replace the submeter providing service to each Unit. Each Owner with a submeter shall provide unobstructed access to the Association or Metering Company for any inspections

and maintenance and remove any items from the garage which would prohibit inspection and maintenance of such submeters upon prior notice of such inspection and maintenance from the Association or Metering Company of an Owner' submeter. If, in the future, there are no companies which can provide the metering service, then it will be the responsibility and obligation of the Association to allocate costs for gas and electricity usage and the other charges levied by the power company to the Owners in this Project.

- B. <u>Deposits</u>. Upon the initial sale of a Condominium to an Owner from Declarant under authority of a Public Report, Owners were obligated to pay to the Association a deposit in an amount equal to two hundred fifty and no/100 Dollars (\$250.00) as security for such Owner's obligation to pay such Owner's gas and electricity bill when due. As provided above, the Association may apply such deposit in payment of a Defaulting Owner's gas and electricity bill and such Owner shall replace the full amount of such deposit promptly upon written notice from the Association.
- 9.8 <u>Allocation of Water and Gas Bills</u>. Each Owner, by acceptance of a deed, acknowledges that the Los Angeles Department of Water and Power provides water service and the Southern California Gas Company provides gas service to the Project. The water and gas bill shall be paid by the Association and passed on to the Owners through their Regular Assessments. If an Owner is delinquent more than three months in payment of assessments, in addition to other remedies contained herein, the Association may terminate water and gas service to the Unit, after 10 days written notice, until all assessments due are paid.
- 9.9 Obligation To Permit Entry by Association and Adjacent Owners. Each Owner shall be obligated to permit the Owners of adjacent Units or the representatives of such adjacent Owners to enter the Owner's Unit for purposes of performing installations, alterations, maintenance or repairs to utilities, mechanical or electrical services, including installation of television antennas and related cables, which are reasonably necessary for the use and enjoyment of his or her Unit, provided that requests for entry are made at least twenty-four (24) hours in advance and that entry is at a time convenient to the Owner whose Unit is being entered upon, except in the event of an emergency when no notice shall be required. Each Owner shall also honor the right of the Association and its agents to enter his or her Unit as provided in this Declaration for maintenance, repairs and/or to gain compliance with this Declaration.
- 9.10 <u>Cooperative Maintenance Obligations</u>. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

9.11 Non-Responsibility for Consequential Damages / Mold Remediation / Reconstruction of Units. Except for damages for which the Association has insurance, neither the Association nor its Board, Officers, Manager, or its employees or agents shall be liable to any Owner, or any other person, for injury, damage or loss to any Owner or any Owners' property, or any other persons or property, resulting from any casualty, or from any water, rain, dust, sand, or any other element which may leak or flow from outside of any Unit or from any part of the building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, provided the Association, its Board, agents, or other persons have, upon the basis of such information as may be possessed by them, acted in good faith, and without negligence or willful or intentional misconduct. The Association's Non-Responsibility for Consequential Damages, as herein stated, includes, but is not limited to, fixtures, cabinets, paint, wall coverings, window coverings and floor coverings, costs necessary to test for the presence of mold, abate the same, and reconstruct Units damaged by said damages.

ARTICLE XEASEMENTS

- 10.1 Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas within the Property, including ingress and egress to and from his or her Condominium, which shall be appurtenant to and shall pass with the title to every Condominium, subject to the following rights and restrictions:
- A. The right of the Association to assign, rent, lease, and to otherwise designate and control the use of any unassigned parking spaces within the Common Area, and to limit the number of guests who may use any recreational Common Area.
- B. The right of the Association to adopt Rules regulating the use and enjoyment of the Project for the benefit and well-being of the Owners in common, which may include, without limitation, temporarily suspending the right to use any recreational Common Area consistent with orders issued by federal, state and/or local governmental agencies, or when necessary to protect against immediate threats to life, safety and/or property, arising from an emergency. In the event of the breach of such rules or any provision of any Governing Documents by any Owner, Occupant, or Invitee of a Condominium, to temporarily suspend the voting rights and/or right to use the (if permitted by law) by such Owner or Occupant and any other Occupants and Invitees of the condominium, subject to compliance with due process requirements as provided herein.

- C. The right of the Association to enter into or upon any Unit or Exclusive Use Common Areas when such access is essential for the maintenance of the Common Area or to enforce the provisions of the Governing Documents, subject to Section 5.4(B) hereof.
- D. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage said property; provided, however, that the rights of any such mortgagee shall be subordinate to the rights of the Owners hereunder; and any such indebtedness shall be considered a Common Expense.
- E. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Owners; provided, however, that no such dedication or transfer shall be effective unless an instrument, approved by at least two-thirds of the voting power of the Members, and their first mortgagees, consenting to such dedication or transfer has been Recorded. Furthermore, no dedication shall be permitted that impairs the ingress and egress to any Unit. Said instrument may be executed in counterparts so long as each counterpart is in Recordable form.
- F. The right of the Board or ARC, if any, to approve any proposed alteration or modification to the Common Area or any Unit.
- 10.2 <u>Encroachment Easements.</u> If any portion of the Common Area encroaches on any Unit or if any portion of a Unit encroaches on the Common Area, regardless of the cause which may include but is not limited to settlement or shifting of the building, except to the extent any encroachment is due to the willful conduct of an Owner or other party, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Units and the Common Area are made subject to such easements.
- 10.3 <u>Blanket Utility Easement</u>. There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, drainage and electricity and the master television antenna or cable television system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area or Association Property. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially designed and approved by the Developer or thereafter approved by the Board. The easements provided for in this Section shall in no way effect any other Recorded easement on the Property. Without limiting the foregoing,

the Residential Condominium Owners shall have an easement for the maintenance and repair of the Utility Facilities within the area located in the Commercial Common Area designated as the Utility Easement Areas, if any, on the Condominium Plan. and the Commercial Condominium Owners shall have an easement for the maintenance and repair of the Utility Facilities within the area located in the Residential Common Area designated as the Utility Easement Areas, if any, on the Condominium Plan.

- 10.4 <u>Other Easements</u>. Each Unit and its Owner, and the Association as to the Common Area, are hereby declared to be subject to all the easements, dedications and rights-of-way granted or reserved in, on, over and under the Property and each Unit and Common Area.
- 10.5 <u>Maintenance Easements</u>. An easement is hereby granted to the Association, its officers, agents, employees, and to any management company and contractor selected by the Association to enter in or to cross over the Common Area and any Unit to perform the duties of maintenance and repair of the Condominiums, Common Area or Association Property, provided that any entry by the Association or its agents shall only be undertaken in strict compliance with this Declaration.
- 10.6 <u>Easement for Unobstructed Openings</u>. An easement for light and air and unobstructed openings ("Easement for Unobstructed Openings") has been granted over a 38-foot strip of land as shown on the Tract Map for the Project. No improvements may be installed on such easement area. The Association shall maintain the easement area in compliance with the terms of the Easement for Unobstructed Openings.
- 10.7 Recorded Covenants and Agreements. In addition to the foregoing, the following covenants were recorded in the County Recorder's Office concerning the Development:
- A. A Covenant and Maintenance Agreement was recorded on April 22, 2008 in the County Recorder's Office as Document No. 20080698691.
- B. An Access Agreement and Declaration of Covenants Runing with the Land and Quitclaim Deed (El Dorado) was recorded on November 24, 2008 in the County Recorder's Office as Document No. 20082068703.
- C. A Master Covenant and Agreement was recorded on June 4, 2019 in the County Recorder's Office as Document No. 20190515796.
- 10.8 <u>Reservation of Exterior Signage Easement</u>. Declarant hereby expressly reserves the right and easement to install, maintain, repair and replace business signage,

including advertising signage of businesses not a part of the Project on the roof in the areas on the exterior of the building on the side without windows, above the first floor, as may be deemed necessary and appropriate by Declarant, together with the right and power to convey or lease such easements to others. Declarant further reserves an access easement for ingress and egress over the Common Areas to the signage.

ARTICLE XIINSURANCE

- 11.1 Fire and Casualty Insurance. The Association shall obtain and maintain a policy of fire and casualty insurance naming as parties insured the Association and any mortgagee of the Common Area, and containing the standard extended coverage and replacement cost endorsements and, in the Board's discretion, such other or special endorsements as will afford protection and insure, for the full insurable, current replacement cost, all Common Area and Association Property that the Association is required to repair or restore in the event of partial or total destruction thereof and, also in the Board's discretion, all or portions of the Unit, and the personal property of the Association for or against the following:
- (a) Loss or damage by fire or other risks covered by the standard extended coverage endorsement;
 - (b) Loss or damage from theft, vandalism or malicious mischief; and
 - (c) Such other risks, perils or coverage as the Board may determine.

Such policy or the endorsement made a part thereof shall, to the extent available, provide that the insurer issuing the policy agrees to abide by the decision of the Association made in accordance with the provisions of this Declaration as to whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Area or Association Property. If available for a reasonable cost, the insurance policy shall include building code upgrade coverage.

The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be reevaluated on an annual basis.

11.2 <u>General Liability and Property Damage Insurance</u>. The Association shall obtain and maintain a policy of commercial general liability and property damage insurance naming as parties insured the Association, each member of the Board of Directors, any Manager, the Owners of all Units, and such other persons as the Board may determine and agreed upon by the respective carrier. The policy shall insure each

named party against liability incident to the ownership, maintenance, and repair of the Common Area and any other Association-owned or maintained real or personal property. The limits of such insurance shall not be less than two million dollars (\$2,000,000.00) covering all claims for death, personal injury, and property damage arising out of a single occurrence, or in such other minimum amount as required by applicable law to protect Owners from civil liability arising solely by reason of their ownership interest in the Common Area.

11.3 <u>Directors and Officers Liability Insurance</u>. The Association shall obtain and maintain Directors and Officers Liability Insurance covering prior acts in order to ensure that former directors and officers are protected for decisions made during their term of service. The policy shall name as insureds not only the current directors and officers, but also volunteer committee members, if such insurance is available. The limits of such insurance shall not be less than five hundred thousand dollars (\$500,000.00), or in such other minimum amount as required by applicable law to protect volunteer officers or directors from personal liability in excess of the insurance coverage. If commercially available for a reasonable price, such Directors of Officers Liability coverage shall include an endorsement extending coverage for the acts, errors, and omissions committed by the Association's Manager.

11.4 Fidelity Bond and Other Insurance.

- A. The Board shall obtain and maintain fidelity bonds or insurance, in an amount equal to at least three (3) months operating expenses plus Reserves. Any such policies or bonds must include coverage for computer fraud and fund transfers fraud, pursuant to Civil Code Section 5806, and contain an endorsement that includes as covered individuals under said policies or bonds any non-compensated directors and officers, and the Manager.
- B. To the extent such insurance is reasonably obtainable or required by any institutional first mortgagee, the Association may also purchase with Common Funds such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limitation, demolition insurance, flood insurance, worker's compensation, commercial umbrella coverage, and boiler and machinery coverage.
- 11.5 <u>Coverage Not Available</u>. If any insurance policy or endorsement required herein is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above.

- 11.6 <u>Copies of Policies</u>. Copies of all insurance policies shall be retained by the Association and shall be available for inspection by any Owner in accordance with applicable law.
- 11.7 <u>Individual Fire, Casualty and Earthquake Insurance Limited</u>. The Association's blanket insurance policy maintained pursuant to Section 11.1 above shall be the primary coverage in the event of a loss covered by the Association's insurance. If any Unit Owner maintains insurance coverage which results in a reduction in insurance proceeds otherwise payable to the Association pursuant to policies obtained by the Association, the Association shall specially assess the Owner to the extent of any reduction.

11.8 <u>Individual Assessment Loss Coverage and Other Individual Coverage</u>.

- A. Each Owner is encouraged to obtain and maintain loss assessment coverage for fire, earthquake, and other casualties with a minimum limit of \$50,000.00. In the event of fire, earthquake, or other casualty which results in each Owner becoming responsible for the payment of a special or emergency assessment, each Owner shall instruct the insurance carrier to pay proceeds directly to the Association to pay for services, labor and materials provided to the Association for repair and/or reconstruction or to replenish reserve funds.
- B. Each Owner is also encouraged to carry the following insurance (any premises liability and property damage insurance policy shall include a waiver of subrogation clause as to the Association, other Owners, and any institutional first mortgagee of such Unit, and shall cover damages caused by Owner's Tenant, if any):
- (1) Premises liability insurance in an amount not less than one million dollars (\$1,000,000) against physical injury, death and property damage arising out of a single occurrence within the Condominium.
- (2) Coverage on portions of the structure not covered by the Master Policy of the Association.
 - (3) Loss of use coverage for living expenses.
 - (4) Personal property coverage.
- C. The Association shall have no responsibility for the adequacy or extent of any such insurance coverage outlined herein. Owners should consult with their individual insurance broker or agent for appropriate coverage.

- 11.9 <u>Renters Insurance</u>. If an Owner does not reside in his/her Unit and the Unit is leased to a Tenant, then the Owner is also responsible for carrying a rental dwelling policy as well as for requiring the Tenant to carry a renters policy both of which, shall provide, at a minimum, the coverage outlined in Section 11.8 (a) and (b) above.
- 11.10 <u>Trustee</u>. All insurance proceeds payable pursuant to policies maintained by the Association may, in the discretion of the Board, be paid to a trustee to be held and expended for the benefit of the Owners, mortgagees and others, as their respective interests appear. Said trustee shall be a commercial bank, escrow company, title company, or other person or institution with trust powers within the County that agrees in writing to accept such trust.
- 11.11 <u>Adjustment of Losses</u>. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried by the Association. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.
- 11.12 <u>Board's Discretion to Submit Insured Losses</u>. The Board shall have the discretion as to whether or not it is in the best interests of the Association to submit an insurance claim to its insurer.
- 11.13 Losses Solely Attributable to a Unit; Deductibles. If any loss is caused by any respective Owner, his or her Unit or any item the Owner is responsible to maintain, repair or replace, a claim must be made with that respective Owner's insurance policy before any claim is made to any Association insurance policy. If the Association's policy is required to pay any claim for which an Owner, his or her Unit, or any item the Owner is responsible to maintain, repair or replace is actually responsible, then that Owner shall be liable to the Association for the payment or reimbursement of the deductible.
- 11.14 <u>Inability to Obtain Insurance</u>. Neither the Association, nor its Directors and Officers, shall be liable to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain any insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board, in its sole discretion determines is unreasonable under the circumstances, or the Owners fail to approve any assessment increase needed to fund the insurance premiums. In such event, the Board shall as soon as reasonably practicable, notify each Owner [and any Mortgagee entitled to notice] that the specific insurance will not be obtained or renewed. Neither the Association, nor its Directors and Officers, shall be liable to any Owner or Mortgagee if it does not obtain any of the insurance referenced hereunder.

A. If the Board is unable to obtain any of the listed insurances in Section 11.1 and/or 11.2 (fire, casualty, malicious mischief, and vandalism insurance) because it is unreasonable, unavailable, cost prohibitive or unnecessary under the circumstances then the Board may require the Owner to obtain that insurance in place of the Association. The Board may, in good faith, in its sole discretion, determine that obtaining any of the insurance required above is unreasonable, unavailable, cost prohibitive or unnecessary under the circumstances. In making a determination as to whether to acquire such discretionary insurance, the Board may base its decision upon, among other things, an advisory vote of the Owners. If the circumstances change or revert back and certain discretionary insurance becomes available when it was previously not available or was not purchased, and the responsibility for that insurance shifted to the Owner's responsibility, the Board can decide to have the Association again assume responsibility for that discretionary insurance as a Common Expense.

ARTICLE XII DAMAGE OR DESTRUCTION

12.1 <u>Destruction Generally.</u> If there is a destruction of some or all of the Improvements in the Project resulting from any casualty loss, including without limitation fire, earthquake, wind, rain, subsidence, flood, or any other cause, the procedures in this Article shall be followed. For purposes of this Article, "destruction" applies to any Improvements that are rendered unsafe for any human habitation by being razed, destroyed, or annihilated, but not merely unsatisfactory for habitation by a particular individual, regardless of sensitivity to particular conditions. If there is damage to some or all of the Improvements in the Project resulting from any casualty loss, or from any natural deterioration, or any other cause whatsoever, amounting to less than destruction, the procedures in this Article shall be followed only if the cost of repairing the damaged Improvements exceeds fifty percent (50%) of the Association's gross operating budget for that fiscal year.

12.2 Determination Whether to Reconstruct.

A. <u>Proceeds Exceed Seventy-Five Percent of Costs</u>. If the available proceeds of the insurance carried by the Association are not less than seventy-five percent (75%) of the projected costs of repair and reconstruction, the reconstruction shall be presumed approved and the Improvements promptly rebuilt unless, within ninety (90) days from the date of destruction, Members holding at least twenty-five percent (25%) of the total voting power of the Association object in writing to rebuilding, in which case the Board shall follow the procedures in Paragraph B.

- B. Proceeds Less Than Seventy-Five Percent of Costs, or Upon Objection. If the proceeds of insurance carried by the Association are less than seventy-five percent (75%) of the projected costs of repair and reconstruction, or if the Members object as described in Paragraph A, the Board shall solicit a vote of the Members to determine whether repair and reconstruction shall take place. The vote may be conducted at a duly noticed Membership meeting or by written ballot, as provided in the Bylaws. A majority of a quorum of the Members duly participating shall prevail as to the issue. If the reconstruction is approved, the Board shall follow the procedure in Section 12.3. If the reconstruction is disapproved, the Board shall follow the procedures in Section 12.4.
- 12.3 <u>Procedure if Rebuilding Approved</u>. If repair and reconstruction is approved, the Board shall execute and acknowledge a certificate declaring the intention of the Owners to rebuild and Record the same not later than 120 days from the date of destruction. The Board shall solicit and obtain bids from at least two reputable and licensed contractors to repair and reconstruct the Improvements in accordance with the original plans and shall present this information to the Owners at a meeting.
- A. <u>Apportionment of Assessments</u>. All reconstruction costs which are not covered by insurance shall be funded by a Special Assessment, to be levied in the same proportion as required for Assessments generally, which may be enforced under the lien provisions provided in this Declaration.
- B. Rebuilding Contract. The Board or its authorized representative shall, after obtaining bids from at least two contractors, award the repair and reconstruction work to the contractor chosen by a majority vote of the Board. The Board shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds shall be disbursed to this contractor according to the terms of the contract. It shall be the obligation of the Association to take all steps reasonably necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

12.4 Procedure if Rebuilding is Not Approved.

- A. The Board shall execute and acknowledge a certificate declaring the intention of the Owners not to rebuild and Record the same not later than 120 days from the date of destruction. The Board or Trustee shall collect all available insurance proceeds and arrange for the sale of the Property, with or without the Improvements.
- B. If the Board determines that a higher sales price will result from a sale of the Property without the Improvements, the Board shall arrange for the demolition of the Improvements. After paying all expenses relative to the sale and for the operation of the Association prior to the date of sale, the Board or Trustee shall divide the remaining

insurance proceeds among the Units according to either the square footage of each Unit, the relative fair market value of each Unit determined by the original purchase price or comparable sales data, or in equal shares. The method of distribution shall be determined by the vote of a majority of a quorum of the Owners at a duly held meeting or written ballot.

- C. After paying all debts of the Association, the share of insurance proceeds for each Unit shall be first applied to reduce or eliminate any outstanding mortgages, as their interests may appear. Any insurance proceeds remaining after payments to the mortgagee of a Unit shall be distributed to the Owner of the Unit to which the proceeds are allocated. As to those Units without mortgages, the Board or Trustee shall pay the Unit's share of the insurance proceeds directly to the Owner.
- D. Upon sale of the Property pursuant to this Section, the Board shall initiate proceedings for dissolution of the Association and shall facilitate the winding down of all the Association's business. However, no funds shall be distributed to the Members, or their mortgagees, pursuant to Paragraph C until all outstanding debts and expenses of the Association shall have been paid or otherwise accounted for.

ARTICLE XIII CONDEMNATION

13.1 <u>Sale by Unanimous Consent or Taking.</u> If an action to condemn all or any portion of the Common Area is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional mortgagees, the Property, or a portion thereof may be sold and conveyed to the condemning authority by the Board or its designees acting as the attorney-in-fact of all Owners pursuant to Section 3.3 hereof, for a price deemed fair and equitable by the Board. However, if the Owners or mortgagees do not consent to such a sale, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

13.2 Distribution and Sale: Proceeds of Condemnation Award.

A. <u>Total Sale or Taking</u>. A total sale or taking of the Property is a sale or taking that: (i) renders more than fifty percent (50%) of the Condominiums uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking); or (ii) renders the Property as a whole uneconomical as determined by the vote or written consent of sixty-six and two-thirds percent (66-2/3%) of those Owners and their respective institutional mortgagees whose Condominiums will remain habitable after the taking. However, any determination that a sale or taking is total

must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Property, after payment of all expenses relating to the sale or taking, shall be paid to all Owners and to their respective mortgagees in the proportion that the fair market value of each Condominium bears to the fair market value of all Condominiums on the Property. The fair market value of Units shall be determined in the condemnation action, if such be instituted, or by an appraiser.

- B. <u>Partial Sale or Taking</u>. In the event of a partial sale or taking of the Properties, meaning a sale or taking that is not a total taking, as determined in section 13.2, paragraph A, above, the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgments of condemnation shall include the following provisions as part of its terms:
- (1) To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then
- (2) To Owners and to their respective mortgagees, as their interests may appear, of Condominiums on the Property whose Condominiums have been sold or taken, an amount up to the fair market value of such Condominiums as determined by the court in the condemnation proceeding or by an appraiser, less such Owners' share of expenses paid pursuant to section 13.2, subparagraph B(1) (which share shall be in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Condominiums.
- (3) To any remaining Owner(s) and to his or her mortgagees, as their interests may appear, whose Condominium has been diminished in value as a result of the sale or taking disproportionate to any diminution in value of all Condominiums, as determined by the Court in the condemnation proceeding or by an appraiser, an amount up to the total diminution in value; then
- (4) To all remaining Owners and to their respective mortgagees, as their interests may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Condominium bears to the fair market value of all remaining Owners' Condominiums as of a date immediately prior to commencement of condemnation proceedings, as determined by the Court in the condemnation proceeding or by an appraiser.
- 13.3 <u>Appraiser</u>. Wherever in this Article reference is made to a determination of the value or fair market value of one or more Condominiums by an appraiser, this shall mean an appraisal by an independent appraiser selected by the Board, who shall be a member of the Appraisal Institute (AI) or other nationally recognized appraiser

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

ARTICLE XIV SPECIAL DISCLOSURES

Historical Building Disclosure. THE PROPERTY IS AN EXISTING HISTORICAL BUILDING, ORIGINALLY CONSTRUCTED IN 1913, WHICH HAS HAD MANY USES AND SUFFERED DETERIORATION AND DAMAGE OVER THE YEARS. THE BUILDING HAS BEEN REHABILITATED BY DECLARANT FOR OCCUPANCY AS A MIXED USE BUILDING, WITH COMMERCIAL RETAIL AND/OR OFFICE USES ON THE GROUND FLOOR, MEZZANINE AND IN THE BASEMENT, AND CONDOMINIUM "LOFT" UNITS ON THE SECOND THROUGH TWELFTH FLOORS. THE BUILDING IS SUBJECT TO RESTRICTIONS REQUIRED BECAUSE OF ITS UNIQUE HISTORICAL NATURE. AS A HISTORICAL PROPERTY, THE BUILDING CONTAINS CERTAIN ORIGINAL OR HISTORICAL BUILDING ELEMENTS AND FEATURES, FRAMING AND FIXTURES THAT ARE REQUIRED TO BE PRESERVED AND ARE PROTECTED BY APPLICABLE ORDINANCES AND LAWS. THE HISTORIC BUILDING ELEMENTS INCLUDE ORIGINAL WINDOW FRAMES, CERTAIN ORIGINAL WINDOWS, CEILING AND FLOORING, AMONG OTHER ELEMENTS. SUCH HISTORICAL ELEMENTS ARE IN FUNCTIONAL CONDITION BUT MAY NOT MEET CURRENT BUILDING CODES AND STANDARDS OR DECIBEL LEVEL CODES AND STANDARDS. AND MAY CAUSE OR CONTRIBUTE TO THE TRANSMISSION OF NOISES. EACH OWNER AND THE ASSOCIATION SHALL BE RESPONSIBLE FOR THE PRESERVATION AND PROTECTION OF SUCH HISTORICAL BUILDING ELEMENTS AS MAY CONTAINED WITHIN SUCH OWNER'S UNIT OR COMMON AREA. OWNERS AND OCCUPANTS AND THE ASSOCIATION ARE NOT PERMITTED TO DAMAGE. CUT INTO, OR REMOVE HISTORICAL BUILDING ELEMENTS.

THE HISTORIC "EL DORADO" SIGN ON THE SPRING STREET SIDE OF THE BUILDING MAY MAKE NOISE AUDIBLE WITHIN THE NEIGHBORING UNITS AND/OR EMIT LIGHT INTO THE NEIGHBORING UNITS AT ALL HOURS OF THE NIGHT.

14.2 <u>Disclaimer and Disclosure Regarding Sound Transmission</u>. THE PROJECT IS A HISTORICAL BUILDING AND WAS NOT CONSTRUCTED IN COMPLIANCE WITH MODERN BUILDING CODE REQUIREMENTS REGARDING SOUND INSULATION OR DECIBEL LEVEL. NOT ONLY IS THE PROJECT NOT SOUND PROOF, IT CONTAINS HISTORICAL BUILDING ELEMENTS THROUGHOUT, SUCH AS ORIGINAL OR HISTORIC WINDOWS AND/OR WINDOW FRAMES MARBLE

AND TILE FLOORING. CEILINGS AND ORIGINAL DOORS AND THE "EL DORADO" SIGN WHICH ALLOW THE TRANSMISSION OF SOUNDS AND MAY EVEN PROMOTE THE TRANSMISSION OF SOUNDS FROM OUTSIDE THE BUILDING AS WELL AS WITHIN THE BUILDING FROM OTHER UNITS AND COMMON AREAS. OWNERS LIVE IN CLOSE PROXIMITY TO EACH OTHER AND SHARE COMMON WALLS. FLOORS AND CEILINGS. THE PLUMBING, HVAC SYSTEM, STAIRWAYS, ENTRY AREAS, COURTYARD, GARAGE GATE AND ELEVATOR SYSTEMS WILL GENERATE NOISE. AIRBORNE AND IMPACT SOUNDS GENERATED BY OCCUPANTS WITHIN THEIR UNITS WILL BE HEARD. AIRBORNE SOUNDS MAY INCLUDE BUT NOT BE LIMITED CONVERSATIONS. INSTRUMENTS. MUSICAL AUDIO TELEVISIONS, NOISES FROM PIPES AND PLUMBING, AND THE LIKE. IMPACT SOUNDS MAY INCLUDE, BUT NOT BE LIMITED TO, FOOTFALL SOUNDS, DOOR CLOSING OR SLIDING. OBJECTS BEING DROPPED OR DRAGGED. ETC. OTHER SOURCES OF NOISE INCLUDE, BUT ARE NOT LIMITED TO, STREET SOUNDS AND ACTIVITIES ON NEIGHBORING PROPERTIES.

EACH OWNER ACKNOWLEDGES THAT THE BUILDING IS SITUATED IN AN INNER-CITY, URBAN PORTION OF DOWNTOWN LOS ANGELES, WITH A HIGH DENSITY OF RESIDENT AND WORKING POPULATIONS, WHICH GENERATES TRAFFIC, NOISE AND OTHER SIMILAR INCONVENIENCES TO A GREATER DEGREE THAN IN TYPICAL RURAL OR SUBURBAN RESIDENTIAL AREAS, AND THAT SUCH INCONVENIENCES DO NOT CONSTITUTE A NUISANCE OR BREACH BY ASSOCIATION.

- 14.3 <u>Disclosure Regarding Potential Development</u>. THERE IS NO GUARANTEE THAT ANY VIEW FROM ANY UNIT WILL NOT BE OBSTRUCTED AT A LATER DATE. PROPERTY IN THE NEIGHBORHOOD OF THE PROJECT MAY UNDERGO DEVELOPMENT OR REDEVELOPMENT AT ANY TIME INCLUDING AS A HIGH RISE, AND SUCH DEVELOPMENT OR REDEVELOPMENT OR LANDSCAPING CAN OBSTRUCT VIEWS FROM AND LIGHT INTO WINDOWS. IN ADDITION, DURING CONSTRUCTION ON THE NEIGHBORING PARCEL, ACCESS FROM SPRING STREET TO THE PARKING GARAGE MAY BE IMPACTED OR BLOCKED.
- 14.4 <u>Disclosure Regarding Window Guards or Window Limiters</u>. THE WINDOW GUARDS OR WINDOW LIMITERS INSTALLED ON THE WINDOWS HAVE BEEN INSTALLED FOR SAFETY AND MAY NOT BE REMOVED.
- 14.5 <u>Non-Vented Dryers</u>. ONLY NON-VENTED AND ELECTRIC CLOTHES DRYERS, APPROVED BY THE CITY OF LOS ANGELES BUILDING AND SAFETY DEPARTMENT OR ANY OTHER APPROPRIATE GOVERNING AGENCY AND IN COMPLIANCE WITH ALL APPLICABLE BUILDING CODES, MAY BE INSTALLED OR USED IN THE LAUNDRY AREAS IN THE UNITS.

- 14.6 <u>Disclosure Regarding Age of Building</u>. THE BUILDING IS A HISTORICAL BUILDING AND HAS HAD MANY USES AND SUFFERED DAMAGE OVER THE COURSE OF ITS HISTORY. STRUCTURAL STEEL AND BEAMS EXHIBIT SIGNS OF AGE AND YEARS OF PREVIOUS USE, SUCH AS BENDING, BOWING, WARPING, CURVATURE OR OTHER DAMAGE.
- 14.7 <u>Disclosure Regarding Mold</u>. OVER THE COURSE OF ITS HISTORY, THE BUILDING HAS HAD MANY USES, HAS SUFFERED FROM WATER DAMAGE AND NEGLECT, AND BEEN SUBJECT TO THE GROWTH OF MOLD. DURING THE APPROXIMATELY 25 YEAR PERIOD FROM 1998 UNTIL TODAY, ALL FLOORS WERE LEGALLY CLOSED AND WERE NOT IN USE. THE SECOND THROUGH PENTHOUSE FLOORS HAVE NOW BEEN REHABILITATED AS RESIDENTIAL LOFTS, WITH A PORTION OF THE SECOND FLOOR BEING A COMMERCIAL UNIT OR COMMON AREA AND ANY MOLD DISCOVERED IN THE REHABILITATION PROCESS HAS BEEN REMOVED AND REMEDIATED IN ACCORDANCE WITH APPLICABLE CODE REQUIREMENTS. OWNERS OF THE UNITS SHOULD BE WATCHFUL AND CAREFUL TO PREVENT THE RECURRENCE OF MOLD GROWTH IN THEIR UNITS.
- Α. Mold is a type of fungus, which occurs naturally in the environment and is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind, and is found everywhere life can be supported. Construction is not, and cannot be, designed to exclude more spores. If the growing conditions are right, mold can grow in any structure. Most people are familiar with mold growth in the form of bread mold, and mold that may grow on bathroom tile. In order to grow, mold requires a food source. This might be supplied by items found in buildings, such as fabric, carpet or even wallpaper, or by building materials, such as drywall, wood and insulation, to name a few. Also, mold growth requires a temperate climate. The best growth occurs at temperatures between 40°F and 100°F. Finally, mold growth requires moisture. Moisture is the only mold growth factor that can be controlled. By minimizing moisture, mold growth can be reduced or eliminated. Moisture in buildings can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of moisture. Good cleaning and maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours. All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reactions, including skin irritation, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Some experts contend that mold causes serious systems and diseases which may even be life threatening. However, experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may

be caused by mold. The Center for Disease Control states that a causal link between the presence of toxic mold and serious health conditions has not been proven.

Owners can take positive steps to reduce or eliminate the occurrence of mold growth in their property, and thereby minimize any possible adverse effects that may be caused by mold. The steps include the following: (1) Before bringing items into the building, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth. (3) Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth. (3) Keep the humidity in the building low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air, and to facilitate evaporation of water from wet surfaces. (4) Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand inside the building. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation. (5) Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors, and any visible signs of mold. (6) Should mold develop, thoroughly clean the affected area with a mild solution of bleach. First, test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, call on the services of a qualified professional cleaner. A copy of an information sheet prepared by the California Department of Health Services is available from the following website: http//wee.dhs.ca.govips/cleodc/ehibiehib2/topics/Moldhome%20Eng.html.

ARTICLE XV ENFORCEMENT

- 15.1 Remedy at Law Inadequate. Except for nonpayment of any Assessment, the remedy at law to recover damages for the breach, default or violation of any of the Governing Documents are hereby declared and agreed to be inadequate. Any such breach, default, or violation may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board, or by their respective successors in interest.
- 15.2 <u>Nuisance</u>. Without limiting the generality of the foregoing section, the result of every act or omission whereby any provision of this Declaration is violated is hereby declared to be a nuisance. Violation of any law, ordinance or regulation by any Owner, Tenant, resident, guest, invitee, agent or contractor which affects the health, safety, or

property rights of other Owners and/or residents is hereby declared to be a nuisance and a violation of this Declaration. Every remedy against nuisance, either public or private, shall be applicable against every such violation of law or the Declaration.

- 15.3 Costs and Attorneys' Fees. In any action brought because of any alleged breach or default of any Owner or Tenant of any Unit, the court may award to the prevailing party in any such action such attorneys' fees and other costs as the court deems just and reasonable. An Owner shall be responsible for attorneys' fees and costs incurred by the Association to cure the defaults respecting his or her Unit, including those of his or her Tenant(s) or of any guest, invitee, agent, or contractor thereof.
- 15.4 <u>Cumulative Remedies</u>. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or Tenant or others to perform or observe any provision of this Declaration.
- 15.5 <u>Failure Not a Waiver</u>. The failure of any Owner, the Association, or its Board, officers, or agents to enforce any of the provisions of this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

15.6 Rights and Remedies of the Association.

- A. <u>Rights Generally</u>. In the event of a breach or violation of any Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's Tenants, guests, employees, invitees, or contractors, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to, the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreational Common Area or suspension of the Member's voting rights (if allowed by law).
- B. <u>Schedule of Fines: Due Process</u>. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles or for failing to provide keys for Unit access in the event of an emergency). The Board shall distribute to each Owner, pursuant to Section 15.7 of the Bylaws, a schedule of the monetary penalties that may be assessed for those violations, or any changes thereto. Such fines may not be levied unless the Board first provides

written notice to the Owner, pursuant to Section 15.7 of the Bylaws, at least ten (10) days prior to the meeting to consider or impose discipline upon an Owner, and provides the Owner an opportunity for a hearing before the Board. The notice shall contain the date, time, and place of the meeting, the nature of the alleged violation for which the Owner is subject to discipline, and a statement that the Owner has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Owner being disciplined. No penalty or temporary suspension of rights shall be imposed pursuant to this Section unless the Owner alleged to be in violation is given, pursuant to Section 15.7 of the Bylaws, at least fifteen (15) days prior written notice of the penalty imposed or temporary suspension.

- C. <u>Disciplinary Action</u>. Notwithstanding the foregoing, under circumstances involving conduct that constitutes: (1) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners; (2) a traffic, life safety, or fire hazard; (3) a threat of material damage to, or destruction of, the Common Area or Association Property; or (4) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as parking violations), the Board or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the offending Owner, or on its own initiative, conduct a hearing as soon thereafter as reasonably practicable.
- D. <u>Rules Regarding Disciplinary Proceedings</u>. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules and shall provide for notices and procedures satisfying the alternative dispute resolution requirements of applicable law.
- E. <u>Court Actions</u>. Before initiating any court action seeking solely declaratory or injunctive relief to interpret or enforce the Governing Documents or declaratory or injunctive relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits for small claims court, the Association or Owner shall first comply with the provisions of applicable law relating to alternative dispute resolution, except in the case of an emergency in which immediate injunctive relief is necessary.
- F. <u>Rights Regarding Title Policies</u>. Without limiting any of the Association's rights and remedies, if any title claims regarding the Association Property are made by any third party, the Association shall have the power to pursue such claims on any title insurance policy held by the Owners or the Association and each Owner hereby delegates, on a non-exclusive basis, and assigns to the Association any rights it

may have under its title insurance policies to the extent that the title claim relates to the Association Property.

ARTICLE XVI AMENDMENT OF DECLARATION

- 16.1 <u>Amendment in General.</u> This Declaration may be amended by the vote or assent of fifty-one percent (51%) of the Voting Power of the Members as prescribed in the Bylaws, using voting procedures prescribed in the Bylaws or by law. The percentage of Owners necessary to amend a specific provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that provision.
- 16.2 <u>Effective Date of Amendment.</u> An amendment will be effective upon the Recording of a Certificate of Amendment, and the distribution of a copy of the Recorded amendment to each Owner. The Certificate of Amendment shall be executed by the President and Secretary of the Association, setting forth the amendment in full, and certifying that the approval requirements herein have been duly met.
- 16.3 <u>Amendment by Board.</u> Where permitted by the Davis-Stirling Common Interest Development Act or other applicable law, the Board may amend this Declaration to conform to current law, to remove restrictive covenants in violation of law, or otherwise. Any such amendment shall be approved by the Board in a duly held open meeting, and shall be conducted in strict accordance with applicable law.

ARTICLE XVIIGENERAL PROVISIONS

- 17.1 <u>No Public Rights.</u> Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Project to the general public or for any public use or purpose whatsoever.
- 17.2 <u>Survival of Association</u>. In the event the Association as a corporate entity is dissolved, then a nonprofit, unincorporated association shall automatically be deemed formed to succeed to all the rights and duties of the Association, all of which shall continue to be governed by the Governing Documents and applicable law.
- 17.3 <u>Notices.</u> Communications or notices of any kind required, permitted, or described herein shall be in writing, and may be served and delivered (unless otherwise provided by applicable law), as an alternative to personal service, by mailing same as

provided in the Bylaws. Notwithstanding, to the extent any document must be delivered by the Association by individual delivery or notice, whether required by law or as stated herein, effective delivery includes e-mail, facsimile, or other electronic means, if the recipient has consented to such delivery, in writing or by e-mail. Consent to electronic delivery may be revoked in writing, or by e-mail, by the recipient. (Civil Code § 4040(a)(2).)

- 17.4 <u>Failure of Mortgagee to Respond</u>. Any mortgagee and/or governmental agency who receives a written request from the Board to respond or consent to any action shall be deemed to have approved such action, unless the Association receives a written response within thirty (30) days of the date of the Association's request, provided such request is delivered to the mortgagee or agency by certified or registered mail, return receipt requested.
- 17.5 Alternative Dispute Resolution and Binding Arbitration. The purpose of this Section 17.5 is to provide an expedited means of resolving any claims, disputes and disagreements which may arise between Owner and the Association concerning the Property that are not resolved pursuant to any applicable statutory dispute resolution procedures (individually referenced to herein as "Dispute" and collectively as "Disputes"). If the Dispute cannot be resolved between the parties in this manner, it will be decided through the arbitration procedure as set forth below. Alternatively, an Owner or the Association may elect to resolve such Disputes through a small claims court proceeding. THIS PROCESS INVOLVES WAIVER OF THE RIGHT TO A JURY TRIAL. BY EXECUTING THIS DECLARATION AND BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, RESPECTIVELY, DECLARANT, EACH OWNER AND THE ASSOCIATION, AGREE TO BE BOUND BY THE PROVISIONS OF THIS SECTION 17.5.
- A. <u>Mediation</u>. Subject to the provisions below, and except for actions in small claims court or Disputes that have already been mediated, Owner and Association agree to submit any and all disputes to non-binding mediation before commencing arbitration. The cost of mediation shall be shared by the parties. Each party to the mediation shall bear its own attorneys' fees and costs in connection with such mediation.

B. Arbitration.

(1) <u>Agreement to Arbitrate</u>. The parties shall resolve any Dispute not resolved as provided above exclusively through binding arbitration in the County in which the Property is located. This arbitration provision shall apply to Disputes of any kind or nature regardless of when the Dispute first arose or the nature of the relief sought.

- (2) <u>Waiver of Trial by Judge or Jury</u>. By agreeing to resolve all Disputes through binding arbitration, the Association and each Owner give up the right to have their respective claims and defenses decided by a judge or a jury. All claims and Disputes shall instead be decided by the arbitrator.
- (3) Rules Applicable to All Cases. The arbitration will be conducted by Judicial Arbitration and Mediation Services ("JAMS") in accordance with the rules of JAMS in effect as of the initiation of the arbitration ("JAMS Rules"), as supplemented by this Addendum. The following supplemental rules shall apply to all arbitration proceedings and shall govern in the event of a conflict between the rules set forth below and the JAMS Rules.
- (4) <u>Qualifications of Arbitrators</u>. The arbitrator shall be neutral and impartial and either a retired judge or a member or former member of the California State Bar with at least 15 years experience as a practicing lawyer.
- (5) <u>Appointment of Arbitrator</u>. The arbitrator to preside over the Dispute shall be selected in accordance with the JAMS Rules, but no later than sixty (60) days after a notice of claim is filed.
- (6) <u>Venue</u>. The venue of the arbitration shall be in the county where the Project is located unless the parties agree in writing to another location.
- (7) <u>Preliminary Procedures</u>. If state or federal law requires the Association or an Owner to take steps or procedures before commencing an action in court, then the Owner must take such steps or follow such procedures, as the case may be, before commencing the arbitration. In addition, nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code Sections 5985 et seq.
- (8) <u>Participation by Other Parties</u>. The Association and an Owner, to the extent any such party is defending a claim in the arbitration, may, if it chooses, have all necessary and appropriate parties included as parties to the arbitration.
- (9) Rules of Law. The arbitrator must follow California substantive law (including statutes of limitations) but strict conformity with the rules of evidence is not required, except that the arbitrator shall apply applicable law relating to privilege and work product. The arbitrator shall be authorized to provide all recognized remedies available at law or equity for any cause of action.
- (10) <u>Attorneys' Fees and Costs</u>. Each party shall bear its own attorneys' fees and costs (including expert witness costs) in the arbitration.

- C. <u>Additional Rules Applicable to Certain Cases</u>. In any arbitration in which a claim exceeds \$250,000 in value, the following additional rules will supplement the JAMS Rules and govern in the event of a conflict between the following rules and the rules set forth above, the JAMS Rules, or both.
- (1) <u>Qualifications of Arbitrator</u>. The arbitrator shall be neutral and impartial and either a retired judge or a member or former member of the California State Bar with at least 15 years experience as a practicing lawyer.
 - (2) Rules of Law. The California Evidence Code shall apply.
- (3) <u>Written Decision</u>. Within thirty (30) days after the hearing is closed, the arbitrator must issue a written decision.
- (4) <u>Additional Discovery Rights</u>. In addition to the discovery rights provided for in the JAMS Comprehensive Arbitration Rules, the parties will have the following discovery rights:
- (a) <u>Inspection, Examination and/or Test</u>. The right to a reasonable inspection, examination and/or test of any site, defect, personal injury or property damage relevant to any claim;
- (b) <u>Deposition of Opposing Party</u>. The right to take one deposition of each opposing party for up to four hours. The deposition of a person designated by an entity or organization as most knowledgeable, or an individual officer or employee of an entity or organization, shall count as the deposition of a party which is not a natural person.
- (c) <u>Deposition of Expert Witnesses</u>. The right to take the deposition of each expert witness designated by an opposing party for up to 4 hours.
- (d) <u>Additional Depositions</u>. The arbitrator shall have discretion to allow additional depositions and longer depositions upon a showing of good cause.
- D. <u>Procedure for Appeal of Certain Cases</u>. In any arbitration in which a claim or arbitration award exceeds \$500,000 in value, Owner and Association hereby adopt and agree to the JAMS Optional Appeal Procedure. The following additional rules will supplement the JAMS Optional Appeal Procedure and govern in the event of a conflict between the following rules and the JAMS Optional Appeal Procedure.

- (1) <u>Right of Appeal</u>. There shall be no right to appeal unless the oral evidence received by the arbitrator was preserved in a manner such that it can be converted to an accurate and reliable written transcript.
- (2) Appellate Panel. An appeal shall be decided by one (1) neutral appeal arbitrator unless either party, within the time permitted for the appointment of the appeal arbitrator, elects to have the appeal decided by a panel of three (3) appeal arbitrators. Any party who elects to have an appeal decided by a panel of three (3) appeal arbitrators agrees to be solely responsible for the cost of having two (2) additional appeal arbitrators. The sole appeal arbitrator, or at least one member of any panel of three (3) arbitrators, shall have prior experience as a member of an appellate panel of the California Court of Appeal.
- (3) <u>Issues on Appeal</u>. The only issues that may be considered on appeal are: (1) the award of money was excessive; (2) the award of money was insufficient; (3) the arbitrator awarded non-monetary relief that was inappropriate; (4) a party who received non-monetary relief should have received other or additional relief. A majority of the appeal arbitrators may affirm the arbitration award or make any alternative reward they find to be just, but they must not reject the arbitrator's decisions (a) that a particular party is entitled to relief of some nature or amount or (b) that a particular party is responsible to provide relief of some nature or amount.
- (4) Expenses and Costs on Appeal. The party who files the appeal must, at its sole expense, provide JAMS and all non-appealing parties with a certified copy of the hearing transcript, and must provide JAMS with copies of all documentary evidence and all other tangible evidence received by the arbitrator. If more than one party appeals, the appealing parties must share equally the cost of the transcript and copies of all other documentary and tangible evidence received by the arbitrator. The appeal arbitrators may, within thirty (30) days of their determination, award costs of the nature provided in the Federal Rules of Appellate Procedure.
- (5) <u>New Evidence</u>. The appeal arbitrators must not receive new evidence. The appeal arbitrators must make their decision based only on the evidence that was presented to the arbitrator, except that the appeal arbitrators may visit any site involved in that Dispute.
 - E. Agreement to Arbitrate and Waiver of Jury Trial.
- (1) <u>ARBITRATION OF DISPUTES</u>. BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, EACH OWNER AND THE ASSOCIATION AGREE TO HAVE ANY DISPUTE DECIDED BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA

ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS CONSISTENT WITH THE FEDERAL ARBITRATION ACT, AND ASSOCIATION, OWNER AND THE DECLARANT ARE GIVING UP ANY RIGHTS DECLARANT, OWNER AND THE ASSOCIATION MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. DECLARANT, OWNER AND ASSOCIATION ARE GIVING UP THEIR RESPECTIVE JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SECTION 17.5. IF DECLARANT, ANY OWNER OR THE ASSOCIATION REFUSED TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT, TO THE EXTENT THE CALIFORNIA ARBITRATION ACT.

- (2) WAIVER OF JURY TRIAL. IN THE EVENT FOREGOING ARBITRATION PROVISION IS HELD NOT TO APPLY OR IS HELD INVALID, VOID OR UNENFORCEABLE IN ITS ENTIRETY FOR ANY REASON, ALL DISPUTES SHALL BE TRIED BEFORE A JUDGE IN A COURT OF COMPETENT JURISDICTION WITHOUT A JURY. THE JUDGE IN SUCH COURT OF COMPETENT JURISDICTION SHALL HAVE THE POWER TO GRANT ALL LEGAL AND EQUITABLE REMEDIES AND AWARD COMPENSATORY DAMAGES. ASOCIATION, EXECUTING THIS DECLARATION, AND EACH OWNER AND THE ASSOCIATION BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, HEREBY WAIVE AND COVENANT NOT TO ASSERT THEIR CONSTITUTIONAL RIGHT TO TRIAL BY JURY OF ANY DISPUTES, INCLUDING BUT NOT LIMITED TO, DISPUTES RELATING TO CONSTRUCTION DEFECTS, MISREPRESENTATION OR DECLARANT'S FAILURE TO DISCLOSE MATERIAL FACTS. THIS MUTUAL WAIVER OF JURY TRIAL SHALL BE BINDING UPON THE RESPECTIVE SUCCESSORS AND ASSIGNS OF SUCH PARTIES AND UPON ALL PERSONS AND ENTITIES ASSERTING RIGHTS OR CLAIMS OR OTHERWISE ACTING ON BEHALF OF ANY OWNER, THE ASSOCIATION OR THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.
- F. <u>Final and Binding Award</u>. The decision of the arbitrator or, if an appeal is hear, the decision of the appeal arbitrators, shall be final and binding. A petition to confirm, vacate, modify or correct an award may be filed in any court of competent jurisdiction in the county in which the Property is located, but the award may be vacated, modified or corrected only as permitted by the Federal Arbitration Act.
- G. <u>Severability</u>. In addition to and without limiting the effect of any general severability provisions of this Declaration, if the arbitrator or any court determines that any provision of this Section 17.5 is unenforceable for any reason, that provision shall be severed, and proceedings agreed to in this Section 17.5 shall be conducted under the remaining enforceable terms of this Section 17.5.

IN WITNESS WHEREOF, the undersigned executed this Amended and Restated Declaration of Covenants, Conditions and Restrictions this 26 day of MARCH ..., 2025.

EL DORADO ON SPRING PROPERTY OWNERS' ASSOCIATION

By: President

Doshua GRAY-EMMER

Print Name

By: Secretary

CERTIFICATE

I, the undersigned, the duly elected and acting Secretary of El Dorado on Spring Property Owners' Association, a California non-profit mutual benefit corporation, do hereby certify that the foregoing AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS were duly approved and adopted by the membership of El Dorado on Spring Property Owners' Association by secret ballot vote pursuant to the requirements of the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000-6150) on DECEMBER 13, 2024; that same were duly approved by eligible first mortgagees of separate interests in the community required by the Original Declaration, as amended or restated; and that the same do now constitute the AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS of the Association.

This Certificate is executed under penalty of perjury on MARCH 26, 2025,

in LOS ANGELES, California.

Andrew Jonathon Taylor

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate document to which this certificate is attached, and not the	verifies only the identity of the individual who signed the truthfulness, accuracy, or validity of that document.
State of California) County of LOS ANGELES)	
,	
	NE BERTELLOTTI NOTARY PUBLIC,
Date personally appearedANDREW JONATHO	Here Insert Name and Title of the Officer ON TAYLOR, JOSHUA GRAY-EMMER
	Name(s) of Signer(s)
subscribed to the within instrument and acknowled	vidence to be the person(s) whose name(s). is are dged to me that he she they executed the same in the their signature(s) on the instrument the person(s), ed, executed the instrument.
of	certify under PENALTY OF PERJURY under the laws the State of California that the foregoing paragraph true and correct.
SIMONE BERTELLOTTI COMM. #2492432	ITNESS my hand and official seal.
Place Notary Seal Above	Signature of Notary Public ONAL
	formation can deter alteration of the document or
Description of Attached Document	
Title or Type of Document:	
	Number of Pages:
Signer(s) Other Than Named Above:	
Capacity(ies) Claimed by Signer(s)	
Signer's Name:	Signer's Name:
☐ Corporate Officer — Title(s):	☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General ☐ Individual ☐ Attorney in Fact	☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other:	Other:
Signer Is Representing:	Signer Is Representing:

EXHIBIT "A"

ASSESSMENT ALLOCATIONS

1. The Following Budget (Joint) items are assigned to Residential Units and Commercial Units (Commercial Retail Units) based on Square Footage as follows:

Allocation To Budgets:

	(2.42.2)	
Residential Units	71,084	83.59% Residential
Commercial Units	13,950	<u>16.41%</u> Commercial
Totals	85,034	100.00%

Area (SQFT)

Operating Costs:

Insurance

Landscape Area

Reserve Study

Minor Repairs

Pest Control

Window Washing

Reserves:

Stucco — Exterior Paint

Exterior — Concrete

Roof — Built up Flat

Interior Common Paint — Residential/Commercial

Exterior / Outdoor / Walkways Lights

Interior Common Lights — Residential & Commercial

Concrete Floors — Lobbies — Residential & Commercial

Concrete Floors — Stairways — Residential & Commercial

Concrete Floors — Trash Room — Residential & Commercial

Concrete Floors — Fire Control Room — Residential & Commercial

Concrete Floors — Fire Pump Room — Residential & Commercial

Concrete Floors — Signal Room — Residential & Commercial

Concrete floors — Gas Meter Room — Residential & Commercial

Concrete Floors — Fuel Storage — Residential & Commercial

Concrete Floors — Mechanical Rooms — Residential & Commercial

Concrete Floors — Electrical Room — Residential & Commercial

Tile Floors — Mail Room

Wrought Iron Fences — Paint / Stain

Wrought Iron Fences — Repair / Replace

Sump Pumps

Landscaping — Common Areas

Fire Extinguisher

Stair & Other Fire / Smoke Control Fans Alarm Systems

2. The Following Budget (Joint) items are assigned to Residential Units and Commercial Units (Commercial Retail Units) based on the number of Units as follows:

	No. of Units	Allocation To Budgets:
Residential Units	65	90.28% Residential
Commercial Units	7	9.72% Commercial
Totals	72	100.00%

Operating Costs:

Corporation Franchise Taxes

Management 1

Legal Services

Accounting

Education

Miscellaneous, Office expense

Reserves:

Cluster Mailboxes

3. The Following Budget (Joint) items are assigned to Residential Units and Commercial Units (Commercial Retail Units and Commercial Parking Units) based on the Budget's Worksheet calculations (see pages 10, 11, 12 & 13 of 15 of the Budget).

Operating Costs:

Electricity

Gas

Water

Reserves:

No item was allocated using this method

4. The following Budget (Joint) items are assigned to Residential Units and Commercial Units in the following ratios:

	% Of Allocation
Residential Units	60.00%
Commercial Units	40.00%
	100.00%

Operating Costs:

Local License & Inspection Fees

Elevators

Elevators Phone Lines

Reserves:

Traction Elevators

Trash Elevator — Traction

5. The Maintenance Cost of Driveway are assigned to Residential Units and Commercial Units based in the following ratios:

	% Of Allocation
Residential Units	50.00%
Commercial Units	50.00%
	100.00%

6. The following Budget (Joint) items are assigned to Residential Units and Commercial Units based in the following ratios:

	% Of Allocation
Residential Units	66.67%
Commercial Units	33.33%
	100.00%

Operating Costs:

Heating & Air Conditioning Maintenance

Roof Annual Inspection Fee

Emergency Generator Inspection / Testing

Alarm / Fire Sprinkler; Fire Extinguisher Testing / Maintenance

Building Mechanical Services

Security Guards Contract

Reserves:

Cooling Towers & Related Components — Joint

Domestic Water Pumps

Cameras / Security Systems

Heat Exchangers / Heating Systems / Residential & Commercial

Emergency Generator & Components

Chiller Water Pumps

Cool Water Pumps

7. The following Budget (Joint) items are assigned to Residential Units and Commercial Units based in the following ratios:

% Of Allocation

Residential Units 33.33%
Commercial Units 66.67%

100.00%

Operating Costs:

Custodial Area: Canopies — Joint Use

Refuse Disposal — Residential and Commercial

Trash Chutes / Compactor Maintenance

Reserves:

Canopies

Trash Compactor

8. The Following Budget (Joint) items are assigned exclusively to Residential Units:

Operating Costs:

Custodial Area: Residential

Access Control: Intercoms/Telephone Entry

Reserves:

Interior Paint — Common — Residential Only

Interior Lights — Common Areas — Residential Only

Concrete Floors — Corridors / Hallways

Concrete Floors — Lobbies - Residential

Concrete Floors — Trash Rooms — Residential

Concrete Floors — Stairways — Residential

Concrete Floors — 2 Exterior Walkways

Concrete Floors — Electrical Room — Residential

Boilers for Mechanical Heating

Circulating Pumps

Common Water Heaters for Domestic Water

Exhaust Fans — Residential

Water Tank

Signs

Air Handler (Air Conditioner)

9. The Following Budget (Joint) items are assigned exclusively to Commercial Units:

Operating Costs:

No item was allocated using this method

Reserves:

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Interior Paint — Common — Commercial Only Skylights
Concrete Floors — Stairways — Commercial
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10. Roof Deck associated costs (Roof Deck Cost Center) are assigned exclusively to Unit 1205 (12A), 1206 (12B), 1207 (12C) and 1209 (12E)

EXHIBIT "B" MAINTENANCE RESPONSIBILITY CHART

Each Owner is responsible for the maintenance, repair and replacement of all elements of the Units, except as otherwise set forth below or in the Governing Documents. The Association is responsible for all of the maintenance, repair and replacement of the Association Property and the Common Area. Notwithstanding the foregoing, in the event of a casualty, the Association shall repair and replace all items covered by the Association's insurance. The Owner Maintenance Manual and the Association Maintenance Manual may also expand on the scope of the maintenance responsibilities set forth below.

IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY						
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave
The interior of the Unit including, without limitation, all appliances, water heaters, cabinets, plumbing fixtures and all other items within the Unit, whether freestanding or built-in	0	0	0	0	0	O (If applicable)	N/A
Utility Facilities and equipment which exclusively service the Unit whether located in the Unit, the Common Area or the Association Property	N/A	0	0	0	N/A	N/A	N/A
Windows enclosing a Unit, including metal frames, tracks and exterior screens of glass doors and windows	Ο	0	0	0	A (exterio r of the window frame only)	N/A	N/A
Doors enclosing an Owner's Unit	0	0	0	0	0 to paint interior A to paint exterior	N/A	N/A
The Exclusive Use Roof Deck/Balcony Areas (excluding any Improvements located within such areas.	0	0	0	N/A	A O to paint interior A to paint exterior	O to resurface interior A to resurface exterior	N/A

IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY						
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave
Exterior fixtures including light fixtures, photocells and light bulbs not servicing the balcony and roof deck of the Residential Unit	A	A	Ā	A	A	N/A	N/A
Exterior fixtures including 1 light fixtures, photocells and light bulbs servicing the balcony and roof deck of the Unit	0	0	0	0	0	N/A 1	N/A
The individual lock for the Unit's applicable mailbox (subject to Postal requirements)	0	0	0	0	N/A	N/A	N/A
Established system of drainage within the Owner's Exclusive Use Easement Areas	0	0	0	0	N/A	0	N/A
All Common Areas including without limitation, lobbies and hallways except for any Exclusive Use Easement Areas as provided herein	A	A	A	A	A	A	A
Association Property such as roof, structural components, bearing walls, foundations, private streets and access easements and driveways, Easement for Unobstructed Openings, skylights landscaping, open spaces situated within the Association Property except for any Exclusive Use Easement Areas as provided herein.	A	A	A	A	A	A	A
All Utility Facilities serving two or more Condominiums, and all private Utility Facilities whether located in the Association Property or Common Area	N/A	A	A	A	N/A	N/A	N/A
Mailboxes (excluding locks on individual mailboxes)	A	A	A	A	A	N/A	N/A

IMPROVEMENT	MAINTENANCE OBLIGATION & RESPONSIBLE PARTY						
	Clean	Maintain	Repair	Replace	Paint	Resurface	Repave
Walls and railings on Association Property that do not enclose a Unit's Exclusive Use Easement Area	A	Α	A	Α	A	N/A	N/A
Water Heater- Cooling Towers Servicing Common Area or Association Property	A	A	А	A	N/A	N/A	N/A
Fire Alarms in Common Area	N/A	А	Α	А	N/A	N/A	N/A
Carpet Runner in Hallways	Α	Α	Α	Α	N/A	N/A	N/A
Elevators	Α	Α	Α	Α	Α	A	N/A
Fire Doors and Extinguishers	Α	А	Α	Α	Α	N/A	N/A
Smoke Evacuator Equipment	Α	Α	Α	А	N/A	N/A	N/A
Generators and Fuel	Α	Α	Α	Α	Α	N/A	N/A
Sump Pumps	Α	Α	Α	Α	Α	N/A	N/A
Door Entry Systems	Α	Α	Α	Α	Α	N/A	N/A
Roof Safety Rails	Α	Α	Α	Α	Α	N/A	N/A
Porte Cochere	Α	Α	Α	Α	Α	Α	Α
Canopy to Garage	Α	Α	Α	Α	N/A	N/A	N/A