

LUMA HOMEOWNERS ASSOCIATION REMODELING AGREEMENT
LUMA HOMEOWNERS ASSOCIATION
REMODELING AGREEMENT

_____ Owner as ("Owner") of Unit # _____ ("Unit") wishes to remodel/redecorate and/or make improvements or alterations to his or her Unit.

OWNER AGREES as follows:

1. Scope of Work

All proposed alterations shall be submitted for review and approval. Upon written approval by the Architectural Review Committee, the approved scope of work shall constitute the "Project." All necessary Building Department permits shall be obtained prior to the commencement of the Project. No work shall be done except when written approval from the Architectural Review Committee has been received.

2. Deposit

Owner shall provide the Association with a deposit ("Deposit") to be determined by the Architectural Review Committee Chairman and the General Manager. The Deposit will be used to offset expenses incurred by the Association including, but not limited to, damage to the Association's common areas, as well as fines and penalties. As fees are charged against the Deposit, Owner shall replenish the Deposit. The Deposit shall not restrict the amount of monies the Association may charge against Owner for reimbursement of expenses incurred by the Association or penalties assessed against owner related to the Project. If the Deposit is not sufficient to cover all reimbursements, damages, and/or fines, Owner shall be special assessed for the difference which shall be collected as provided for in the CC&Rs, including lien and foreclosure. The remainder of the Deposit, if any, shall be returned upon satisfactory completion of the Project. Deposit will not be refunded until we receive the building and safety sign-off.

3. Reimbursement of Expenses

Owner shall reimburse the Association for all costs and expenses incurred by the Association related to the presentations, approval and completion of the Project, including consulting, inspection and attorneys' fees.

4. Compliance with Architectural Standards

Owner acknowledges receipt of the Association's Architectural Standards including Plan Requirements and Contractor Rules. Owner shall ensure that all contractors and subcontractors receive a copy of the Association's Contractor Rules and abides by them. Owner acknowledges they are liable and wholly responsible for work performed by their contractor(s).

5. Liability for Damage

Owner assumes liability for injuries to persons and/or property damage to common areas or other units arising out of the Project. If the damage is not repaired in a timely manner, the Association may make the repairs and deduct the expenses from the Deposit and/or special assess the Owner.

LUMA HOMEOWNERS ASSOCIATION REMODELING AGREEMENT

6. Liability for Mitigation

Owner assumes liability for all expenses incurred by the Association mitigating damage to the common areas and/or other Units arising out of the Project. Such expenses shall be deducted from the Deposit and/or become a reimbursement special assessment against the Owner.

7. Concealed Conditions

All *Building and Fire Code* violations and/or deficiencies discovered during the course of the Project shall be reported to the Association and shall be corrected at Owner's sole expense, whether such conditions are found in the Unit or the common areas surrounding the Unit. Contractors must walk through with the Building engineer to go over repairs and alterations to be made prior to the start of construction.

8. Licensed and Insured Vendors

Only licensed and insured construction managers, contractors, subcontractors and vendors shall make alterations to, direct alterations to, oversee alterations to, or make decisions affecting the Association's common areas. Each must carry *Workers' Compensation Insurance* and *Commercial General Liability Insurance*. Even if they are licensed and insured, they may be

banned from the building, if in the opinion of the Board; they are unreliable, unsafe or establish a pattern of violating the Association's rules or standards. All contractors' employees and helpers must provide a valid California identification.

9. Inspections

The Association shall have the right, but not the obligation, to periodically inspect the Project without prior notice. Owner agrees to allow inspections and agrees the Project shall be halted and Owner fined \$500.00 every time an inspection is not allowed. Such inspections do not relieve Owners from their duty to comply with the Association's Architectural Standards and all applicable Building and Fire Codes.

10. Compliance with Code

Owner shall ensure that all work and materials related to the Project will comply with all applicable Building and Fire Code. Owner shall obtain all necessary permits required by the governing agencies to perform the work.

11. Water and Utility Shut-Offs

Water and utility shut-offs to the unit shall be coordinated with the building's Chief Engineer.

12. No Floor or Structural Ceiling Penetrations

Owner understands that Luma is a post-tensioned concrete structure and warrants that NO CORING, CUTTING, CHIPPING, TRENCHING OR PENETRATIONS of the floor slabs or structural ceiling shall be made. Owner further understands and agrees that violation of this provision will result in substantial fines, suspension of all work in the unit, immediate repairs at Owner's expense, and significant daily fines until such repairs are completed.

13. Hardwood, Tiles, Stone Flooring

Hard-Surfaced floors are permissible and must be installed using proper acoustical insulating materials so as to avoid noise problems with sound transfer. Make sure your installer knows that he or she needs to meet a 52 dB FIIC rating. The manufacturers can supply your installer with the specifications they need for installing the materials. Please make sure your installer accounts for these in his or her bids. If hard surface floor is not installed to the appropriate sound proofing level, owner may be required to carpet over or remove floor.

14. Diligent Construction

The project must be completed within the agreed schedule presented with the application from the Architectural Review Committee approval of the Project. Extensions may be granted at the Board's discretion for delays caused by strikes, fires, holidays or other events beyond Owner's control. If the Project is not completed within the agreed time frame and no extensions have been granted, FINES SHALL ACCRUE at the rate of \$300.00 per day until the Project is completed. If work has not begun within two (2) months of the approval, the approval shall expire.

LUMA HOMEOWNERS ASSOCIATION REMODELING AGREEMENT

15. Incomplete or Inadequate Work

If the Project is incomplete or is completed in such a manner that common areas are adversely affected, the Association may correct the problem and deduct the cost from the Deposit and/or special assess the Owner for reimbursement, or take legal action to have the problem corrected.

16. No Mechanics Liens

Owners agree to indemnify and hold harmless the Association and its members against liability or loss arising from mechanics liens resulting from work on the project.

17. Indemnity

The Association's consent to the Project shall not give rise to any liability by the Association or its representatives. Owner agrees to indemnify, hold harmless and defend the Association and its officers, directors, employees and agents from claims arising from the Project or its approval by the Association. This indemnity shall survive the termination of this Agreement.

18. Enforcement Provisions

The Association shall have the authority to impose monetary penalties, suspend work as well as workers' access to the Project, cure the violation or repair the damage and special assessment for reimbursement, and take such other action as may be allowed by law. Unless otherwise provided for in this Agreement, minor violations of the Association's rules may result in monetary penalties up to \$5,000.00. Failure to comply or to restore conditions shall result in additional fines up to \$1,000.00 per month. Serious violations or actions endangering the health, safety, or welfare of residents, Association employees or guests will result in larger monetary penalties

and/or expulsion of workers from the building.

19. Dispute Resolution

Except for injunctive relief, any dispute arising out of the Project and/or this Agreement shall be resolved by final and binding arbitration before a retired Superior Court judge ("Arbitrator"). The trial shall be commenced, if possible, within three (3) months from the date the matter has been submitted to the Arbitrator. Should any party refuse to or neglect to appear or participate in the arbitration proceedings, the Arbitrator shall decide the controversy in accordance with whatever evidence is presented. The fees necessary to initiate the arbitration shall be remitted by the requesting party. The prevailing party shall be awarded reasonable attorney's fees and costs. In the event the Association is prevailing party, such fees and costs shall become a reimbursement special assessment against the Owner. Judgment on the Arbitrator's award may be entered in any court having jurisdiction.

Owner's Signature _____

Date _____